Driving Organizational Change Best Practices

Arjo van Oosten
Global Senior Director, Digital Execution Practice
Agenda

1. Why Change for RAD? What’s the Problem?
2. Building Blocks for change
3. Value definition and value proof
4. Achieving sustainable change
The Need we See

Make it Fast
- Increase Time to Market
- Become More Agile
- Capacity & Willingness to Change

Make it Efficient
- Predictable, Re-usable
- Governance & Quality
- Automation

Make it Scale
- Scalable collaborative Bus-IT organization.
- Expand the developer ecosystem.
- Capability to create applications at scale
The Challenges we Generally See

- Misunderstanding the MVP
- Waterfall mindset from IT and/or business
- Business and IT Collaboration
- Developers and their time are scarce
- See it as a technology problem only
- DevOps challenges
- Traditional portfolio process & funding
- Delayed change
  - Can't grow & execute vision
  - Can't meet demand
  - Can't deliver value

Growing Demand
- Scale
- Speed
- Efficient
Technology is not the biggest challenge

1. Skills & Resources 22%  
2. Funding & Budgets 15%  
3. Culture/structure of organization 12%  
4. IT-Business Alignment 11%  
5. Technology challenges 9%  
6. Capacity/willingness to change 8%  
6. Manage sponsorships/relationships 8%

Gartner Insights: From the 2016 Gartner CIO Agenda Report
So, let’s have my team build an app on Mendix!...right?”
An App Alone will Not Drive Change

More than building an app

Select (First) App → Enable team → Go-Live

Now What..

Not the right Foundation & Growth Vision

Not the right organizational footprint
The Maker Center: Foundation for Change

Unleash Maker Capability

- Micro Services
- BizDevOps
- Cloud Native
The Maker Center: Foundation for Change
Foundational Building Blocks

**Architecture & Governance**
- Guidelines on Quality, Delivery and Reusability
- Alignment between portfolio and delivery
- Architecture framework and growth vision

**Experts & Foundation**
- Technical and Subject Matter Expertise
- Production accelerators: reusable building blocks, scripts, UX, testing, etc..

**Maker Teams**
- Developing new apps/components and maintaining existing ones

Unleash Maker Capability
Foundational Building Blocks

**Portfolio**
- Defining RAD apps to start with
- RAD Portfolio roadmap definition
- Portfolio Management

**Value**
- Return on investment and Funding
- Time to market gain
- Efficiency gain

**Unleash Maker Capability**

**Architecture & Governance**

**BizDevOps Maker Team(s)**

**Experts & Foundation**
Why is Value Important for Change?
Value (Success) Drives Change

**Cost Efficiency**
- Less hours
- Lower developer costs
- Lower Maintenance costs
- Opex Cloud
- Compliancy

**Revenue**
- Portfolio value
- New Markets
- New business models
- Customer retention
- Share of wallet

**Strategic Value**
- Business & IT Alignment
- Business developer
- Citizen developer enablement
- Innovation
- Strategic goals

**Flexible, change readiness**
A company being capable of releasing new features and products:
- In minutes or days
- Multiple times a day
- Across multiple clouds
- Around the world
RAD Vision Maturity Influences Change Focus

Focus on the project

“Not really sure if RAD is something for us”

Discovery

Vision Maturity

Focus on the program

“We want to create our own RAD capability, but not really sure how it fits in our organization or IT ecosystem”

Value

Focus on strategic impact

RAD is the only way we are going to achieve our specific strategic objectives, enter new markets, new business models

Strategic

Vision Maturity

Value/investment

“Not really care with which technology my problem is fixed”
Core Value Drivers

Increase Time to Market Speed
- Traditional
  - Start → *** → Live
  - $$$

Increase Application Velocity
- RAD
  - Start → Live
  - $$$

Lower Costs of Development
- Hours for development & Maintenance
- Cost/hour
- Infrastructure
Understanding Time to Market Value

“This application will deliver:
€1M extra revenue per month and €100K cost reduction after go live”

Traditional GTM time: 6 months

Start
- Jan: dev
- Feb: dev
- March: dev
- April: dev
- May: dev
- June: dev
- July: €1,1M
- Aug: €1,1M
- Sep: €1,1M
- Oct: €1,1M
- Nov: €1,1M
- Dec: €1,1M

Generated Y1 value = €6.6M

The Value of bringing this app to market twice as fast

Mendix GTM time: 3 months

Start
- Jan: dev
- Feb: dev
- March: dev
- April: €1,1M
- May: €1,1M
- June: €1,1M
- July: €1,1M
- Aug: €1,1M
- Sep: €1,1M
- Oct: €1,1M
- Nov: €1,1M
- Dec: €1,1M

Generated Y1 value = €9.9M
# Defining an App’s Business Value

<table>
<thead>
<tr>
<th>App Initiative Name</th>
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</thead>
<tbody>
<tr>
<td><strong>Current Situation</strong></td>
</tr>
<tr>
<td>Description of the idea (“we believe”)</td>
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<tr>
<td><strong>Enabled by</strong></td>
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<tr>
<td>1. ___________________________</td>
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<td>2. ___________________________</td>
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<td>3. ___________________________</td>
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<tr>
<td><strong>What will it solve/create</strong></td>
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<tr>
<td>1. ___________________________</td>
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<td>2. ___________________________</td>
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<tr>
<td>3. ___________________________</td>
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<tr>
<td><strong>What are the affected KPI’s</strong></td>
</tr>
</tbody>
</table>
| - Reduce reinsurance errors due to incomplete addresses by 5%  
  - € 65,000 per month |
| - Increase direct mail response ratio by 10%  
  - € 120,000 per month |

**VALUE FOCUS: REVENUE + COST REDUCTION**  
**BUSINESS VALUE : € 185,000 PER MONTH**
## Understanding App Velocity Value

### YOUR MENDIX TEAM

<table>
<thead>
<tr>
<th>APP</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
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<td><strong>800</strong></td>
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### YOUR TRADITIONAL TEAM

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<th>APP</th>
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Supporting the Full Value Chain

- Inbound logistics
- Operations
- Outbound logistics
- Marketing & Sales
- Services
# Back of the Napkin Value Calculation

<table>
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<tr>
<th>App Description</th>
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<tr>
<td>10 apps</td>
<td>1.000.000 p/m</td>
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Back of the Napkin Value Calculation

Traditional

\[ 16 \text{ Months} \times 6 \text{ developers} \times 100K \text{ Salary} = 800K \]

RAD

\[ 4 \text{ Months} \times 6 \text{ developers} \times 100K \text{ Salary} = 200K \]

Time to Market

\[ 16 \text{ Months} - 4 \text{ Months} \times 1M \text{ Value per month} + 800k - 200k = 12.6M \text{ In pocket value} + 20 \text{ Extra apps} \]
Sustainable Change
“Mendix Success doesn’t just happen, it’s planned for.”

Anonymous ;}
3S Change: Start, Structure, Scale

**START**
- Start small, gain broader support
- Prove value of your new approach
- Celebrate first success

**STRUCTURE**
- Extend portfolio
- Grow and split team (COE)
- Accelerate ROI and benefit proof

**SCALE**
- Become a Digital Enterprise
- Multi region/Country
- Strategic impact
Important Milestones

**START**
- Create Foundation
  - Operationalize the plan, enable stakeholders, formalize teams.
- Enable Developers
  - Select, train and certify. Team growth plan
- Deliver Expertise
  - Architects, Cloud, UI/UX, Technical consultants, security, integration etc...

**STRUCTURE**
- Automation & re-use
  - Cloud, strategy, DevOps, QA, testing, monitoring.
- Embed governance
  - Functional and technical governance.

**SCALE**
- Formalize processes
  - Ideation processes, portfolio, ROI, MVP, Agile.
- Ready to next level scale
  - Create talent pool, expand development teams, retrospectives.
Basic Check list for Change Readiness

**Strategic Level**
- Strategic return
- Transformation risk
- Resources

**Program Level**
- ROI
- Benefit realization
- Communication

**Application Level**
- Time
- Cost
- Quality (scope)

The vision | The Organizational Footprint | Use case focus and portfolio
---|---|---
The Program Owner | The Architect | ROI & Budget for change
The Product Owner | The Team | The (first) app
Sustainable Change

Urgency  Coalition  Vision  Empowerment  S-T Wins  Anchoring

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CHANGE
Disinterested
Lack of accountability and progress
Inaction/Confusion/Resistance
Frustration
Loss of momentum
Wasted effort

Kotter Change model
Take the online Learning Track

https://gettingstarted.mendixcloud.com
The Mendix Experience

Are you ready for change?  What are your change fit/gaps  What is your change roadmap?

Ask for the RAD Maturity Assessment
Or contact me directly:
ARJO.VAN.OOSTEN@MENDIX.COM
Thank You!