

The Three Invisible Trapdoors of Agile Transformations

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“Software is eating the world” this quote by Anderssen Horowitz is getting increasingly salient in recent years. It is one of many reasons, why a wide range of companies, big and small, go beyond using agile methods for independent IT projects. The tremendous pressure to constantly evolve as a company in the so called VUCA world (Volatile, Uncertain, Complex, and Ambiguous) forces them to expand their adaptability and flexibility beyond their IT departments. This aims at the goal of the whole company to be agile rather than solely do agile.

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At TALOS we acknowledge the demand for self-organized teams, incremental service development and the need for agile values. These changes must be integrated into every department which dedicates itself to the goal of living the agile way. We have supported several clients on the way of their own successful transformation to an agile organization. Such a program is often a long-term goal and can expand through almost one decade, like in the case of ING DiBa (Calnan & Rozen, 2019). In this article we shed light on the way of a successful transformation and three crucial, invisible trapdoors, which inevitably show up on every way to the agile organization. In this article, we would like to show the following: 1. how invisible transformation trapdoors come into existence, 2. what they are and 3. how to effectively navigate around them to fully reap the benefits of transformation.

“This is so exciting! I can’t wait for us to go live. Everybody will love it!” said Alex, the division head.

It was the first hour of our full-day planning workshop. By the end of the day, we – the Agile Transformation team – had to produce a fool-proof, detailed plan for the following six weeks. This plan will re-structure the 350-person division and introduce new, agile working procedures. The decision to go agile was taken ten weeks earlier, because the divisional annual planning cycle consistently failed to accommodate the ever-changing circumstances and client needs.

As consultants, two alarm-bells were already ringing in our heads. The third one was about to follow.

“Are we convinced that Agile is the right way?” asked Nora, a member of our consulting team. “Are we convinced that we should start working on stuff with minimal planning, then learn and adjust along the way?”

Everybody nodded. Nigel scanned the room for

any shred of doubt. Nora continued: “And at the same time we want today to create a detailed plan before moving forward. Am I the only one who feels the tension here?”

The team culture included the value of good advance planning. If that value prevailed, what were our chances to become agile?

The second alarm-bell went off in Jerry’s head. “Indeed, this is exciting, and we can see so many benefits”, he said. “Many of the staff members will see these benefits as well. At the same time, the annual plan gives them a sense of certainty and stability. How many staff members would rather keep it?”

Everybody was silent.

“How many line-managers would have a hard time letting go of their management status?” continued Jerry. The assumption that ‘everybody will love it’ seemed pre-mature.

“We don’t have to take away their manager positions,” said Alex. “I’m sure we can think of other options. A hybrid. Self-organizing teams with line managers.”

The third alarm-bell went off.

The above case story is fictional. Yet it pictures a very typical example from our consulting practice. It shows vividly that, in order to adapt an organization successfully to changing market conditions, the whole organization, with its structures and processes, tools and technologies, and governance need to be prepared and adapted to the transformation. That means, in particular, that leadership functions must transform from centralized command and control to decentralized autonomy and alignment.

The prevailing corporate culture (e.g. detailed long-term planning, hierarchical structure) often stands in conflict with corporate strategy and impedes the transformation process. Instead of focusing on an instant realization of pro-

noted advantages of agility, agile transformation should be prioritized in the company's strategy and considered in related organizational processes. A lack of understanding of agile transformation including corporate prerequisites such as a vision, which could support a culture change towards an agile mind-set, can let the employees feel somehow uncertain, confused and lost. Further, questions are possibly left open due to unclear roles and responsibilities within the transformation process. Especially, within a conservative organization with rigid hierarchies, lack of flexibility and silo mentality, an agile development process obviously does not fit to the agile claim of setting up autonomous and self-organizing teams. Many organizations also mention the lack of leadership sponsorship as one of the top challenges during the transformation process. Managers need to have the capability to inspire and empower employees, and to allow employees to explore and learn from mistakes. Instead, it could be observed that managers fear of letting go of their power and control in this process and therefore hinder the transformation of an agile culture on an employee level. It is essential that the leadership learns what it takes to be-

come agile in order to guide, support and motivate the employees accordingly. Otherwise, the agile transformation initiative will rather obtain low impact and not ensure a holistic change in the company.

These were several prominent situations described, when people and organizations are struggling throughout agile transformation processes. Due to our experiences and observations at several clients in the financial services, we could summarize and highlight three indivisible trapdoors. We noticed that these trapdoors are essential to be taken into consideration during the agile transformation process in order to understand and mitigate the root cause of the faced predominant issues and challenges.

As mentioned above, many companies looked past the project bound use of agile methods like SCRUM and Kanban in the past decade and started the journey to an agile organization. This journey proves to be exponentially more challenging to implement to a whole organization than just to conduct separate projects in an agile manner.

Culture and Mindset

As Peter Drucker once said: "Culture eats strategy for breakfast". This rule applies also to large scale organizational transformations. Throughout our projects with clients we learned that it proves to be the primary reason, why agile values must be developed for an agile organization to work holistically. As shown in the story above, that describes our experience, the mere implementation of agile frameworks does not change the everyday behavior, which determines people's actions. This discrepancy fosters confusion and frustration within the organization and is a major reason, why organizational transformations fail.

The following illustration (Figure 1) highlights the major visible and invisible elements of cul-

ture with the mindset shift which can solve the described confusion and frustration if an organization succeeds in overcoming the following trapdoors.

This first invisible trap-door – neglecting cultural and mindset change – can be avoided by the early and thorough nurturing of agile values. The example above shows one of many companies today, which live collectively with the impression, that the future is possible to plan in detail without the need for continuously iterate and work in small increments. This belief, on which traditional project methods, like the waterfall method, are based, is contradictory to the agile mindset that change is just around the corner and the future is not foreseeable in detail. Since being agile is all about adaptation,

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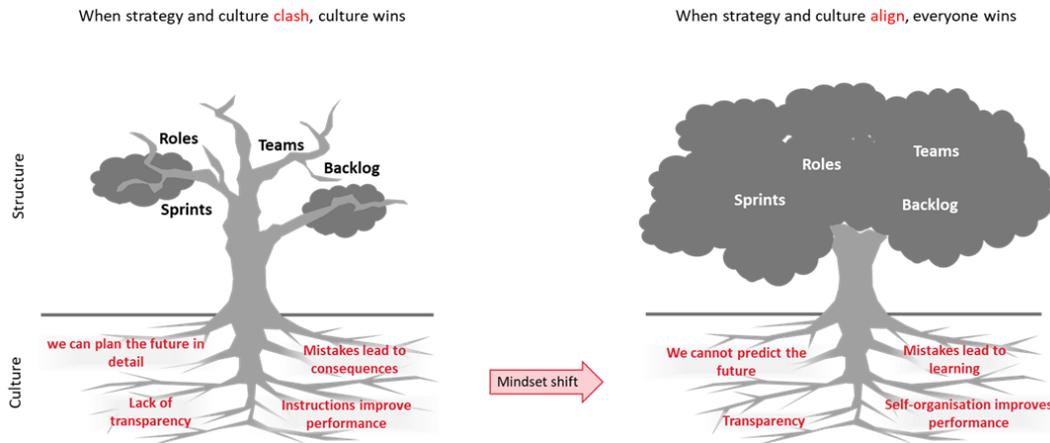


Figure 1:
The visible Agile Framework is shaped of the invisible values and beliefs

change and even vulnerability, it is crucial for leaders as well as employees to not see mistakes a weakness that leads to consequences and should be avoided or even hidden. It is much more agile and valuable to see mistakes as the only opportunity to learn and grow. This growth is vital for self-organizing and cross-functional teams, that do not rely on hierarchy and formal power to make decisions and produce results. The company in the example above, is not the only one that needs to appreciate the mindset shift, which must occur before the agile transformation can thoroughly happen.

Commitment to change

Transparency and an open ear to listen to feedback from personnel about their thoughts and fears related to a dawning transformation is an often-overlooked factor but necessary for agile transformation programs. This is true, especially because being agile is linked to trust, transparency and being connected. In contrast to this, leaders and change agents must make clear that the change, which is planned to transform the organization into an agile one, is non-negotiable. The second trap-door – failing to commit to change – is not easily being circumvented, as it permeates almost every level of the organization. Special consideration should be given to new structure and processes, governance, and technology, to only name a few of many more aspects to consider. On the positive side, people feel that they can learn

Agile communities and events can foster the agile mindset explained above and serve as a catalyst for developing an agile culture. Conveying the agile values through professionally set up of communication channels also helps staff to understand the importance of the change. Further, it motivates everyone to embrace the change throughout the time of the transition as well as afterwards in order to manifest the newly adapted values.

ve the “old way of working” when the agile transformation has a certain magnitude and they themselves are requested to change. Transforming the organization or all departments which are about to change all at once can help. Since (old) culture is always ingrained in every company, and changing is naturally hard for human beings, every step to the new way of working must be considered as a victory. From experience, we at TALOS know that there are aspects of change that are more easily forgotten than others, even though the potential for fostering change associated with these aspects is crucial. This commitment to the transformation must be lived from the management of the organization by appointing senior change leaders, prioritizing workforce, and empowering them to the grass-roots level.

Adaptation of the Agile Approach

Customization is unavoidably necessary in large programs. When ING did their transformation over several years, the management was very deliberate in adapting the approach in order to ensure as little disruption as possible in teams that were not subject to the change. But trying to be agile without letting go of the old processes, hierarchies, and mindset is bound to fail. Calling an organization “agile” while keeping the central command, or a waterfall-style methodology, is confusing and misleading. The fear of letting go and disrupting the organization leads sometimes to half-hearted, half-way approaches. That is the third trapdoor to be avoided. Asking people to abandon

their comfort zone and move forward with little planning and with high levels of autonomy, takes courage. Similarly, the executive leadership needs courage to let go of the old and familiar, in order to drive genuine agility and reap its benefits.

Agile transformation is not only about coming up with a plan to implement the SCRUM Framework. It requires deep understanding of a truly agile organization, strengthening agile capabilities, rethinking of organizational culture, leadership and structures, and considering the main trapdoors of agile transformation (Figure 2).

Figure 2: Strengthen the agile capabilities of the organization to adapt to changes efficiently

What is the difference?



First, assess the prevailing corporate culture for conflicts with the intention to go agile. If the culture does not support the strategy, agile transformation would feel like swimming against the current. Second, anticipate the inevitable resistance. Assuming that “everybody

will love it” is a recipe for disappointment. Lastly, lean into it. A half-hearted, partial approach to agile would feel awkward and reap no benefits. A true agile organization can let go of the past and move forward with determination.

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Who we are

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