



Winds of Change—Approaching an organization-wide transformation

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My senior leadership made me responsible to lead a lean/agile transformation. I started off with an initial proposal which included a plan for the transformation. I realized that a detailed plan for a lean/agile transformation is a paradox. I decided to approach the transformation in short increments, inspecting & adapting along the journey. We have progressed well over the last 3 years and are on our way to build a culture change.

1. INTRODUCTION

My job was to enable a lean/agile transformation in a 2200-person strong organization unit. I used a combination of push and pull to gain the initial buy-in, to get the transformation started and finally to gather momentum in moving towards a culture change. We are not yet “done” but we are well on our way.

2. BACKGROUND

Siemens Healthineers is a leading medical technology company. We have diversified portfolio in areas such as medical imaging, laboratory diagnostics and digital health solutions. The Development Center in Bangalore, India develops software for these different business areas.

I am the “Business Transformation Manager.” We use a collection of lean and people focused methods, called the HPS. (**H**ealthineers **P**erformance **S**ystem).

In January 2019, I started my role as the person responsible for the HPS transformation across the Development Center. At that time, we kick-started the transformation. I communicate with and report to the leadership team. I also work with teams in the different businesses and the key leaders across the organization in driving this transformation.

2019 was all about laying a foundation for our transformation. 2020 was about making a start and bringing about a change in the thinking. 2021 is where we are trying to bring about a change in the behaviour which would culminate in a culture change.

I had several challenges: How to kickstart the transformation? How to get the leadership buy-in? How to drive the transformation across a heterogenous organization with business segments that are diverse in nature? My story details the approach that I used to address these questions and achieve progress.

3. MY STORY

3.1 Initial days and what set the tone for me

Year 2018: This was a year before I started in this role and we had attempted to initiate a lean/agile transformation at the Development Center. We started off by assessing the maturity of agile practices in a few “pilot” projects and came up with some generalized recommendations. We also came up with a 3-year plan of how we will gradually scale-up the transformation by rolling out the recommendations across all projects in the organization.

When we presented this to the leadership team one key question came up: Businesses are doing just fine. What do we stand to gain by implementing these recommendations?

Needless to say, our recommendations were not accepted as the businesses failed to see any value in it.

What I learnt from this:

- Understanding the business scenario and connecting the transformation proposal to the business benefits is very important to get the leadership buy-in. Lean/agile transformations are not about implementing frameworks/methods, but about harnessing the power of these frameworks/methods to realize business results.
- The “Why” of the proposed transformation needs to be clearly articulated. Unless the teams understand the compelling reason behind the change and are able to see the results, driving change is next to impossible.
- A “fixed” plan for an “agile/lean” transformation: Seems illogical, isn’t it? To put it simply, we cannot have a long-term plan for a transformation. We have to approach it in short increments and inspect & adapt as we go along.

3.2 The idea gets seeded

Year 2019: The first year of our HPS transformation. We did a kickoff meeting with the leadership team to identify some key challenges where the HPS methods could be piloted. At the same time, we started putting together a team of key enablers from the business segments who would drive the transformation. We also started developing some of them as experts on specific methods of the HPS. Finally, we started training the decision-making roles (leadership team and 2 levels below) on HPS.

In summary, this year was more about laying a foundation for the transformation. It was a lot of groundwork, but very little momentum/traction.

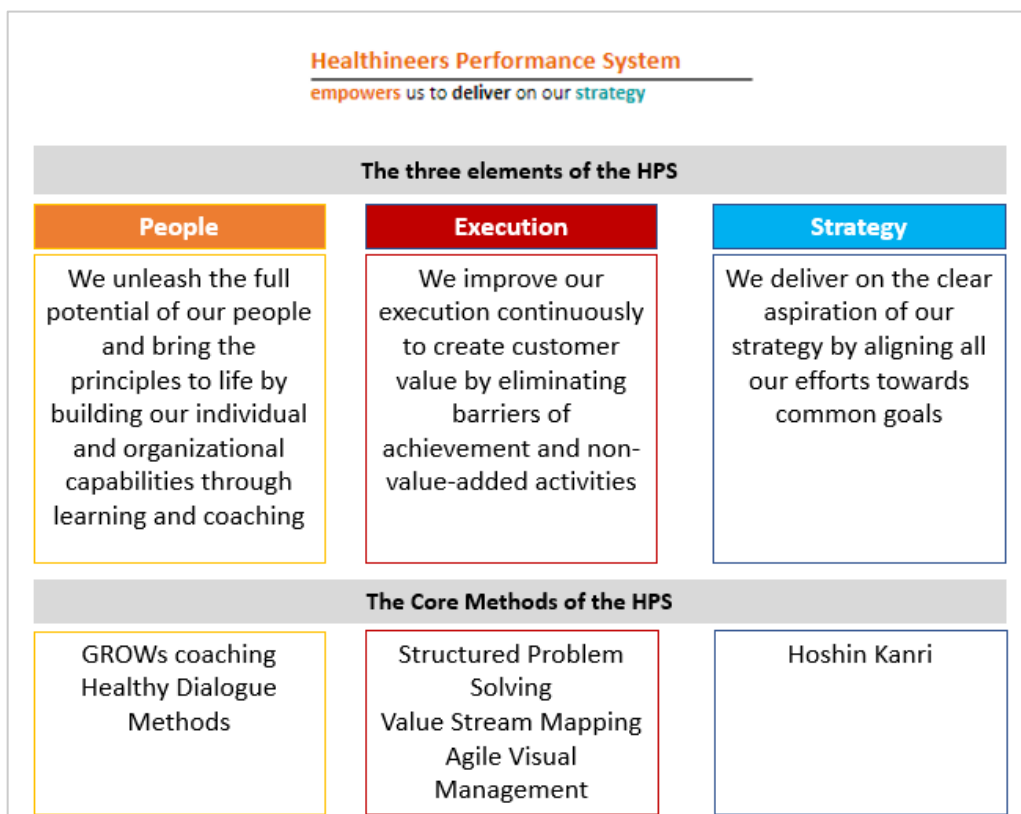


Figure 1: The Healthineers Performance System

3.3 The transformation starts

Year 2020: With the foundation laid for the transformation, we faced the task of scaling up the transformation to the next level in this year. But how do we do this? We had 2 options: The 1st option was to let the transformation progress organically i.e. we continue to train the teams. They realize the need and start

applying the methods on their own; an approach that is purely pull based. The 2nd option was to give an initial push and adopt a planned approach for the transformation. We settled for the 2nd one.

The first step in this direction was to establish a target state for the transformation-Where do we aspire to be at the end of 3 or 4 years? When I had the discussion with the business heads, their views were unanimous: They wanted to reach a state where applying the methods of the HPS becomes a part of the organizational culture.

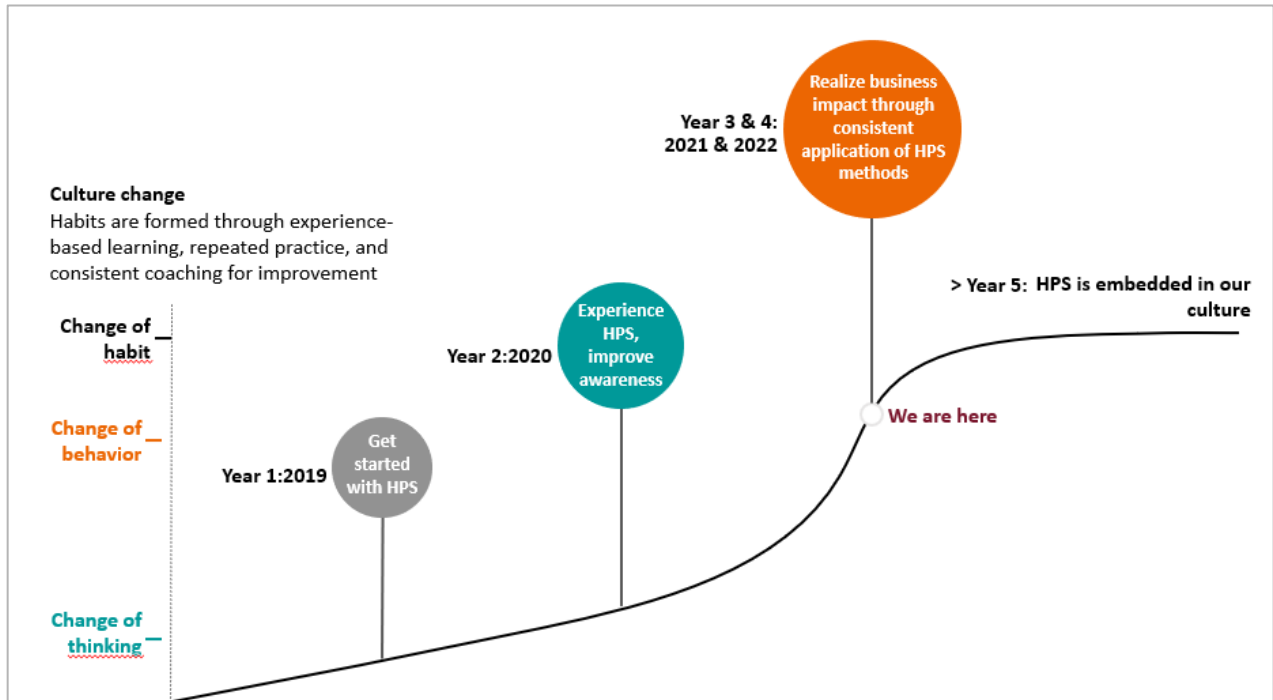


Figure 2: Our transformation journey map

Now that we knew our destination, the questions that we faced were: How do we start? What activities do we do towards the transformation?

In discussion with the key enablers, we decided on the following:

“Think big, start small”—Imagine a stationary vehicle. For it to move and gather momentum, we need to start it with a motor to give that initial push in a particular direction. In many ways, that is what we did. We felt that the best way to realize the benefit of any lean/agile framework is to try them out and experience them. We proposed the idea of every business segment trying out Structured Problem Solving (one of the key HPS methods) for one of their business challenges. This was a proposal which sounded reasonable and doable to them. This proposal would give an opportunity for the businesses to experience HPS and in turn would generate the buy-in to apply it in a much grander scale.

The next question that we faced was: How do we plan and execute the transformation? What activities do we factor in for this year? We decided to plan and execute the transformation in 3-month increments and inspect and adapt as we go forward.

Towards the end of the year, feedback was solicited from the leadership team on whether applying these methods helped them and the answer was a resounding “Yes.” So, with the change in the thought process achieved, the stage was set to scale-up the transformation to the next level.

What I learnt from this:

Give direction to the transformation:

- Establish a target state for the transformation (3-4 years) along with the focus for the upcoming year
- Think big, start small, give the initial push; As change leader, show them the direction to go in
- Put the actual results on the table at the end of the year and get the leadership buy-in

Key practices:

- Planning and executing the transformation in 3-month increments; Inspecting & Adapting with retrospectives
- Awareness to key roles through trainings
- Communication campaigns about the transformation through various internal channels
- Establishing a Community of Practice
- Go and See sessions on implementation examples
- Engaging with the teams periodically to obtain their feedback
- Tracking the progress of the transformation through leading & lagging KPIs
- Periodic syncs with leadership team to update them on the status and obtain their feedback
- Recognition of contributions to the transformation through various forums

3.4 The metamorphosis starts

Year 2021: We had given direction to the transformation in 2020 and got it moving. The third year was crucial as here is where the metamorphosis starts. Old habits fall away, a new set of habits are internalized, and the organization embraces HPS as a culture and emerges out of this stage.

This understood, the questions that we faced were: How do we gather momentum? What should be our focus in the 3rd year and what activities should we take up? What do we do differently as compared to the previous year?

In discussion with the key enablers and the business segments, we decided on the following:

The businesses had experienced the methods of the HPS last year and understood the benefit. This year, we decided to **shift the focus from the methods to realizing business benefits**. When I spoke to the businesses, “Can we try these methods?” changed to “What are your business challenges? Why don’t you try applying these methods to address these challenges in a sustainable way?”

Shift from “selling/telling” to “consulting/coaching”: Instead of pushing all the businesses to move in the same direction, we defined an overall approach along with key areas to focus on. We let the businesses charter their own path to the destination using our approach as guard rails. I shifted from a “selling/telling” approach to a “consulting/coaching” approach to enable the businesses to charter their path.

Widen the focus: We decided to widen our focus from one particular method to the entire set of methods in the HPS.

Focus on sustainability of the practices: Transformation also means that the change that we bring in is permanent. We decided to put a “Kaizen funnel” system in place where identifying improvements/business challenges and applying the HPS methods to address them becomes a repeatable practice.

Enable the “Key Enablers”: We realized that engaging the key enablers and getting them to play an active part in the transformation in some way (making them a “part of the game” in other words) was one of the key aspects the transformation. Key enablers being able to drive the transformation in their respective business segments independently is important to build a culture change.

Widen the community: For HPS to become a culture, more and more people within the organization need to be aware of it and its benefits. We decided to extend our trainings to more roles within the organization and at the same time establish communities of evangelists within each business segment who will provide support in applying HPS.

We are halfway into the 3rd year of the transformation right now. We took stock of the situation and asked ourselves, are we there? Is a culture change ready to emerge at the end of the 3rd year? “Probably not” is the answer. We have gained a lot of traction. We have also started seeing the business impact as a result of the transformation. However, in a mid-size/large organization with diverse businesses, internalizing practices to create culture change takes time. We already see a culture change taking part in some business segments within our organization. To see this emerging across the entire organization, we anticipate it to take at least 2 more years. Until that time, we would be in metamorphosis.

What I learnt from this:

- After giving the initial push, set the boundaries and allow the businesses to own the transformation and find their way. Wear the hat of a consultant/coach and help them in their journey.

Key Practices:

- All practices from the previous year were continued
- Setup of kaizen funnels were initiated to ensure a system for continuous improvements
- Upskilling of key enablers
- Setup of HPS communities within each business segment was initiated
- Trainings were extended to cover more roles within the organization
- Making the business impact and progress visible in updates to the leadership

Results	
<p>Project A Method Applied: Structured Problem Solving Addressed the delay of 7 weeks in the milestone in the previous release. The actions derived by applying SPS ensured that there was no delay in subsequent releases for customer milestones</p>	<p>Project B Method Applied: Value Stream Mapping Reduced manual effort for the hotfix activities by 30%. Effort thus saved was invested in delivering additional features to the customer. Elimination of repetitive manual activities also led to improved morale within the team</p>
<p>Project C Method Applied: Value Stream Mapping Achieved a 25% reduction in lead time for builds thereby enabling faster feedback from automated testing. Elimination of waiting time and manual effort enabled the team to focus on the core development activities</p>	<p>Project D Method Applied: Value Stream Mapping Eliminated manual overheads of installation and reporting in the regression testing process by 80% thereby enabling the team to focus on the core testing activities</p>

Figure 3: Making the business impact visible in updates to the leadership

4. MY LEARNINGS AS A CHANGE LEADER

Key success factors:

- Buy-in from the leadership is vital to the transformation.
- Measure the progress, make it transparent and solicit feedback: Measure the progress using KPIs. Update the leadership team periodically and incorporate their feedback when moving ahead.
- Involve people at the ground level-Establishing a team of motivated “Key Enablers” from the businesses is crucial. They understand the practical difficulties in driving change within their businesses and provided valuable inputs to drive the transformation.

The transformation approach:

- Neither a pure “Push” or a pure “Pull” approach works in a transformation and often it is a combination of both. An initial “push” was required with a gradual transition to “pull” when the transformation gathered momentum.
- Switch between approaches-Switching from a "Telling/Selling" mode to a "Consulting/Coaching" mode based on the situation is very important. In the first 1-1.5 years, my focus was more on "Selling" the practices. Once the businesses realized that these practices were beneficial, they took ownership for the transformation and I started to "Consult and Coach" them.

A change leader's traits:

- Be empathetic. No two businesses within an organization will transform at the same pace. There are some businesses which are "Early adaptors" and move fast while there are others where no transformation is visible even after two years. As a change leader, it is important to accept this, remain patient, understand the impediments to transform from a business perspective and help remove them.

5. ACKNOWLEDGEMENTS

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