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Enabling digital performance.

Meet your Peers Round Table

Scaling Agility Across the Enterprise

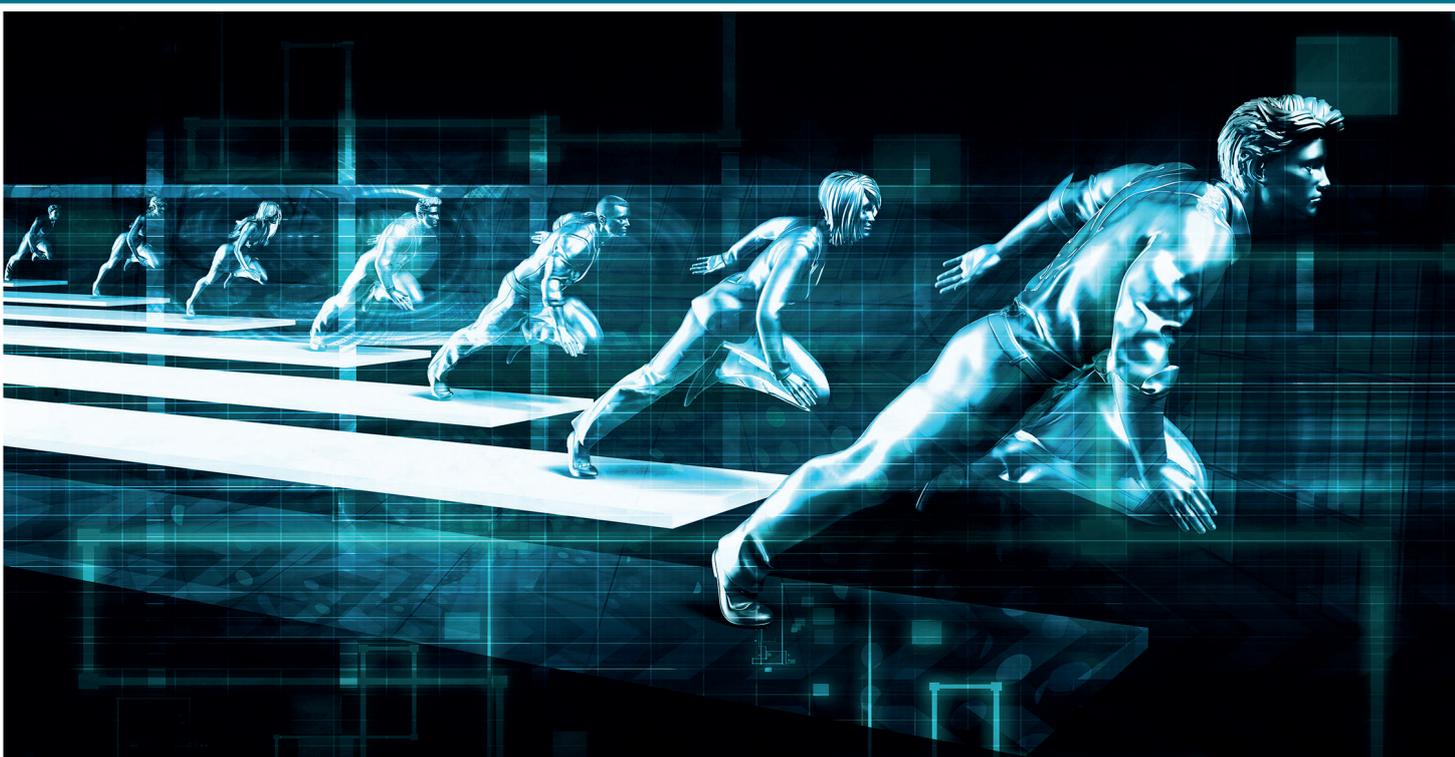
Management Summary

Meet your Peers Round Table

Scaling Agility Across the Enterprise

Agile forms of working are employed today in practically every Swiss company. Some of these are currently taking their first steps in scaling agility across the entire enterprise. What has become evident during this process is that embedding an agile corporate culture in all levels of an organization represents a Herculean task. In particular, the change from a classic management style to servant leadership takes time and needs to be driven as rigorously as the establishment of a new control model based on lean and agile principles. How can this transformation be tackled in practical terms, and what are the most significant milestones on the road to a lean agile enterprise?

Together with selected decision-makers, we have formed a virtual round table chaired by Christian Mauz, a partner at the AWK Group. Christoph Aeschlimann is a member of the Swisscom Group management and, as CTO and CIO, heads the company-wide technology division. Dave Brupbacher is Deputy CIO and, as Head of IT Operations for the SIX Group, responsible for infrastructure, automation and cultural and competency change in operative teams for system-relevant services. Jochen Decker is a member of Group management and has been CIO at SBB since 2021.



Management Summary

SBB, SIX Group and Swisscom are among Switzerland's agile champions. All three enterprises regard agility as an opportunity and invest purposefully in its implementation. All three began this process around 10–15 years ago. While Swisscom commenced agile transformation in a few minor areas, SBB introduced agility in a core rail operation division, namely the scheduling systems for trains on the track network. This corporate unit was chosen because of its diverse dependencies combined with strong innovation pressure. For SIX, on the other hand, the introduction of purely digital payment processing was the driving force behind the deployment of agile methods, as these are ideal for addressing rapidly changing requirements in a volatile environment. Decker and Brupbacher both agree that agile is not an end in itself. Instead, the right tool for the purpose must be selected in each case.

As of today, Swisscom has transformed the entire technology division with around 4,000 employees, in areas ranging from software development and IT infrastructure to its entire network construction and operation, to lean agile methods. At SBB, agile transformation has to date penetrated IT completely, and around 2,000 employees in IT and business now live by the motto "Cloud first – agile first." 1,100 IT specialists are deployed by SIX in elements of the portfolio where a purely digital approach accelerates the time to market.

Asked what the greatest challenges currently are, Christoph Aeschlimann finds promoting lean agile transformation, with its focus on methods and mindsets, at the same time as transforming DevOps with engineering practices at its core to be particularly demanding. This conversion to value streams with a BizDevOps approach in a spirit of partnership also takes time. On the other hand, Brupbacher considers SIX to be already structured in well-established value streams and working cooperatively with business units. The challenge here is to ensure security at all times, including within agile structures. The most important lesson here is that the cultural shift to an agile mindset takes time and needs to be extended to encompass all stakeholders.



"Our greatest challenge is the fact that we are pushing two parallel transformations: a lean agile transformation, involving methods and mindsets, and a DevOps transformation to harvest agile fruits."

Christoph Aeschlimann, Swisscom

Key Lessons for Establishing Servant Leadership

Transforming an established culture into agile structures is particularly challenging for management. Core management, according to Aeschlimann, remains the same however, namely, defining goals and motivating people to achieve these successfully. Clear goals, guidelines and beacons are required to empower teams, enabling them to reach autonomous decisions and offering them guidance. For Jochen Decker, the decisive change in the leadership model for both managers and teams is the need to separate technical and line management and differentiate between the roles in personnel and technical leadership. Many decisions, concerning investments for example, still follow the hierarchical structures of line organization. But if the organizational structure and process organization are completely separated (as is the case at Swisscom), agile roles can be classified correctly within the hierarchy and assigned the required decision-making powers.

In management structures where teams function autonomously and senior management sets the guidelines, middle management, in particular, needs to take on new roles in which technical management and leadership are much more important. Not everyone has the motivation and skills to embrace this change. Jochen Decker refers to a third of the middle managers who fully support the transformation and thrive in the technical role. A further third remain neutral and can be persuaded, provided the gain in new development opportunities is explained in detail to them, and their enthusiasm for greater responsibility can be aroused. The third that resist any change are a problem, because options for their deployment are diminishing as agility penetrates every industry. Swisscom helps everybody who wishes to improve themselves by providing courses and coaching, and those who fail to get their bearings in the agile world receive assistance looking for a new job. Dave Brupbacher regards it as the task of management to bring the right people with the



"We never worked with projects in our agile transformation. Instead we focused consistently on implementing it through initiatives and the required changes in culture."

Dave Brupbacher, SIX Group

same mindset together and promote an exchange on leadership and technology issues. The shortage of skilled personnel alone is the reason Jochen Decker regards activating and motivating "all those who can, but don't yet want to" and appropriate training for those who "want to, but can't yet" as a shared responsibility.

Explaining frankly and honestly where the journey is taking us is just as important as achieving an understanding of the new roles. At the skills level, changes in working techniques and requirements mean there are enormous transformations ahead before everyone can take up their duties in their position as a Release Train Engineer (RTE), Solution Train Engineer (STE) or Tribe Chief.





"Early definition of the governance model as a framework is decisive for agile scaling. If you fail to do this, you end up with a flea circus that can only be reincorporated in a governance unit with a whole lot of effort."

Jochen Decker, SBB

Controlling Agile Structures and Linking IT to Business and Corporate Strategy

BizDevOps and lean portfolio management are the two drivers at SBB. The corporate structure is broken down into area strategies for deriving functional requirements that flow from the Lean Portfolio Board into the Epics. Ideally, there should be no divide between business and IT. SBB has no company-wide portfolio, but it prioritizes strictly according to business processes in each value area. Swisscom also pursues a lean portfolio management approach. Capex is centralized and allocated at value stream level based on the business strategy. Sub-portfolios involving different value streams are created for launching new products if different areas need to contribute to the final project. Product visions are defined at the Product Owner (PO) and Product Manager (PM) level in B2B and B2C and controlled by business.

By way of contrast, SIX has very "lightweight" centralized control of the corporate portfolio, but cultivates a view of the portfolio. Value streams have, within the context of their competencies, the autonomy to decide how they handle the financial and HR resources clearly allocated to them. The IT leader in the value stream is embedded in a matrix and reports to both the IT Chief and the business unit.

A deep technical understanding at the PO and PM level is required in all three companies. The majority of POs at SBB are, for this reason, from IT, while Solution Managers are generally from the business in line with SAFe. Where necessary, the PM at SIX is assigned a proxy from Technology for deriving the Epics and creating working papers for the DevOps teams. Swisscom promotes PO cooperation with colleagues responsible for process and product design on the business side to reinforce the business view. SBB follows the principle "business drives IT" rather than "IT drives business". The PO should have an adequate understanding of both worlds, but the future should be business and IT working hand in hand. Jochen Decker believes that PI Planning is the central instrument for prioritizing enablers and features, as this requires intensive engagement with value and feasibility.

SAFe and Governance, Compliance and Security Requirements

All three companies are guided by SAFe – the scaled agile framework. Modules from SAFe should be selected to create a consistent process construct for IT. Consequently, and Decker and Brupbacher agree on this, it is recommended to start with a governance concept and integrate classic control structures relating to architecture, risk management, security and quality assurance as early as possible. SIX continually gathers experience of how, through the iterative development of governance, all stakeholders, ranging from the Business Contingency Manager and initial tests with the teams to those responsible for security and compliance, can be integrated. SIX implements the findings in a continuous learning process.

Swisscom works a lot with self-assessments in its teams and documents governance and security processes through strict specifications of what should be checked, how and by whom. Christoph Aeschlimann points out the importance of DevOps having an uninterrupted toolchain in which developers can obtain feedback very quickly and incorporate code changes in a transparent fashion. The added value of a tool-based approach of this kind and the use of AI lies in more rapid feedback cycles. However, this has less to do with agility and more with DevOps. Decker also calls for conscientious docu-



"What is of decisive importance for the success of lean agile is focusing on employing the right methods in the right place."

Christian Mauz, AWK Group

mentation and a toolchain to safeguard the agility and flexibility gained during the transformation. It is the task of management to demand this documentation is of the required quality and produced promptly.

Conclusion

Agility within a company that migrates from IT to business leads to benefits such as improved prioritizing, greater participation and a speedier delivery capability. But it demands communication, a desire to experiment and common objectives. Core aspects are trust between the business and IT and a recognition that an impact can be achieved on a longer-term journey together. Defining processes, structures and roles is just as important as the "soft" factor – changing the mindset. Both must be tackled simultaneously. The cultural component requires time and, in Jochen Decker's opinion, is the more difficult part. That said, the ultimate effect is the creation of greater value.

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About AWK

AWK Group is an independent, international management and technology consulting company with offices in Zurich, Bern, Basel, Lausanne and Luxembourg. With over 400 employees, AWK provides guidance and support during the digital transformation of businesses in a variety of sectors, from development of the strategy to implementation, all backed by an in-depth familiarity with the technologies of tomorrow. The services it provides extend from the development of digital business models and data analytics, cyber security and IT advisory to the management of complex transformation projects.