

AGILE CHANGE MANAGEMENT IN TIMES OF SHORTAGE

Alumni Meeting 2022, Barcelona

When you first heard about Agile Change Management ...

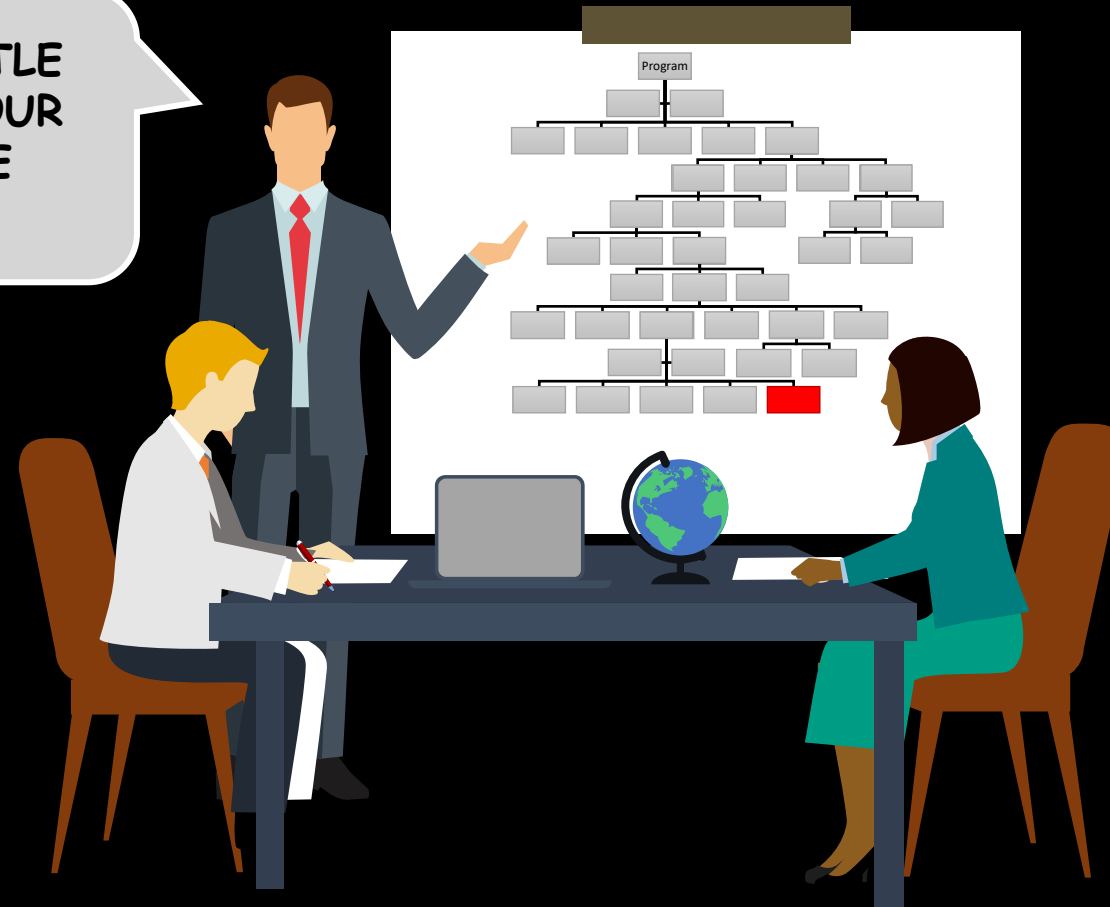
What do you think? Is Agile Change Management ...

- An **integration of agile software development methods** into classical Change Management approaches
- The generic term for **Change Management in agile projects**
- A **Change Management approach** specifically tailored to **agile transformation projects**
- The description for a **new, agile attitude**
- Just an **business-minded label** to sell old wine in new bottles ("agile sells")



And the answer is ...?

...AND THIS LITTLE
RED THING IS OUR
AGILE CHANGE
PROJECT



Finally we are agil.

WHY ...

... might we need Agile Change Management?

Unpredictable business conditions, shortage of supply chain, Corona impacts, climate change ...



What ...

... probably doesn't work anymore in a VUCA world, is

Previous models such as

- Strategic **long-term planification** in procurement or sales
- **Hierarchical** decision processes (extremely time consuming)



... we actually need today, is

- **Permanent adaptation** to new economic circumstances and conditions
- Quick decision processes and **flat hierarchies**
- High level of **self-organisation**, direct responsibility and **independence of teams**
- **New leadership style** and **mind-set**
- **Resilience**, for both employees and companies

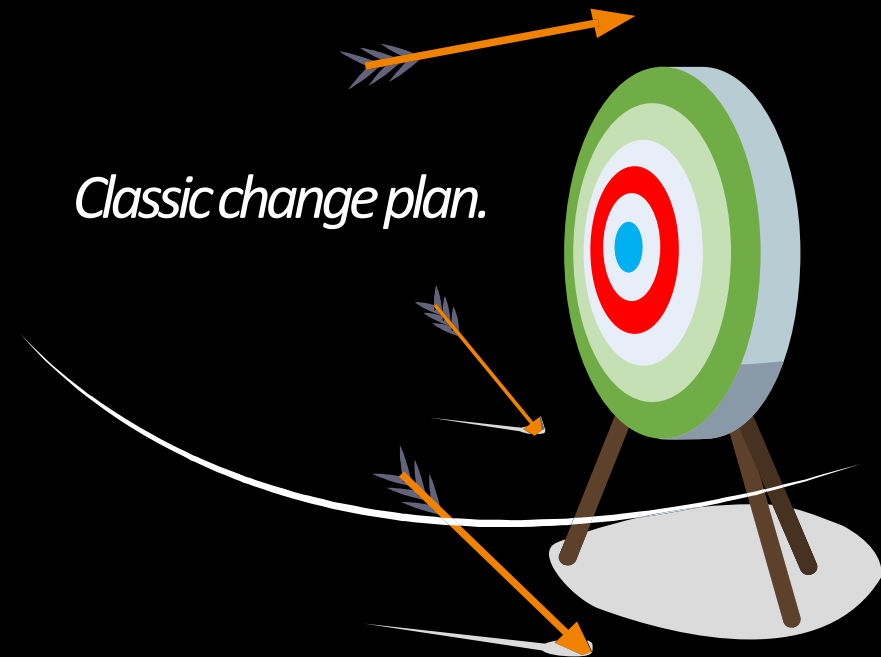


The question is, how ...

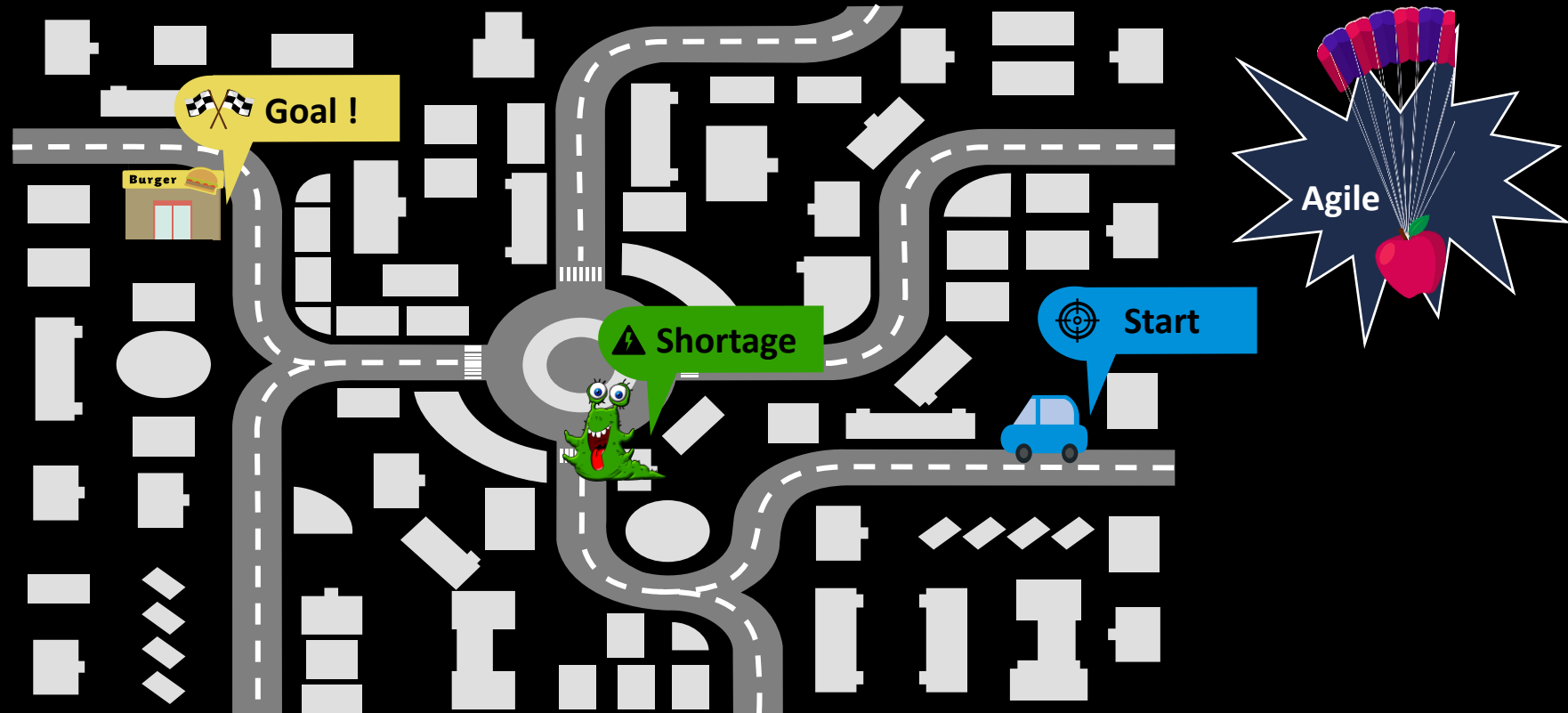
... to get there, to the NEW REALITY ?



Classic change plan.



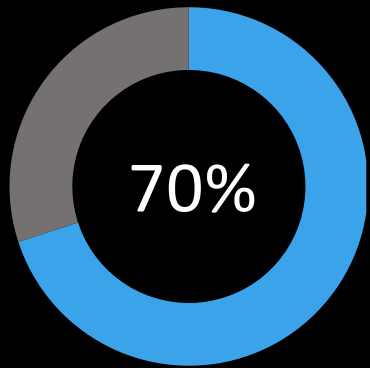
The answer: AGILE CHANGE MANAGEMENT



If there is a shortagego prepared with Agile Change Management

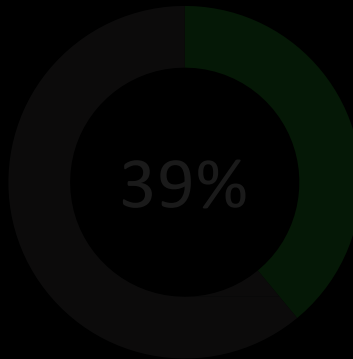
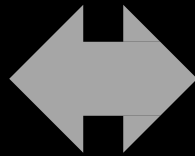
Agile Change Projects ... what a great thing!

Did you know that ...



70% of all CEOs believe, that agility is the precondition for a company's success

KPMG Global Survey 2019



Only 39% of all agile projects are successful at the end

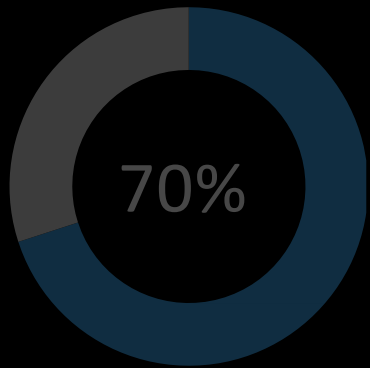
CHAOS Report Standish Group

Targets of an agile transformation

- ✓ Innovation
- ✓ Quick Go-to-Market for new products
- ✓ Flexibility
- ✓ Attractive and state-of-the-art company image & reputation
- ✓ Customer centricity

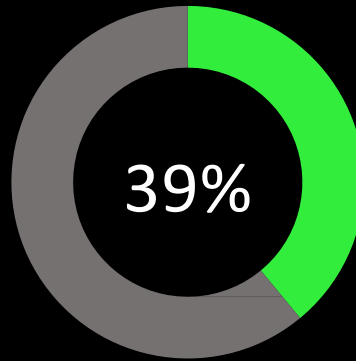
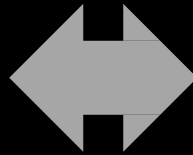
Challenges of an Agile Change Process

.... but ...



70% of all CEOs believe, that agility is a precondition for success of a company

KPMG Global Survey 2019



Only 39% of all agile projects are successfully implemented!

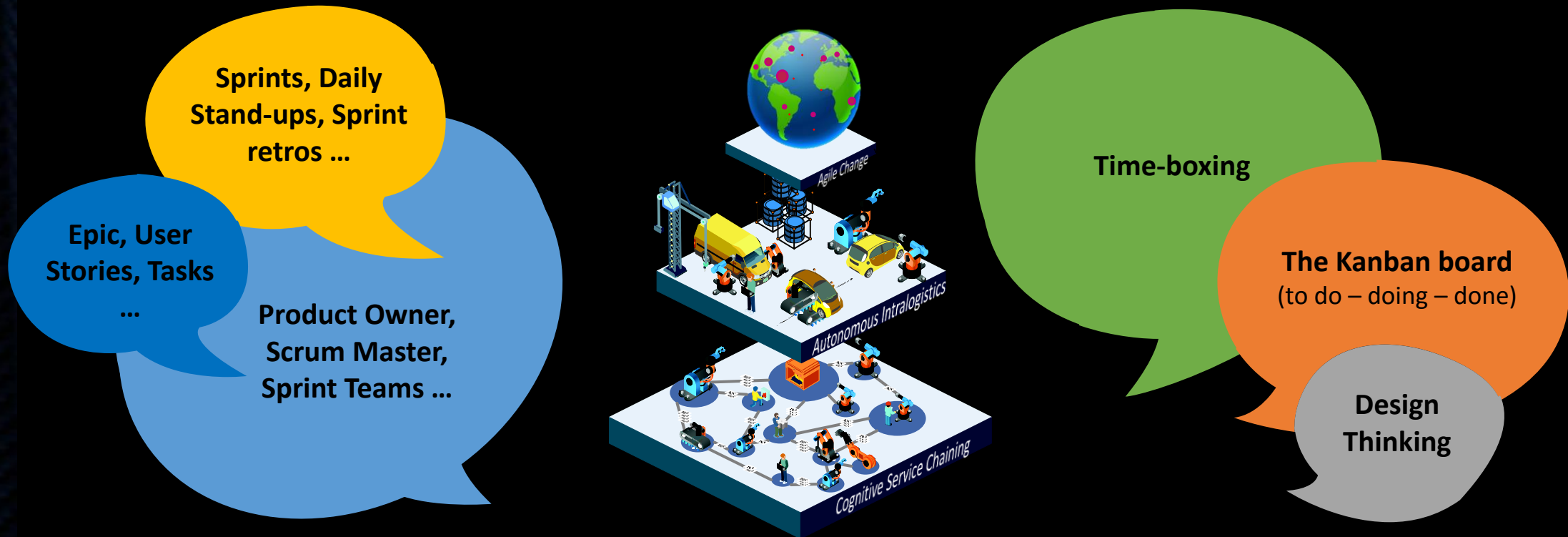
CHAOS Report Standish Group

Reasons for failure

- ✓ Collision between classical (hierarchical) organization structures with small agile project team structures
- ✓ High communication barriers
- ✓ Unclear resources allocation
- ✓ Poor working results
- ✓ High level of frustration in (both agile and classical) project teams

We need tools to become agile!

SCRUM, KANBAN & Co ... the perfect recipe for agility ?



Change Management & Agility

Main aspects of Change Management

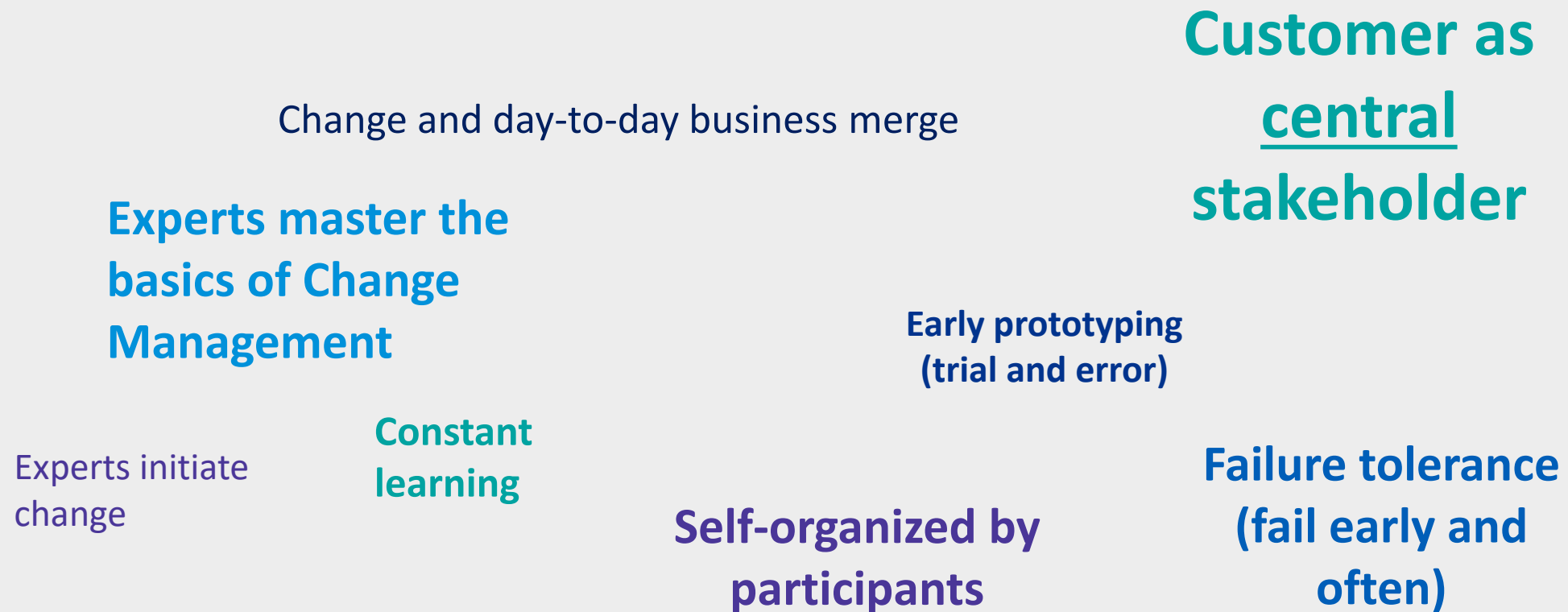
- Change Management **focusses on people** and their behavior within a transformation
- Defined transformation targets achieved through change in **behavior and mind-set**, not through KPIs and factual analysis
- Successful Change Management only works based on a **trustful cooperation and co-creation** between Change Management and subject matter experts
- Process orientation through regular **feedback** on and **adaptation** of Change Management activities

4 Principles of the „Agile Manifest“

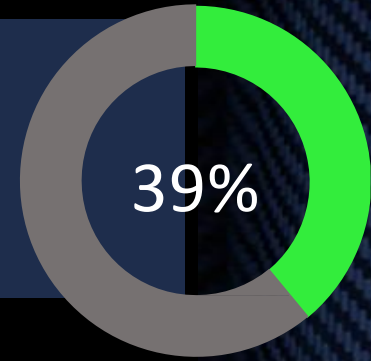
- ➔ • More focus on **individuals and interaction** than on processes and tools
- ➔ • A functioning **software** is more important than documentation and reports
- ➔ • **Cooperation** with customer displaces hard contract negotiations with customer
- ➔ • Agility means **reacting on changes**, not strictly following a plan

And ... what is Agile Change Management?

Typical criterias of Agile Change Management

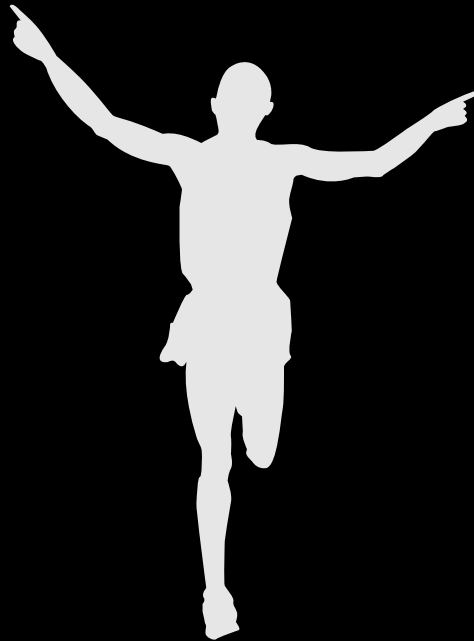


But ... there are also success stories in the world ...



Challenge

- Netflix needed a system that would allow the company to grow without falling into hierarchical structures
- Developing into a global entertainment and media company that is fast and responsive

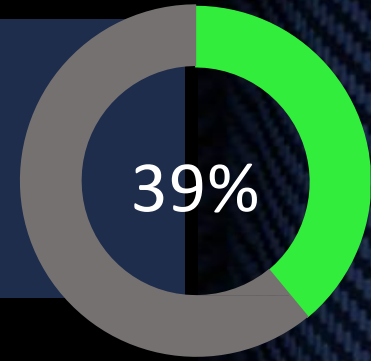


The story of ...
NETFLIX

Result

- The exemption rate is 3%, which is significantly lower than the industry standard of 18%
- The company ranks among the top best places to work
- Sales and market shares are going through the roof

But ... there are also success stories in the world ...



Challenge

- Management realization: the traditional top-down approach is no longer competitive
- Bosch introduced agile approaches here and there, but had to admit that there was too much friction between the agile and non-agile parts of the company



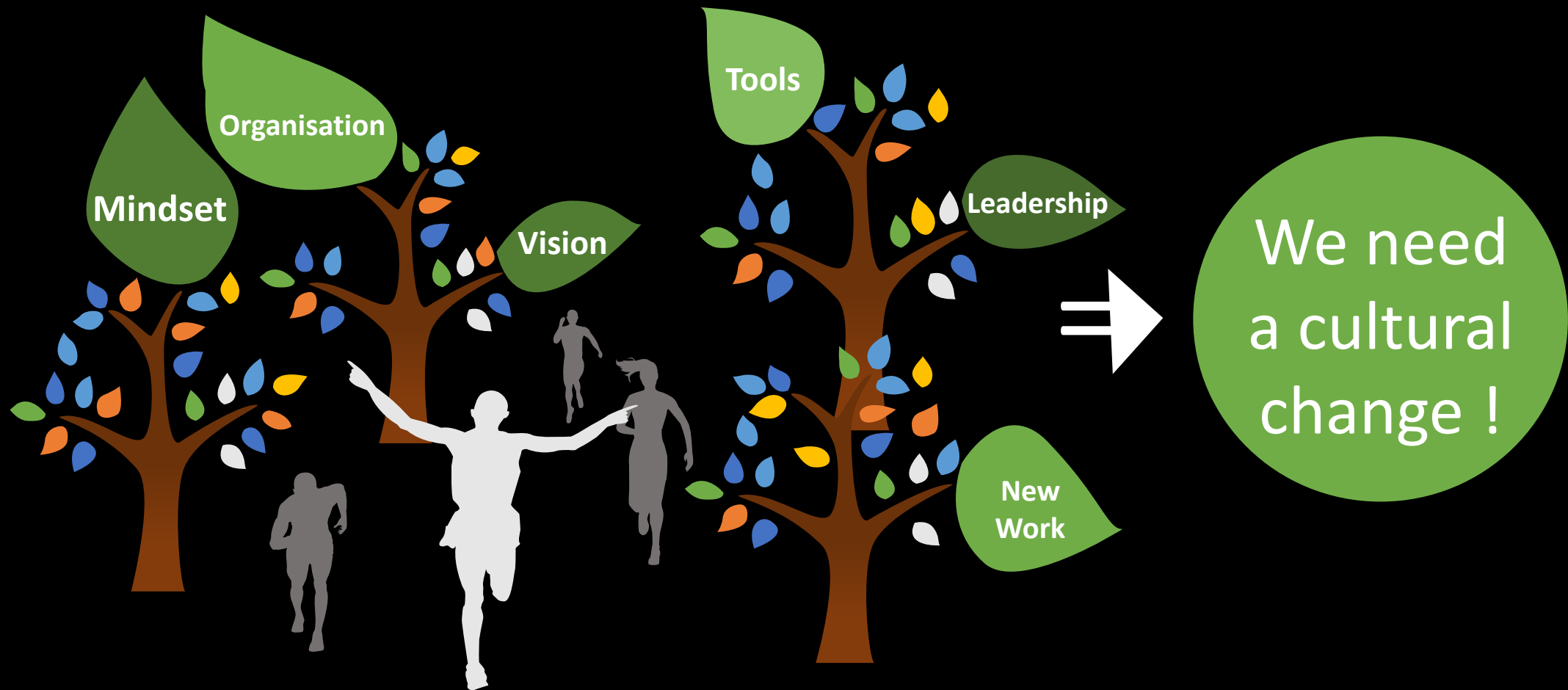
The story of ...



Result

- Agility enabled Bosch to work more closely with Tesla (highly agile)
- Development times halved
- The company developed new successful systems in weeks, not months
- The company improved employee engagement and motivation

It seems to be easy and yet, why doesn't it work out?



What does „cultural change“ mean?



Cultural change as a precondition for agile transformation



01 Vision & Culture

Target image, corporate culture (e.g. ESG), mindset & motivation, vision on product & innovation

02 Organization & Processes

Transformation concepts, reportings & KPIs, structure & (self-)organization of teams

03 Roles & Responsibilities

Role of board & executives in agile approach, powers & responsibilities of agile roles, team dynamics

04 Employee's Enablement

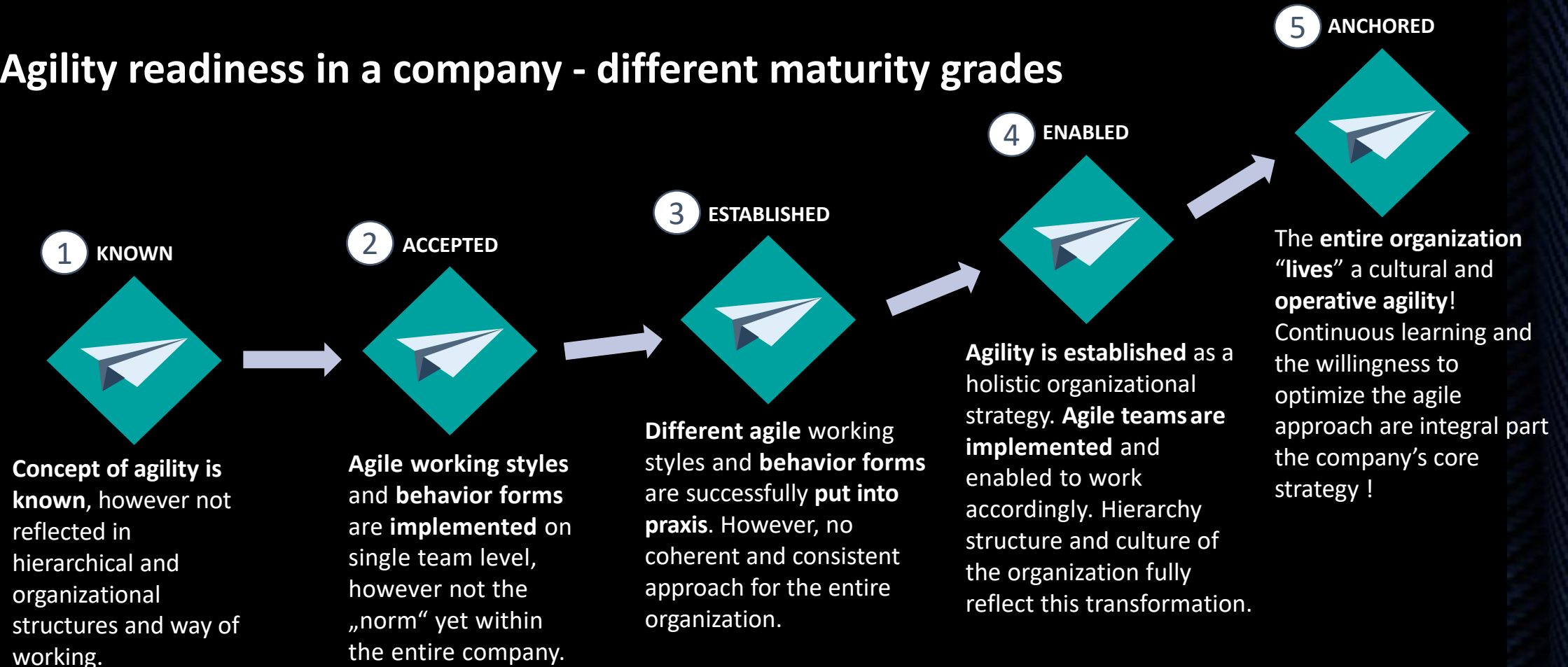
Development, promotion & feedback, career paths, spatial & technical framework

05 Methodology & Working Mode

Agile methods & values, tools, documentation, prototyping, quality assurance & testing, definition of done, customer focus

Cultural change as a precondition for agile transformation

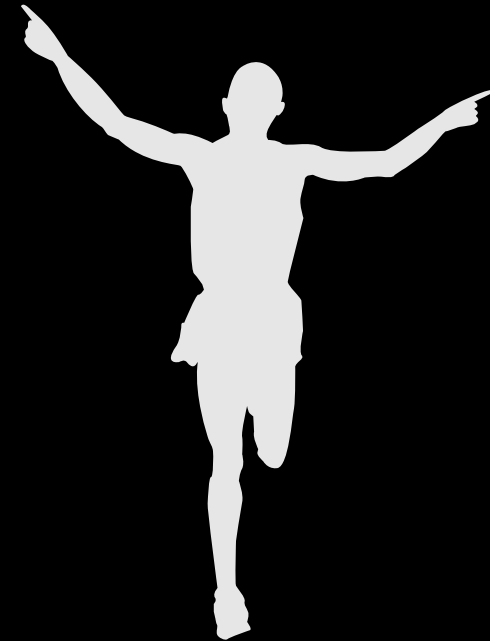
Agility readiness in a company - different maturity grades



But ... there are also success stories in the world ...

What was done – Cultural Manifesto

- ✓ **Motto:** Experiment and Fail Fast
- ✓ **Communication:** Listen, be respectful and calm
- ✓ **Influence:** Focus on results and less on the process
- ✓ **Curiosity:** Learn fast and be ambitious
- ✓ **Innovation:** Minimize complexity
- ✓ **Courage:** Say what you think, even if it's controversial
- ✓ **Honesty:** Non-political, no gossip, admit mistakes
- ✓ **Selflessness:** less ego-centric, sharing information



The story of ...
NETFLIX

But ... there are also success stories in the world ...



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What was done

- 2015: CEO Volkmar Denner launches a **company-wide agility initiative**, starting with the executive and governing committee
- **Agile executive teams** of 5 with Scrum Master and PO
- **Eliminating the 7-level hierarchy**
- Definition of **10 company-wide agile values**

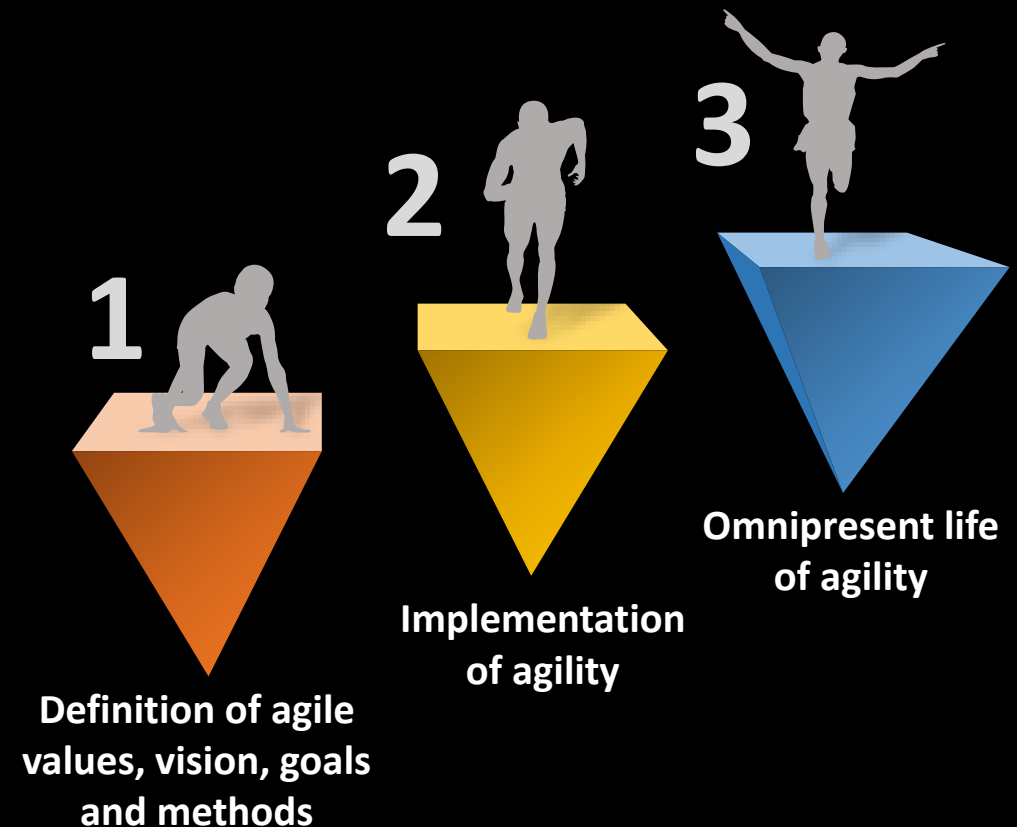
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Let's recap: Agility is ...

The proper understanding of Agility

- Agility is not a pure project management method
- Agility is more, it's about mind-set, about company's culture
- Agility is a **holistic approach for the entire company**
- Agile values, visions, goals and methods to are **individual** for each organization
- Agility must be **planned** and accompanied **carefully**





Thank you for your attention

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