



KEY ASPECTS

Aspect	RenDanHeYi (RDHY)	SAFe
Main goal of the framework	Enabling organizations to constantly realign around customer outcomes through distributed entrepreneurial teams and centralized supporting services.	Enabling enterprises to achieve the business agility needed to successfully respond to volatile market conditions, changing customer needs, and emerging technologies
Organizational scope	The entire organization. Business units and functions are reimagined as a loosely coupled network of semi-autonomous teams. Gradually applied to all customer-facing and internally-facing areas across the business.	Individual teams and teams of teams at growing levels of aggregation up to the entire enterprise. Most often applied in IT functions. In principle, business-centric and other functions can be included.
Central guiding principles	Zero Distance / Paid used salaries / Microentrepreneurial teams with P&L / Entrepreneurs, not employees / Order bidding / Bureaucracy busting / No hierarchies	Agile and Lean according to the principles above, in line with the seven core competencies of Lean-Agile Leadership / Team & Technical Agility / Agile Product Delivery / Enterprise Solution Delivery / Lean Portfolio Management / Organisational Agility / Continuous Learning Culture
Foundational requirements / assumptions	The RenDanHeYi assumes that employees should act entrepreneurially with both upsides and downsides, units should have a distinct P&L with ample space for freedom, value exchange should be tracked, bureaucracy should be minimized, command and control should be broken down.	In line with its principles, SAFe organizes around value, funds are assigned to value streams (and not Projects), agile teams and ARTs are empowered with autonomy, work is managed and planned according to an Inspect & Adapt fashion.
Core organizational constructs	For the RDHY: Micro Enterprises (MEs), Ecosystem Micro-Communities (EMCs), Strategy, Investments, and Industry Platforms (IPs), Investments and VAMs (Valuation Adjustment Mechanisms), Shared Service Platforms (SSPs), Order/Bidding, Value-added sharing, Talent Pool, Stage-gated incorporation, Tracking value exchange, Operational reputation.	How do they translate in SAFe? Agile Teams, Agile Release Train (ARTs), Solution Trains, Strategy, Investments, and Industry Platforms (IPs), Shared Service Platforms, Planning, Order/Bidding for service delivery, Value-added sharing, Talent Pool, Stage-gated incorporation, A VAM does not exist in SAFe, Tracking value exchange, Operational reputation.
What is centralised / decentralised	The CEO, the Board of Directors, and SSPs are centralized structures. The first two provide long-term guidance and responsibility plus architectural leadership (design and evolution of the model). The latter provides standard, consistent services to all MEs. Everything else, including strategy (through Industry Platforms), is largely decentralized.	Portfolio management and high-level indications about the way of working (such as Lean Portfolio Management, Agile Program Management Office, etc.) are more centralized. Solutions and ARTs are given significant autonomy in terms of how to deliver value against priorities that have been, nonetheless, decided outside of and infused in them.
How business agility happens	By empowering (investing in) thousands of entrepreneurial units to constantly sense and react to the external and internal environment, get rid of organizational/technological debt, and constantly launch new ventures.	In SAFe, business agility could happen at the Portfolio level through Lean Portfolio Management, at the Solution level through the engagement of all the stakeholders, at the ART and team level through Design Thinking / Lean Start-up principles. SAFe promotes itself as a framework for business agility. The business and business strategy should ideally be active players, again following the lean concept of "Inspect & Adapt".

CORE ARTIFACTS

Key 3EO/Rendanheyi Artifacts	How such artifacts and constructs translate into SAFe	Additional notes regarding the translation
Micro Enterprises (MEs). Driven by the need for greater autonomy, since 2013, Haier embraced the Micro-enterprise (ME) as its foundational organizational unit based on three essential rights: the right to make decisions, the right to hire talent, and the right to distribute compensation. The Micro-enterprise is an entrepreneurial, largely independent unit that owns its own profit & loss statement, and it is created by employees. Micro-enterprises are conceptually divided into User MEs (customer-facing) and Node MEs (providing services to other Micro-enterprises - or enterprises more in general).	Agile Teams. Agile teams (circa ten members) are SAFe's foundation. They can be technical teams, business teams, or a mix of both. Ideally, agile teams are self-organizing, cross-functional, and can deliver end-to-end value. SAFe applies team concepts from " Team Topologies ." Following this approach, different types of teams are possible: stream-aligned teams around the flow of work for the customer or user, complicated subsystem teams around specialized subsystems requiring vertical expertise, platform teams offering standard services to other teams, enabling teams with dedicated capabilities, especially around new technologies.	Agile teams don't have a distinct Profit & Loss responsibility, and they're not necessarily autonomous in delivering a value proposition, due to the need for alignment, synchronization, and collaboration among multiple teams. The allocation of individuals to agile teams, the decision about the service to focus on, and value-sharing considerations among members all go beyond the freedoms assigned to SAFe's teams.
Ecosystem Micro-Communities (EMCs). The concept of EMC was born as an open and dynamic structure to facilitate ME-to-ME collaboration, value co-creation, and win-win situations. An EMC is committed to breaking silos between Micro-enterprises in ways that are more granular than what an Industry Platform would do. EMCs create ME ecosystems that increase horizontal work between otherwise loosely coupled units by establishing a common goal around specific "user scenarios." They're dynamic contracts led by one ME (or, better, by one employee representing the ME, the EMC owner). EMCs also come in "two flavors": an "Experience EMC," more focused on improving the user experience, and a "Solution EMC" providing enabling services to the Experience EMC. Once an EMC is started, any ME or external company that feels able to add value can 'bid' by developing a proposal that shows in detail how they mean to contribute to the realization of the scenario, lists the resources needed to achieve the goal, and states the share of profits (or other benefits) they would require for participating to the EMC.	Multi team structures: Agile Release Trains and Solution Trains. Agile Release Train. (ARTs, also see above). It's a set of agile teams and supporting roles & services that form a "team of teams." Ideally, ARTs have all the skills and services required to deliver end-to-end value independently. The size of an ART is limited to 125 members, taking Dunbar's number as a threshold. Solution Trains (also see above). Multiple ARTs collaborate together to build and deliver value through Solution Trains. A Solution Train is essentially a "team of ARTs" with a common focus and all the ARTs, roles, and services required to deliver end-to-end value on it. It may include both customer-focused and internally-focused ARTs. EMC contracts are not a SAFe framework concept. SAFe does not prescribe any contractual / agreement for collaboration or revenue sharing.	The emergent, self-management, many-to-many relationships orchestrated by EMCs remain quite hard to handle even through a SAFe's Solution Train. The contractual nature of EMC contracts is very effective at stipulating the precise commitment in terms of services, quality, and value sharing that multiple internal and/or external actors (teams) will put into a customer-driven scenario. All these aspects would be hard to formalize in SAFe. Participatory budgeting at the value stream level is an attempt at distributing and homogenizing investments across value streams. Budget allocation to EMCs is somewhat similar, but it happens from the bottom up, from the EMC to the company (Industry Platform), and it is mediated by an EMC leader.
Strategy, Investments, and Industry Platforms (IPs). The key mission of Industry Platforms is to ensure the strategic and harmonized alignment of MEs providing similar products and services. Platform owners coordinate Industry Platforms and normally have very small teams. They should be considered more as "coordination" than "production" entities. Industry Platforms support their internal clients with services that range from strategy to investments for the creation of new MEs on the basis of a Valuation Adjustment Mechanism (VAM) aimed at creating above-industry-average commissions and profits. In the 3EO/RenDanHeYi, Strategy is a hybrid, top-down, and bottom-up process as part of which Industry Platforms set broad, high-priority directions while MEs and EMCs have the freedom to innovate and deliver value in the scope of those directions. It is Industry Platforms that autonomously (within their area of activity) manage the portfolio, allocate budgets, evaluate progress, and apply the necessary amendments by investing in MEs and EMCs, in accordance with pre-negotiated agreements (VAMs and EMC contracts).	Strategy, Investments, and Industry Platforms (IPs). In SAFe, a central group of executives, business owners, and architects manages strategy, budgets, and portfolios as part of the Lean Portfolio Management work . Industry Platforms-like structures are not formally part of SAFe. One approach to reproduce them would be to form "Solution Trains" based on their focus/topic of interest (e.g., a "Smart Home" platform solution train or an "Internet of Food" one). Such a platform solution would contain all the ARTs & Agile Teams (then EMCs and MEs) required to deliver solutions in that space (e.g., Internet of Food). However, in SAFe, Solution Trains are formally codified organizational units. ARTs and Agile Teams would be embedded into them. A second option would be leveraging the CoP (Community or practice) model. In SAFe, these can run from purely opt-in temporary communities to more formalized domain/topic area groups. As such, an industry platform could be formed as a cross-team/ART "community" - e.g., a "Smart Home community." Still, neither COPs nor Solution Trains would get responsibilities for strategy, budgeting, or portfolio management responsibilities. A transition from having a Project Management Office to a Value Management Office could help to distribute accountability for Portfolio Management while maintaining common patterns, measures, and reporting across the portfolio. SAFe also takes advantage of Participatory Budgeting, a specific event through which stakeholders from multiple streams decide how to assign the available budget across solutions.	Neither COPs nor Solution Trains would get responsibility for strategy, budgeting, or portfolio management responsibilities. A transition from having a Project Management Office to a Value Management Office could help to distribute accountability for Portfolio Management while maintaining common patterns, measures, and reporting across the portfolio. SAFe also takes advantage of Participatory Budgeting (see also above), a specific event through which stakeholders from multiple streams decide how to assign the available budget across solutions.
Investments and VAMs (Valuation Adjustment Mechanisms). The VAM-contract-mechanism is an investment agreement that normally defines (1) the ME's objectives in terms of direct market performance (company value - the value accrued inside the entity), (2) the ME's objectives in terms of addressed ecosystem value and performance (network value - the value enabled for the ecosystem), (3) how the ME will receive support for the basic living expenses in the constitution phase, (4) the mechanisms to let employees access an option pool to incentivize more "skin in the game", (5) the mechanism for exit or dissolution.	No such construct in SAFe	While VAMs or VAM-like concepts are absent in SAFe, Participatory Budgeting can be leveraged to distribute funds among multiple value streams. Still, the VAM isn't created as a collective process but through an agreement between a single node (such as the ME) and the company (The Industry Platform). It also includes precise stipulations such as inflection points, targets (also in financial terms), and conditions that can unlock value sharing to employees (such as profit sharing, or access to equity) that are missing from Participatory Budgeting.
Shared Service Platforms (SSPs). Shared Services Platforms are often former functional departments (e.g., HR, IT, Legal, Finance, etc.) transformed into a common platform that provides services to user MEs and node MEs. Shared Services Platforms are also made up of MEs. Their function has changed from management to the provision of services to other parties, and their structure has gone from silos to enabling platforms. MEs composing the SSP are normally divided according to functional expertise or geography (for example, an HR SSP may have a Digital HR Micro Enterprise inside it, or a Sales SSP may include a Sales ME specific for a certain region).	Shared Service Platforms. SAFe also has an element called "shared services." This is, however, typically more focused on shared technical services (support functions, IT service deployment, and test platform maintenance and not in the RDHY sense).	In addition to infusing significant autonomy in support functions, SSPs have the merit to make value exchange for internal enabling services visible, measurable, and trackable. Thanks to them, organizational bureaucracy becomes visible and gets fragmented through market and customer-driven logic. In other words, SSPs expose the entire organization, not only business or IT teams, to entrepreneurial forces, skin in the game, and production, thus incredibly augmenting the impact of the transformation.
Order/Bidding. In the 3EO/RenDanHeYi, Resource allocation always happens with one node (for example, an ME) emitting an order in an online platform and other nodes candidating themselves to provide services to satisfy the request. Conditions (SLAs and costs) are presented with the bid. The ordering node then decides the best candidate and enters into an agreement with it.	Order/Bidding for service delivery aren't currently part of SAFe practices. In SAFe, effective contracting practices (such as fixed terms agreements, time & materials, etc., and purchase of delivery capacity) are followed for acquiring external services more than to formalize relationships among employees within the same organisation.	People and resource allocation in SAFe are often associated with senior management, program & product management, and senior stakeholders, while in the RenDanHeYi / 3EO Micro-Enterprise to ARTs take over the full responsibility to attract, leverage, and repay both the human and financial factors required to achieve their success. In SAFe, an initial process of value stream identification aims to determine the operational and development value streams that collaborate to deliver end-to-end value. As part of this process, the technologies, products, and systems, plus the people and partners in charge of them are selected before formalizing dedicated Agile Release Trains or Solution Trains. The formation process can range from prescriptive to more participative. While the formation of SAFe ARTs does not dictate an order/bidding process, it does not preclude that as a possible approach to creating an ART.
Value-added sharing. Ecosystemic means nodes will collaborate (in EMCs) to generate value they cannot produce in isolation. Part of that value will be shared back to participating actors, according to an agreement (EMC contract)	Value-added sharing. No such mechanism is defined in SAFe.	
Talent Pool. Employees receive a universal basic income when, not assigned to a node, sit into a talent pool. It is their responsibility to find or create new opportunities (MEs to join).	Talent Pool. SAFe makes no prescription of how talent is managed or allocated. The assumption is that people are assigned to teams, ARTs / Solutions, and are (in most cases) fully allocated to a single entity. Good practices for talent management are possible but external from the framework. There is no stipulation regarding payment, value-based rewarding, or basic salaries.	
Stage-gated incorporation. MEs go through a validation process according to a VAM contract. One of the outcomes, after having demonstrated their market fit in terms of revenues and clients, could be the incorporation of the unit into a separate legal entity, co-owned by Haier and former employees that acquire its share at convenient conditions.	Stage-gated incorporation. No such mechanism is defined in SAFe: A VAM does not exist in SAFe. The firm itself will fund a Portfolio, Value Streams, Solution Trains, and ARTs based on its strategic goals and priorities.	
Tracking value exchange. Every unit exposes a set of services (a sort of APIs) to be consumed by other actors according to agreements (EMC contracts). The value exchange is made visible and tracked both to measure the P&L of the unit and see how it performed in relationship with its commitment (VAM).	Tracking value exchange. No such mechanism is defined in SAFe. ARTs and Agile Teams receive a budget as part of a value stream. Progress but not financial value tracking is prescribed. In a SAFe ART, a business value is assigned by business owners to the main objectives an ART wishes to deliver within a planning cycle. This business value is a relative assessment (0-10) that indicates a business owner's assessment of the value being created. The delivered business value is then assessed at the end of a planning cycle (PI - Planning Iteration) to provide transparency on value delivered and related performance. These, however, do not directly reflect revenues or budgets.	
Operational reputation. Each node accumulates an operational reputation given by the evaluation assigned to it by other nodes during joint activities (i.e., execution of contracts). In the future, this reputation will influence the probability for the node to be chosen in future order/bidding processes.	Operational reputation. No such mechanism is defined in SAFe.	