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STEP 2: WORK
REORGANIZING WORK PROCESSES TO ALLOW FOR FLEXIBILITY AND INCREASED EFFICIENCY AND EFFECTIVENESS

When thinking about agile work, many people immediately think of reorganizing departments, dissolving old structures, and abolishing the hierarchy. However, working in a more agile way is possible in existing structures, too. STEP 2 will focus on what agile work can look like beyond organizational restructuring. Which methods are needed, which tools are used, and which problems can arise? Two case studies from SCHOTT and thyssenkrupp exemplify what agile project work looks like in communication teams and how they affect the way teams collaborate.

What does agile work mean?

First of all, it is important to define what we understand by the terms 'agile work' or 'working agile'. Agile work can have different meanings. It is often defined as the organization of work according to agile methods, but that does not cover all of its scope. In our understanding, agile work means organizing work in such a way that employees can respond quickly and proactively to the immediate task at hand. It means giving them the space to work efficiently and effectively, within a team that comprises the right people with the skills and competencies needed to do the job.

Agile methods such as Scrum or Kanban can support this kind of work, but at the same time they can also make it more complex and difficult. Often, the methods do not fit the reality of the companies as we will see in the case study of SCHOTT. Thus, it is more important to establish processes that enable people or teams to work together as efficiently and smoothly as possible to achieve optimal results with as few resources as possible.

The reality of agile project management

In practice, agile work often means project-oriented work, which suggests that, on the one hand, an increasing number of tasks are declared as projects and are also processed in this way, according to the principle "find the best (wo)man for the job". In the future, this will increasingly imply collaborating with colleagues from other departments such as HR, strategy or IT. Corporate communications, especially internal communication, is becoming more and more a cross-cutting function that interacts with many areas of the organization. Communicators, therefore, need to be open to new tasks, topics, and colleagues.

Agile work is often transverse to the actual organizational structure and this might lead to conflicts. It requires a high level of commitment and openness on the part of managers within corporate communications and in other departments to allow for new forms of work design and cooperation. This means, for example, that employees are released to agile projects and that areas of responsibility or even employee positions are shared or new ones are allocated. It also means that former procedures of project management in the organization must be overridden. It is obvious that it is not easy for employees to move seamlessly through two, three, or four organizational worlds and that agile project management demands new competencies and skills from them, which first have to be learned (see also STEP 4).

CASE STUDY SCHOTT: IMPLEMENTING AN AGILE PILOT PROJECT

SCHOTT AG is an international technology group in the areas of specialty glass and glass-ceramics. The company's products can be found in many industries, including home appliances, pharma, electronics, optics, life sciences, automotive and aviation. The company reported sales of EUR 2.2 billion in the fiscal year 2018. Over 16,200 employees work for SCHOTT worldwide, 5,800 of them in Germany. SCHOTT has production sites and sales offices in 34 countries.

The case study is presented here because group-wide projects usually put agility and agile methods to the test: on the one hand, the advantages of agile methods can really come to bear here; on the other hand, the processes and structures of the entire organization naturally make a strict application of agile methods difficult. The experiences of SCHOTT provide valuable insights for other companies.

Collaboration as a main element of the new group strategy

SCHOTT is characterized by strong business units that are located far apart geographically and have historically developed strong individual identities. In 2017–18, SCHOTT started an overarching group strategy initiative with the aim to connect the entire group more strongly and to dissolve the silos of the business units in favor of a more market-oriented approach.

In order to make this strategy tangible for customers and users, a new website project was set up. Within the project, SCHOTT not only planned to redesign the corporate website but to define a completely new market-based structure, having a new content management system and infrastructure (cloud-based). The system-based functionalities of modern digital marketing (marketing automation, personalization, e-mail marketing) should be used to drive sales opportunities. The so-called **Online Experience Platform (OnEx)** became a major company-wide project scheduled to take four years to complete and affecting a multitude of internal stakeholders. Due to the long-term nature and IT-related dimensions of the project, it was decided to set it up and manage it according to agile principles using the Scrum methodology. This also affected the working methods of the external agency that supported the project.

Group-wide projects of this scope put agility and agile methods to the test: on the one hand, the advantages of agile methods can really come to bear here; on the other hand, the processes and structures of the entire organization naturally make a strict application of agile methods difficult.

SCHOTT has had precisely this experience. Here, the IT, the Corporate Marketing and Communication departments were responsible for the implementation and management of the project. As the project included a completely new market presence and interaction with customers, the involvement of all business units was also essential.

Setting up a project with Scrum principles

Besides organizing the project according to Scrum principles, various other agile tools, such as Jira and Confluence, were used. To involve all relevant stakeholders from the business units, for example, various design-thinking workshops took place in the initial phase of the project. Experience has shown that it takes at least three to four months of preparation and training to enable a team to work with agile methods and tools. These preparations included Scrum training in order to become familiar with the method itself but also software training for working with Jira and Confluence. This needed time and energy and made the project management more complex in the beginning. In the long-term, however, the project benefited from this investment.

Besides training the people already on board, the agile project management approach also required new roles that had to be filled by new staff from the outside. Martin Mayer, for instance, came on board as Scrum Master. To fulfill this new role in the project, he complemented his experience in online marketing with a Scrum Master certificate. For the communication and marketing employees involved in the project, working according to Scrum was a new experience. Thinking and working in user stories and using new software tools had to be learned and practiced.

Before the start of the implementation phase, the entire project was broken down into streams, epics, user stories, and finally into 14-day internal sprints to plan all the steps and brief the implementation agency accordingly. It took about six months to set up all the requirements and write the first user stories. However, without these elaborate preparations, the project would have been doomed to failure. Scrum enabled clear scheduling, fixed processes, and efficient time management (time boxing). In the beginning, the project team met twice a week for a status update (daily). This ensured transparency in the initial months. *"Also essential were the so-called 'Save Room' sessions, which provided a framework for*

> » My key learning as a manager was that an agile project requires a different team setup. It is critical to bring the right mixture of experienced employees and employees that know the company together to drive that project efficiently. My role as an executive also changed: less micromanagement within the project, but much more stakeholder management outside the project and toward the rest of the organization. I have to keep the project on long-term track, be in close contact with other areas, and be the one who quickly detects moods, vibes and opinions from the rest of the organization. Most important, it is my role to make strategic decisions in critical situations and to be responsible for the project with regard to overall budget, capacity, and resource planning. Trust is the most important value in this role. Also, working with an agile team is a lot of fun. «

Anja Dietze, Head of Brand Management and Digital Marketing, SCHOTT

retrospectively giving open and honest feedback as a team and for developing personally and as a group," says Martin Meyer, project coordinator of the OnEx-Team.

Even though the rigid structure helped to get the project on track at the beginning, the experience and perspective of the team changed after a few months with the first hiccups happening. The team realized that it was extremely difficult to manage and to embed the project into the overall organization over a long period of time. It became important to change the project methodology and structure, if possible, without losing the basic idea of Scrum.
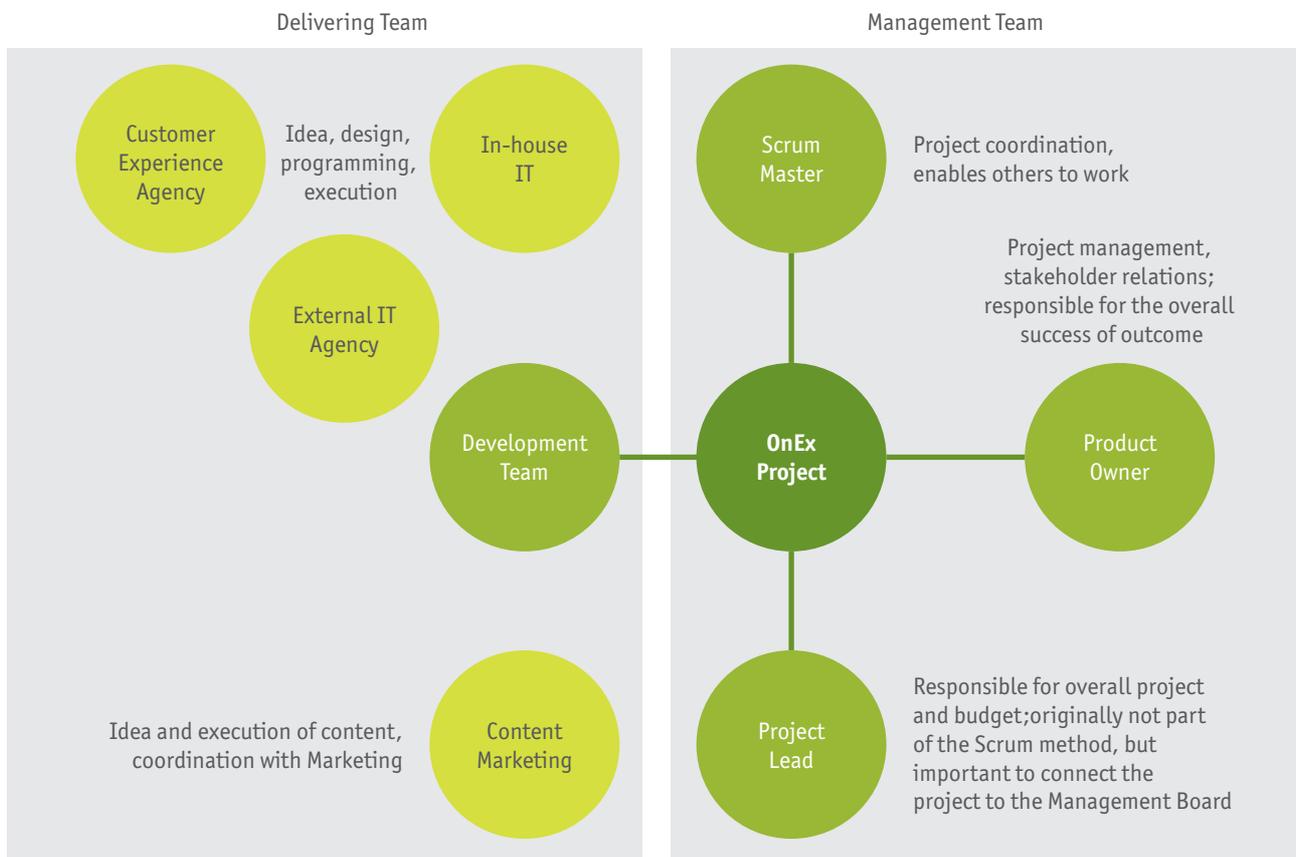
One essential lesson was: While Scrum helped to give the project a clear, calculable structure, it does not depict incalculable, informal, and interpersonal aspects that inevitably arise in a major corporation and in interaction with external service providers. These aspects can include a multitude of relevant stakeholders (such as the management board, steering board, heads of business units, sales and product management) or unexpected events like problems with the chosen agency or major budget reductions. Examples of other sensitive points are internal reporting requirements and the time and capacity limitations of different internal stakeholders that need to be involved.

Linking Scrum to the rest of the organization

These points required an adjustment of the classical Scrum method. It was decided to introduce a complementary project management. This acted 'outside' the Scrum-based project structure to take care of the overall stakeholder management and project presentation toward the board. An additional project lead position was introduced. This role is not defined by the classic Scrum idea. But it has proven to be necessary because it requires an experienced and recognized senior manager who anchors the project in the overall organization and also represents it to the board of executives.

The overall Online Experience Platform project structure and the roles involved

Delivering Team

Customer Experience Agency

Idea, design, programming, execution

In-house IT

External IT Agency

Development Team

Idea and execution of content, coordination with Marketing

Content Marketing

Management Team

Scrum Master

Project coordination, enables others to work

Project management, stakeholder relations; responsible for the overall success of outcome

OnEx Project

Product Owner

Project Lead

Responsible for overall project and budget; originally not part of the Scrum method, but important to connect the project to the Management Board

> » If I had to summarize the project in two sentences, it would be these: 1. According to the classical Scrum approach, we failed. 2. However, by using a modified approach – still based on the principles of Scrum – we have implemented an efficient and successful project. «
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> *Martin Meyer, Scrum Master and Project Coordinator, OnEx-Team, SCHOTT*

Anja Dietze, Head of Brand Management and Digital Marketing, took over this role. She reported that the OnEx project was and is extremely complex, but she and her colleagues were able to learn a lot as a team.

Outcome and learnings from the project

The project team and processes now have a functional and efficient setup, although they are not following the classic Scrum methodology. While the logic of the sprints still exists, pivotal decisions are now being made according to the waterfall principle. Retrospectives take place only every quarter instead of every two weeks. However, continuous learning and improvement are still a regular part of the process. Thus, the new setup can fulfill the requirement of the overall organization concerning project reporting and communication. Meanwhile, the involved IT agency still works 100 per cent according to Scrum.

SCHOTT's experience with a major project based on agile Scrum principles makes it quite clear that the methodology's rigidity cannot always be transferred to the reality and complexity of a major corporation.

Nevertheless, the method has helped to structure and manage the project, especially in the beginning. The clear allocation of roles and the introduction of software tools such as Jira and Confluence has helped to gain speed and self-management. This was extremely helpful in the recent COVID-19 situation when many team members from the marketing and communications team were already used to digital project management and the necessary tools.

In any case, the project led to a rethink of traditional structures and procedures and encouraged the team to try out new forms of cooperation, to consider a new interpretation of leadership, and to implement a more self-reliant kind of work. *"The agile project has also helped to overcome fears of working with agile tools and methods that were still present in the communications and marketing department,"* said Jonas Spitra, Manager Corporate & Innovation Communication. *"During this project, more and more 'islands of trying agility' have emerged."* These changes indicate that bigger agile projects can support change in organizations.

thyssenkrupp AG is a diversified industrial group headquartered in Essen with subsidiaries in 78 countries worldwide and 162.000 employees. The group is organized in five business areas: components technology, elevator technology, industrial solutions, materials services, and steel Europe, some of which are managed separately as business units. The group comprises a total of 456 companies and 22 investments.

The communications department of thyssenkrupp was one of the first to adopt the principles of project organization and emphasized cross-departmental collaboration. They also established rountines, procedures, and tools that are necessary to manage this transformation.

Setting-up a project-centric way of working

The communication department at thyssenkrupp started to organize itself more strongly into a project organization in 2016. Meanwhile, they gained a lot of experience and have become a proven example of how more agile, project-centric work can be achieved without dismantling departmental structures. At the time of the interview in December 2018, the communication department was structured in five pillars and comprised almost 50 employees. In the meantime, the number of employees has been reduced to about 30 people and the department also faced a huge budget cut. The project organization and the corresponding gains in effectiveness and efficiency have helped to cushion this reduction.

» It is advisable to make big changes in stable times. Implementing new processes causes a lot of unrest in the team. This can go wrong if you do not have the capacity to absorb. «

Svenja Stasch, former project coordinator at thyssenkrupp

Interview with Svenja Stasch, thyssenkrupp

Dr. Lisa Dühring spoke with Svenja Stasch who was responsible for implementing the project organization back in 2016.

Svenja - you have been the main project coordinator in 2016 when your department started to implement a project-centric way of organizing work. Although the overall organizational design was not changed, the approach to work in projects was implemented. What was the initial impulse for tackling this?

The impulse came from Alexander Wilke, Head of Corporate Communications at the time, who has always been very open to trying out new things. I think he got the idea when visiting the communications team of Deutsche Telekom that had already started its agile transformation. Back then, we did not act out of economic necessity or the need to cut back on people. Still, our work processes at that time were not sustainable – way too time consuming, complex, and redundant. In order to change this, we decided to no longer think and act in terms of target groups but to be cross-functional in terms of content and channels which has made our work much more effective and efficient. I must say, we are glad that we started so early to implement a project structure, because we are now in a situation where we have to cut staff ourselves.

Is it advisable to make these changes in stable times?

Absolutely. Implementing new processes causes a lot of unrest in the team and that can go wrong if you do not have the capacity to absorb this.

Can you give a rough sketch of what your project organization looks like?

It is important to say that we have not touched our organizational chart, meaning that the departmental 'homes,' or the disciplinary management of our people, stayed in place. What we did was to define major parts of our work as projects. Not everything was redefined, of course, because there is a lot of day-to-day business,

but most of our work that is not tied to a special stakeholder relationship such as communication with the board or certain areas of media relations. Instead of thinking in departmental structures, we started thinking more in terms of roles and functions. In the beginning we defined about 40 projects – this number has not changed much. A project could be anything starting from a merger to a big industrial fair or the annual financial report.

How did you manage the projects and coordinate the staffing?

Well, that was a challenge in the beginning. First, we looked at each of our employees: How much day-to-day business do they have and how much capacity is left for projects? That differs from person to person. There are employees who work 100 percent on project business and others who are mainly absorbed in day-to-day business. For example, I am responsible for managing the new project organization as well as for budget planning and controlling. I only have about 30 percent capacity left to spend on other projects.

The main idea of the project organization is matching projects and people and achieving the best input-output scenario. Thus, we needed much more transparency than we had in the past. A simple Excel sheet helped us in the beginning to get an overview of all our projects, their aim and scope, the estimated amount of time and people spent on it, etc. We regularly reviewed every project and assessed the individual capacity of every team member. Therefore, we needed every staff member to assess how much time she or he spends on their projects and daily business and assess whether their workload adds up to around 100 percent or much more or less. In the latter case, we had to react and adopt.

Do employees apply for projects or are they assigned by their supervisor or project manager?

That depends. In the beginning, the idea was that principally anyone can apply for new projects, but we soon noticed that did not work. Large and strategically relevant projects in particular require certain skills and experience that not all employees possess. Thus, we now rely more on assignments, but applications are extremely welcome.

How did the team and the superiors react to the new project organization?

It first put them in shock. Although we did not actually change much formally, our employees were to a certain extent overwhelmed, intimidated and frightened. Likewise, the executive managers struggled to release employees to projects outside their division. There was also a huge lack of project management skills, which put the assigned project managers in a difficult situation. Many of them had not been in a leadership position before; now they were responsible for their own project management right from the beginning. They had to structure and staff the projects themselves, set the overall goals, define the timeline, the budget, the number and kind of staff they needed, etc. They were somewhat overwhelmed by these new tasks. Most of the employees were not able to assess his or her capacities in terms of how much time they were spending on their different tasks and projects.

What countermeasures did you take to create more acceptance?

In the first step, we started organizing a roundtable once a month. The roundtable has become an important outlet for discussing all sorts of questions but also for expressing concerns and sharing emotions. We wanted to avoid negative talk through the grapevine. Second, we invested in project management training for all project managers and later on for every team member. That helped considerably. Third, I first helped with the bureaucratic project management work such as structuring and setting up the projects, working out goals and milestones, setting budgets and a timetable. I then taught these skills to the project managers. When things were up and running and everyone was at least kind of familiar with the process, I went on parental leave for a year and when I came back things had settled down. I then started to optimize.

What were the aspects that needed improvement?

First of all, I took over a lot of bureaucratic work, especially the database management with the capacity calculation. I switched from Excel to Access. I had the regular exchange with the project managers every four (later on eight) weeks and the roundtable became very positive and productive. The review with the project managers now lasts ten minutes, whereas in the beginning it used to be an hour and a half. The exchange is very helpful for everyone. We have much fewer people doing overtime. The database creates a great deal of transparency with regard to the projects, but also with regard to each individual employee. The workload is more evenly spread and we know early on when critical project phases are coming up.

How much of your working time do you still spend on monitoring and project support?

Much less than in the beginning. Formats like the roundtable and the review have become very efficient. Besides that, I supervise almost 40 projects and that takes about 25 percent of my capacity per month. In the end, however, this is also a sensible investment of time for me because I am also responsible for budget planning and controlling. This means that these meetings always give me a good overview of where we stand.

Looking back at the rough star – would you say that it was worth the time and effort?

Absolutely!

Thank you very much for your insights!

ⓘ CAVEAT

- **Organizational reality refutes the ideal:** Agility is usually associated with empowerment and a coaching and trusting style of leadership. In addition, handing over responsibility from managers to staff members in prominent corporate projects is often seen as a prerequisite for an agile work environment. However, organizational reality often refutes the proclaimed ideal. Especially when things go south, the traditional chain of command is back in place and a scapegoat is sought out who can be blamed for giving too much freedom and not checking often enough on projects or processes.

- **Agility versus accountability:** It is important to stress that agility – empowering people to make decisions and relying on networks of interactions – does not mean that people are no longer accountable for results. In fact, one objective of agile work is to employ rigid goal-setting and establishing a timeline that is tracked constantly. Agile approaches, correctly applied, are supposed to make accountability more transparent. Individual and team goals and metrics should be shared for everyone to see. With the transparency comes shared responsibility. Thus, agility does not mean that accountability becomes more obscure or is transferred to lower hierarchical levels.