Wagile

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A Customer Success Story - Deutsche Pfandbriefbank AG

With the use of WAGILE concepts, we successfully delivered our bankwide reporting transformation!

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I had full transparency about the program status and the impact of my decisions. It was a pleasure to observe the change of the project team toward more collaboration and more efficiency, I am impressed that the team was able to respect the challenging project mandate!

Rudolf Meister
Head of Application Management Back Office, Deutsche Pfandbriefbank AG

The project mandate is the migration of the existing reporting systems (SAP BW) to a new infrastructure and the re-engineering of the complete datamodel. The business case is based on cost savings for storage, application servers and monitoring, which implies a shutdown of the old system within the next 12 months. Business stakeholders expect a better user experience with regards to data availability, data correctness and reporting performance. Existing data silos should be removed, risk and finance data should be consolidated and integrated.

PROJECT CHALLENGE

In November 2013, the project is handed over to a new Project Manager (PM).

After analysis, the following project challenges have been identified:

- New regulatory requirements request a common and transparent data integration and data aggregation.
- The overall calculation logic for key indicators had to be reviewed and agreed by all stakeholders, while respecting the individual reporting and regulatory context.
- To successfully meet requirements, robust governance arrangements must be in place, and data quality risk must be a Board-level issue.

- A further delay would imply additional costs for infrastructure and would have a significant impact on the business case. It would question the sense of the whole project.

WAGILE IS THE SOLUTION

The new PM decided to use WAGILE concepts to increase the delivery efficiency and to set realistic management expectations. He defined the following priorities:

- Implement efficient decision making to remove obstacles fast.
- Introduce agile concepts to mitigate missing expert knowledge.
- Empower the team to increase engagement and collaboration.
- Define an acceptance strategy to secure system shut down in time.

"WAGILE Decision Model: WAGILE recommends the definition of formal decision bodies and the introduction of expert boards for decision research. The decision process should be iterative. This will allow the project to take more risk with the opportunity to move faster."

A user group with one representative of each affected business line was set up. The steering committee accepted a delegation of decision power, and the user group was empowered to make decisions for all business stakeholders. A common "Definition of Done" (DoD) was agreed upon, and decisions were taken weekly and regardless of the absence of a group member (deputy principle).

SOLUTION OVERVIEW

COMPANY

pbb Deutsche Pfandbriefbank is a leading European specialist bank for real estate financing and public investment finance. The main funding instrument is the German Pfandbrief, of which the bank is one of the largest providers on the market. Further information: www.pfandbriefbank.com

INDUSTRY

Banking

AREA

Risk and Finance Reporting
Project Management
Agile Methodologies

REGION

Munich, Germany

PROJECT OBJECTIVES

Migration and transformation of the bank-wide risk and finance reporting system (SAP BW)
Consolidation of the data model and integration of risk and finance data
Optimization of data interfaces, system stability and reporting availability

WHY THERE WAS A NEED TO CHANGE?

Driver: accelerated project rollout with challenging budget; transformation program – different delivery strategy.
Mission: Shut down the existing SAP BW system within 12 months to reach business case. The migration of all reporting is a pre-condition.

SOLUTION - USE OF WAGILE CONCEPTS

Change decision process: Optimize decision making and decision research.
Empowerment: Introduce the WAGILE Authority Frame to empower the project team to take autonomous and independent decisions and to optimize work productivity by applying the concept of pragmatic accountability.
Change delivery process: Take controlled risks by introducing agile methodologies and allowing experimentation and prototyping.

RESULT

The reporting system was successfully migrated, and the project delivery was accepted in time and within budget. The old system was shut down as initially planned.
No business-critical incident has been reported during the first 12 months post rollout.
The performance of the new system reached expectations; no system outage for any critical risk or finance report.

INTRODUCTION OF EXPERT BOARDS

The user group also acted as the business expert board and decided on calculation logic and development priorities; their decision performance was monitored. In parallel a technical expert board with the mandate to define the architecture and to request necessary guidance early was formed. This board met daily for 15 minutes to discuss risks, to align on implementation strategies and decision research and acted autonomously after two months only.

> "WAGILE Authority Frame: WAGILE encourages a PM to request empowerment for choosing the project delivery strategy. It also motivates the PM to equally empower his project team to make proactive collaborative decisions, and to introduce an awareness of the impact of each team member has on the overall work productivity (concept of pragmatic accountability)."

INTRODUCTION OF AGILITY

The PM decided to introduce SCRUM with the user group acting as product owner. Internal audit was informed to align the approach of validating calculation logic by using piloting concepts directly in the production environment. Together with PMO, test and release management, a process of weekly production rollouts, was implemented.

The development team (exclusively external Consultants and multiple suppliers) was empowered to independently manage the architecture and delivery planning. Each feature was ultimately owned by one single developer who was responsible for that feature end-to-end. When support was needed, the technical expert board decided collaboratively what the priority and nature of support were.

The PM introduced a frame for this empowerment. He defined "golden rules" to increase productivity, e.g. not to use email for communication between developers, or to challenge every meeting invitation. Only one single developer should participate—if participation was even necessary. In order to avoid conflicts within the development team, an escalation path to the PM was possible. The PM made that decision based on the technical expert board input.

WAGILE IS WORKING

The use of WAGILE concepts and tools introduced a strong dynamic to the whole project delivery and fostered communication and collaboration between technical and business teams. After the implementation and overall acceptance of WAGILE concepts, the decision process was outstandingly efficient. After some months only an independent and autonomous delivery factory was established. The factory was able to provide complex reports within a few days.

CHALLENGES

The change in management of the previous roles and responsibilities in an industry traditionally cautious and heavily regulated is a challenge. Not all business stakeholders have the skills, engagement or motivation to support the concept. The user group, acting as decision body and representing all business stakeholders mitigated this risk. Stakeholders who did not show the necessary engagement simply did not get prioritized deliverables. With WAGILE, inefficiencies become visible.

Sponsors and decision makers have full transparency about the impact of their decisions. At the same time there is also full transparency about the impact of not making decisions. This transparency puts pressure on decision makers, in particular for unpopular decisions. Some decision makers don't support this level of transparency. Not making decisions in WAGILE is not stopping the project. It potentially increases the risk of failure, but in a transparent way.

Implementing agile concepts in historically strict waterfall based organisations is difficult. The time it takes to get the necessary buy-in of all stakeholders might be longer than acceptable for a successful project delivery. This is a source of conflict which has to be decided on sponsor and steering committee level from the beginning.
WAGILE is a generic and flexible concept which can be applied on project, program or portfolio levels. It allows a conceptual integration of waterfall and agile methodologies and it facilitates the alignment with audit, test and release management and PMO. The WAGILE Academy provides training and educational services.

WAGILE

WAGILE is a generic framework that aims to increase the overall project delivery efficiency and to enable agility and anticipatory management. WAGILE provides a conceptual solution to apply agile methodologies in waterfall based organisations and to allow industries, traditionally cautious, heavily regulated, and accustomed to incremental change, to prepare to digitalization and automation.

EFFECTS ARE MEASURABLE

- Reduction of time to market
- Increased cost reliability in projects
- Increased reporting transparency
- Increased stakeholder satisfaction

ADVANTAGES OF WAGILE

Project decisions are informed, risk driven and faster. Expectations are set realistically; definition of priorities becomes possible and is fast.
Integration of agile methodologies in strict waterfall organisations is possible.
The concepts of empowerment and pragmatic accountability from the WAGILE authority frame increases team motivation and engagement.

PROJECT MANAGER

Andreas Eberhardt is a certified Scrum Master with more than 10 years of experience in IT Project Management, Multi Project Management and IT Transformation. He was engaged to rescue the program.

Further information: www.wagile.ch