

# It's NOT the people, stupid!

Episode i

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ACCREDITED KANBAN

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# How this talk is organized

Background, structure and history. First attempt.

Punct uation Point Restart

- 1. The engagement is in an early stage
- 2. You need to understand past decisions and actions that lead to the engagement
- 3. Maybe you will recognize that you are in a similar context

# **The Context**

A glimpse into the past and present

## **Some hard facts**

- A German group of companies
- Listed
  - Prime standard
  - MDAX
- Around 10.000 people
- 1.6B € revenue
- Leader in its segment

- A typical group structure!
- Well over 100 legal entities (subsidiaries)
- One corporate head office



#### **Subsidiaries**

#### Independently lead

- Around a few dozen of relevant size
- All have their own IT departments
  - Different in size
  - Some are in eCommerce
  - Create their individual software
  - Use software services from head office IT

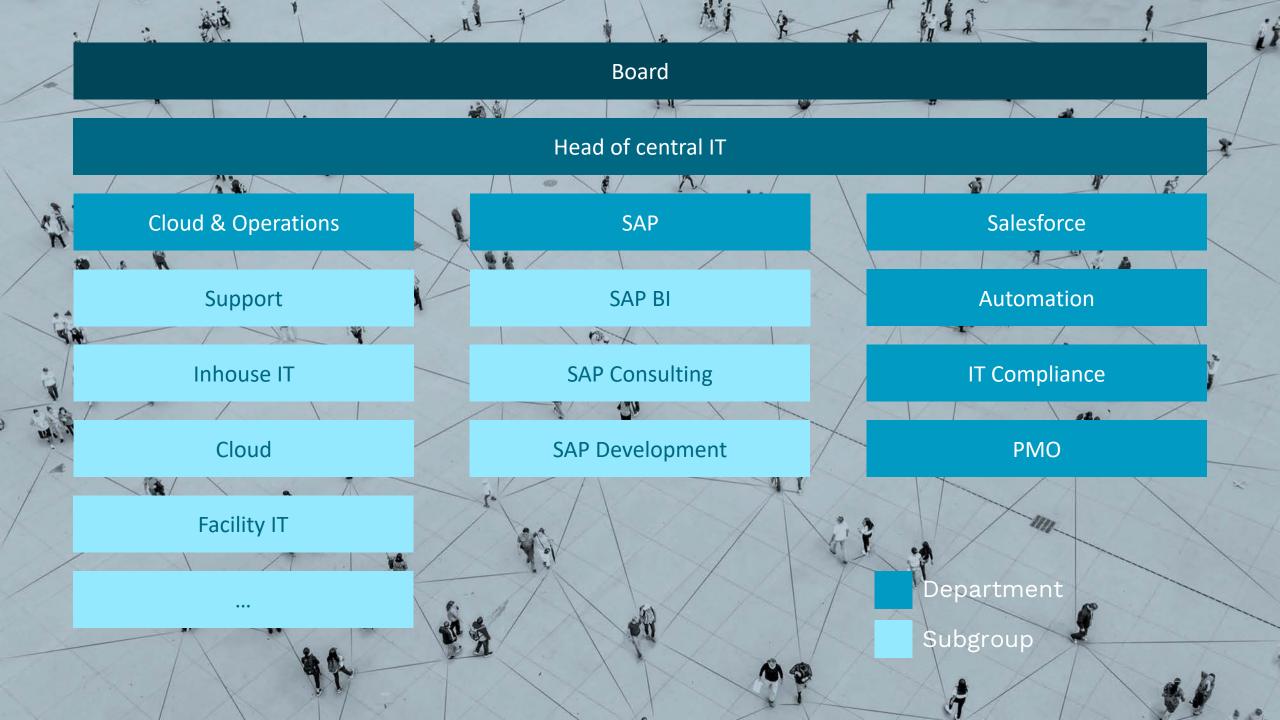
- Fully owning almost all subsidiaries
- Home of the corporate head office IT department

#### The head office

# **Corporate head office IT**

- A shared service!
- Group's **accounting** systems and related shared services
  - Infrastructure
  - Group license and contract manageme
  - Group CRM system
  - Workplace management for >5k users
  - Data warehouse and BI
  - RPA
  - Group IT project management

M	her	Infrastructure
er	S	SAP (most of the business volume of the group)
		Salesforce
		Microsoft



#### "Fairly-traditional headquarters accounting and administration IT with roughly 100 people!"

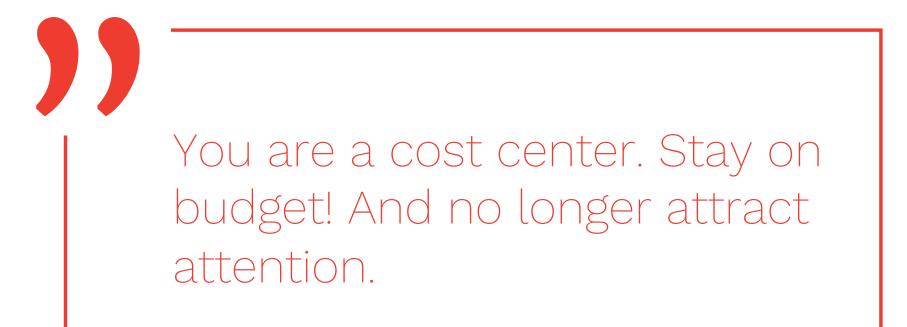
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(structure)

# Historical background of the head office IT department



## Past mission of head office IT



## **Leadership identity?**





#### Logically – Past SVP of head office IT had a **controlling** background

More years in controlling than in IT

# Historical assumptions that explain the structure

- High degree of stability across most IT process
- Very stable business processes as well
- Yesterday's weather applies for today and tomorrow
- Speed of change is irrelevant
- Low degree of automation is acceptable
- Training and development not required

## Historical purpose and focus

Your contribution is **not** about product thinking

Your contribution is steady systems operation

#### Foresight and initiative were not expected

Your contribution is **not** about a **find business Central T**, processes value

Your contribution is **not** about being fast

Your contribution is about reliability and predictability



#### No judgement! It's very common!

This is the state of many very large central accounting IT departments that have emerged in similar ways since decades.

A DESCRIPTION OF THE OWNER.

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## **Overall structure summary**

- Very common to many other enterprise central IT departments
- A consequence of increasing computerization of accounting
- Bread and butter IT for headquarters' administration and accounting
- Structure and identity in alignment with task and expectations



# Winds of Change

A top-down initiated ripple effect

#### A constantly changing external The challenge of professional services businesses. across Enterprise services Planning (ESP) curriculum! David Anderson ecosystem.

#### Two causes of the ripple effect



#### The board!

Automation? Digitalization? AI? Blockchain?

We get all the hard questions regarding our own plans. We also feel there's a huge opportunity.

# The board's gut feeling

- Current administration and accounting processes unfit
  - Either too slow to adapt to new requirements (subsidiaries)
  - Or incapable to administer new business process at all
  - Seen as being expensive (cost center)
- But today's technology could increase our automation level
- End-2-End automated accounting processes could reduce our accounting costs by orders of magnitude (efficiency)
- We see huge potential in increased speed of automation!

# Epiphany

Our good old "Remain as you are" IT organization needs to change and speed up automation by an order of magnitude!

# Reaction of head office IT leadership

What's going on?

What do you want from me?

Why am I challenged?

# Enter a new board member

- PhD in economics
- Years of experience in eCommerce
- Agile Software Development identity (Scrum)





#### A super charged ripple effect!

Where are the burn down chart? Not using Scrum? Coaches?

Only one test system? What's the state of our SAP? Anyone?

# Reaction of head office IT leadership

# Stability doesn't like disruption!

Michael Godeck, KGS 2022

What's with all the buzzwords?

I don't understand.

Why am I been challenged again?

## An inconvenient truth

If the top hierarchy doesn't get any answers inside, they seek answers outside, bypassing existing internal structures!

## Summary so far

- Traditional central accounting IT setup
- Very common challenges of digitalization
- Board and a new board member face reality
- Seek answers from IT leadership
- Fall flat!
- Start working around existing IT leadership

# So, it begins

The road to hell is paved with good intentions!



#### Let's do something about it!

"I need to implement Agile here!" (board member)

## **Understanding Agile**

No bad intentions but a genuine belief (unknown unknowns)



Hire an Agility, Digital Transformation Rock Star consulting company

(A Scrum shop)

Create cross functional teams

Assign them to a specific topic for focus

Implement a transformation team



### How did "The people" react?





Rejection reaction towards the consulting company



# Houston, we have a problem!

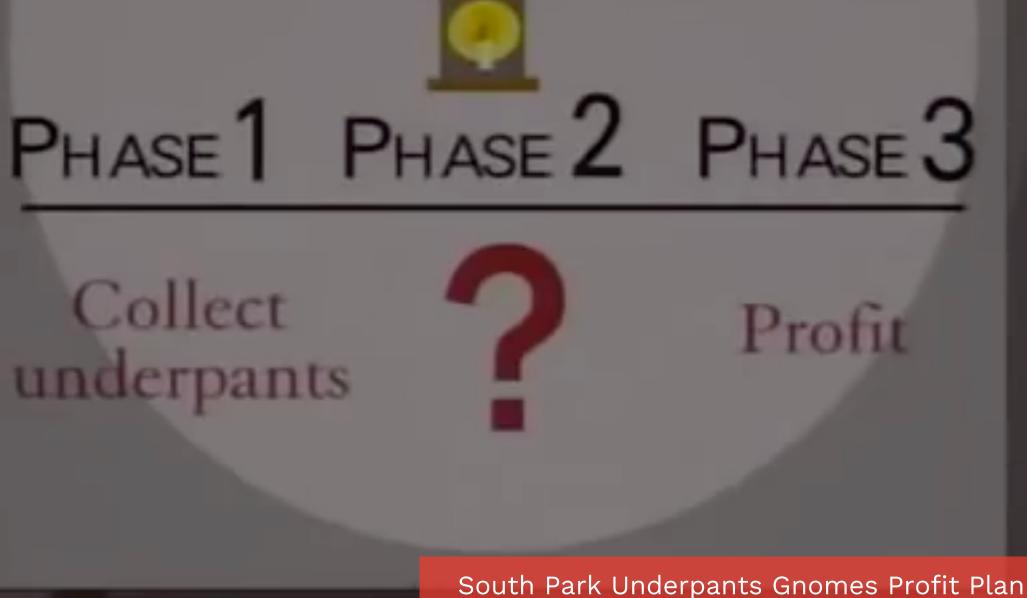
# What happened? What went wrong?





# **Implementation errors**

- Do as I do training
- Experience Agile through a shadow structure
- Poor concept for teaching or training
- "Work the mindset" obsession



Thanks to Mike Burrows

# A concept for implementing Agile

We demonstrate. They watch us + absorb. And then they replicate (imitate). Done!

### **#1 The "Do as I do" training technique\***



- A training technique for dogs
- Dogs first learn to copy a human (master) performing familiar behavior given a cue "Do it!"
- Then they can learn to copy new behavior

\* Originally introduced by Claudia Fuggazza

# **Growing Agile zombies**

We had iterations, dailies, retrospectives without understanding why. That's how we worked because we thought this is how we were supposed to be working.

# DEAD

Cargo cult Agile

Imitation

No learning

High probability of failure

# #2 Experience Agile through a shadow structure

- "Agile is about focus"
- Let's implement focus weeks (play Scrum)
  - Pick a topic of significant importance
  - Create a temporary cross functional focus team for two weeks
  - Assign the service requestor to that team fulltime (PO idea)
- No demand or capability analysis done!
- Imposed structure on top of daily business

How am I supposed to cope with daily business now?

From 8 am to 10 am?

### **#3 Poor concept for teaching or training**

#### • Focus on evangelizing and story telling (show off)

- I will tell you all there is and all that could work!
- I see a bright future for you!
- Lack of a proper concept how to teach (except Scrum Master)
  - No curriculum
  - No learning objectives
  - No training plan
- Transformation team as a multiplier (Do as I do)
  - Train three people as Scrum Masters
  - Let them train/teach/implement/enforce the rest
  - Magic will happen (profit)

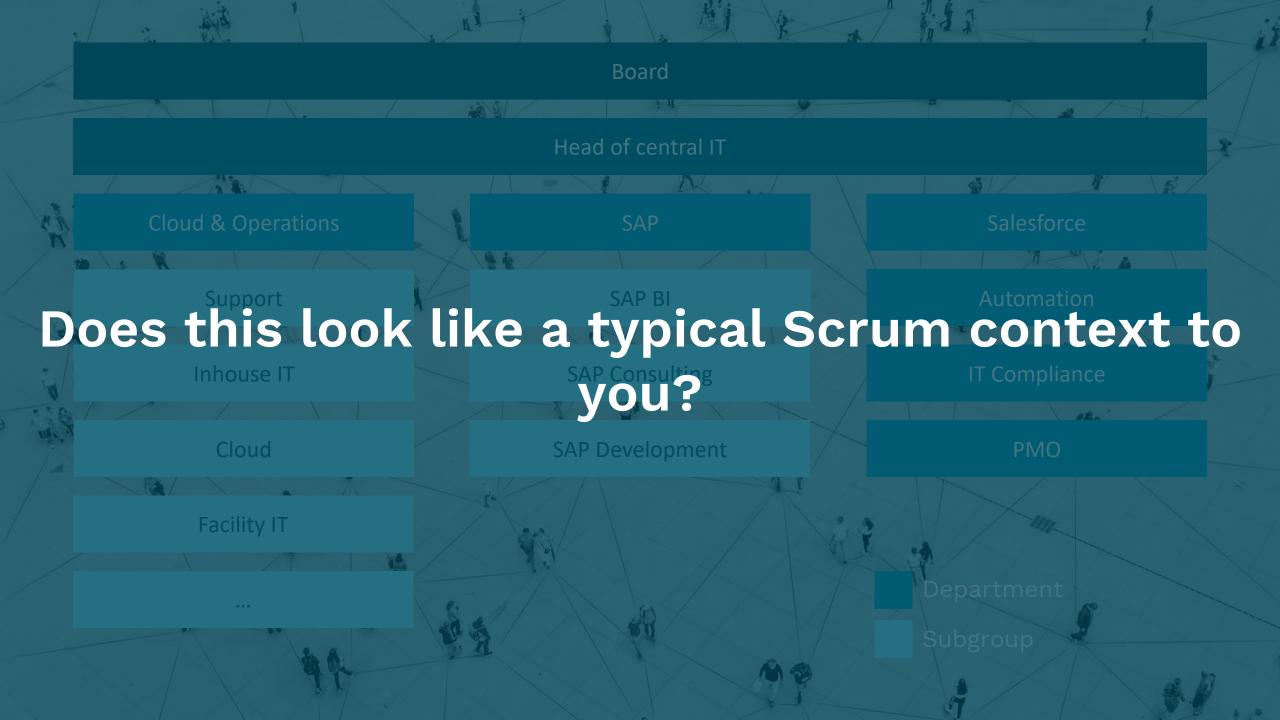
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# We strongly believe!

If only ... they could adapt our Agile beliefs, then they would behave accordingly!

### **Fatal Errors**

- Ignored the context
- Ignored the people
- Continued anyway!



# **#1 Ignored the context**

- No attempts have been made to understand the context
- No attempts have been made to identify the problem
- Tried to implement "Scrum by the book" in disregard of existing processes or structures
- This had a disruptive effect on
  - Work
  - People (sociology)



# **#2 Ignored the people**

- In principle, people were not blindly resisting
- On the contrary, most were curious and open
- Agile has been finding its way into some departments
- Some have made own attempts to be more "Agile"
- Some have paid for their own trainings and education

### Give us something with efficacy

This is utter nonsense!

Scrum by the book doesn't work here!

# The people had a genuine belief that it was the wrong thing to do!

### **#3 Continued anyway**

#### Sense of discomfort

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Saw it was not working

Didn't stop!

# Why didn't anybody intervene yet?

Didn't know any better

Unknown unknowns

Fooled by Agile tricksters

Trusted the Rock Star consultants

Needed to save face

Vicious Cycle of Escalating Commitment

### And the consequences ...

#### 1. Drove "The people" mad

2. Did not achieve significant results

3. Added a bitter taste to "Agile"

# Summary so far

- Traditional central accounting IT setup
- Very common challenges of digitalization
- Board and a new board member face reality
- Seek answers from IT leadership
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- Start working around existing IT leadership
- Fall flat!

# A new hope

Change of leadership and change of method

#### Well, that didn't go as expected. Something is fundamentally not right.

"I need someone with experience in both, IT management and Agile!" (board member)

# Change of IT leadership

- A new head of central IT was hired
- Substantial experience in IT management
- Substantial experience with Agility
- Break with the past: IT background and identity



### **Drinks and fireworks!**

# Full stop! Back to zero. And relax!

- Shift of focus from methods to IT know-how\*
- New Mission

High speed automation of existing business processes High speed adaptability to new business processes Get rid of technical debt Just do freaking good IT!



No judgement! In that context, you did good.



But forget everything you did. No more Scrum!



We are going to use Kanban now!



And Kanban means "Start where you are!"

# Scaling Strategy of the new IT head (David's keynote)

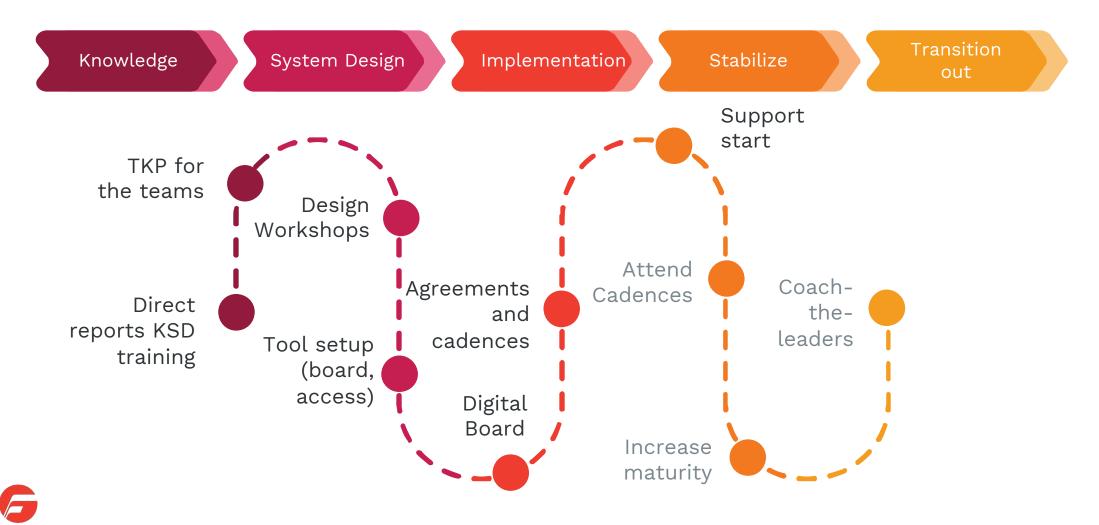
- Build trust with the staff and stakeholders
- Build solid IT and management capability
- Encourage collaboration and cooperation among the services
- The big barn:
  - Full scale end-to-end automation of business processes
- Work yourself out of the job
  - Improve management skills of staff
  - Automate! Automate! Automate!

# **Engagement Plan**

Focus on learning, sustainability and balance

# **Implementation journey**

Teaching how to fish!



# **Starting point: PMO**

- Great energy
- Start with Project Portfolio board by PMO who were in the process of "gathering" all projects anyways
- Felt natural to morph the Excel into a board
- Cadences up and running. Base is set, now PMO can increase focus on governance.
- Signals that things also change "from above", relieving teams form "projects" that strike like lightening

### **Results after first three months**

Direct reports went through KSD training

Team members went through TKP

35



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Designed Kanban Systems with STATIK

Kanban Tool selected, SSO'ified and configured

Tool

Tool

SwiftKanban Admin Trainings are ongoing

Most service teams are ready to/ some are already rolling



# Show me yours I show you mine

- Three new systems (boards) in SwiftKanban in 3 days!
- Teams curious about what other teams have done, and how the PMO is working
- Transparency
  - PPM board readable to all
- A certain sense of competitiveness
  - How did they do it?
  - Our board will be cooler!





# Initial boards of the service teams

• Different workflows and work item types

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- Item hierarchy established from projects over work packages to project-related tasks
- Different card types

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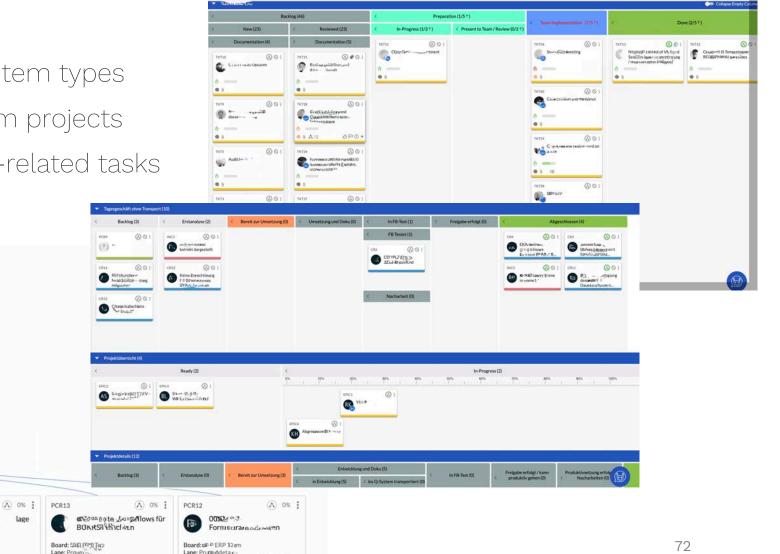
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# Some key learning

#### Leadership matters

A high maturity leader paved the way. Then Kanban's "Start where you are" kicked in. Go deep & broad

KSD for managers and TKP for their teams worked really well. Provide guidance for tools

You need to know the tool. Admin training for SwiftKanban helped a lot.

#### It's not the people, stupid!

Blaming "The people" is tempting. Resistance is often caused by the change agents.

However, leaders are key!

# Episode i

... To be continued

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