

HOW THE DIGITAL WORKPLACE CAN CONTRIBUTE TO AN AGILE CORPORATE CULTURE

USE DIGITALIZATION TO DRIVE
AGILE BUSINESS TRANSFORMATION

Companies are under pressure to better adapt to a world characterized by globalization, digitalization, and strong competition. Many are forging ahead with their agile transformation, if not always consistently so.

But the pandemic caught many companies unawares, forcing them to fast-track their digitalization plans, especially with regard to remote working. Digitally enabled remote working has proven to be of strategic importance as it enables value-adding information sharing.

At the heart of the digital workplace are the needs of the employees. They expect a new corporate culture, but they also expect to be furnished with equipment that will facilitate communication. Consequently, the onus is on companies to review their procurement processes and, as in so many areas, make them more agile. After all, companies that are forging ahead with the transformation of their workplace have an excellent opportunity to also drive the shift toward becoming a more agile business.



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HEALTH CHECK: What is the status of your company?





1. Why create an agile business?

Today's markets are complex and fast-paced, and they demand constant innovation. Traditional business models are being disrupted, especially in markets defined by digitalization and the rapid progress of technology. Companies that have been unable to adapt have struggled, including big names such as Kodak and Nokia.

In response, companies are adopting agile forms of work and organization to ensure that they can identify early on how complex markets are developing, and proactively react to new circumstances. Agility in business is now considered the highest form of corporate adaptability.

1.1.

The path to an agile business: Where does the company need to be quicker?



Oliver Laitenberger

is the Head of the Centre for Digitalization and Technology at management consultants Horn & Company. He provides management coaching in the areas of agile business development, digital transformation, and the efficiency of information technology.

Agile methods are, primarily, a set of tools. The challenge lies in identifying the tools that are a good fit for a company's business model. "It's time to stop thinking in terms of absolutes," is the advice of Oliver Laitenberger, a partner at Horn & Company. There is no textbook approach to becoming more agile. "The options for becoming more agile will depend on a company's circumstances and how well established it is," adds Laitenberger, a management consultant and expert in business information technology, agile transformation, and digitalization.

The key question is: What is the problem that agile thinking is supposed to solve? Answering this question is the cornerstone of successful agile transformation. Decision-makers must ask themselves two questions, in particular: Where do we need to be quicker? Where do we need to be more efficient? You cannot do both at the same time. If the answer is 'quicker', then the agile approach is the right one.

"The options for becoming more agile will depend on the company's circumstances and how well established it is."

Oliver Laitenberger

In reality, companies will continue to pursue both goals. Laitenberger predicts that the years ahead will feature the kind of hybrid environment that is often found in banking and insurance. Companies in these sectors have established technology architectures that cannot be replaced overnight. "Established procedures are preferred over agile approaches in this case. Transformation processes are likely to evolve over a number of years, rather than produce radical change." Nevertheless, an organization can still become more agile, for example, when it comes to developing new systems and products that are independent of the core operational processes. "In this scenario, it is easier to move away from established ideas and take a more agile approach to development," Laitenberger adds.



1.2. Keeping up with digital customers – and overtaking them

"The focus is on the customer" is how Laitenberger describes the established dogma in medium-sized businesses and in industry. But the younger generation has evolved rapidly in terms of digitalization, and they are often no longer happy with how their needs are being met. This is where an agile approach can provide the tools needed to respond with speed and flexibility. Unexpected external changes are the driving force here, and they are happening at an ever faster pace.

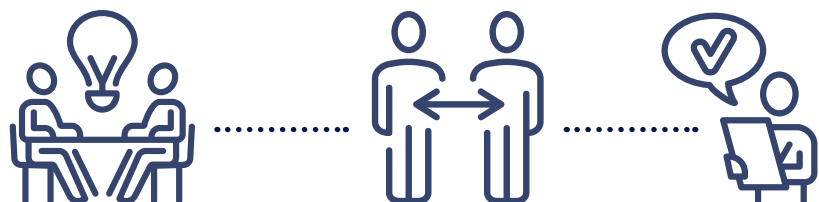
According to Laitenberger, only those companies that align their internal processes accordingly and continuously reinvent and optimize themselves will enjoy success in the market. For that to happen, strategies for the use of technologies and technological innovations must be adaptable and focused on the future. And that requires a lean organization with flat hierarchies.

2. How the digital workplace supports value-adding information sharing

Traditionally, processes and structures have been geared toward security, planning certainty, and central control. Now they are being organized with an eye on smart networking and flexibility.

Power structures within a company were often maintained through information silos. And unfortunately, they often still are, with information treated and traded as a scarce resource. What is needed is an open, interdepartmental exchange of knowledge and information that facilitates rapid innovation and dynamic manufacturing processes. This value-adding information sharing should extend beyond the company and include key service partners.

Established management approaches are often authoritarian and hierarchical, and view the workforce primarily as a cost factor. These need to be replaced with networked organizations with independent teams that see employees as a key value-adding factor – across all levels of the hierarchy.



2.1. Breaking down silos and replacing concepts of hierarchical leadership

The enforced changes brought about by the COVID-19 lockdowns catapulted many companies into the era of the digital workplace. Concerns about digital workplaces and remote working, and excuses for not implementing them, were swept aside. And we are increasingly seeing the benefits of this rapid digitalization today.

"Companies are often closer to agile transformation than they think."

Oliver Laitenberger



Every day, we can see how a digital workplace culture is helping companies to overcome departmental boundaries and adapt as required. Employees are increasingly organizing themselves into teams, the disadvantages of specific locations are disappearing, and hierarchical levels are becoming less distinct.

Innovation is happening at the macro and micro level thanks to flexible collaboration, making companies more adaptable, creative, and resilient. Efficiency and productivity depend on how well the collaboration within and between the teams is working.



2.2. How companies are wasting potential in the workplace

But despite this huge potential, the procurement processes in many organizations are not up to the task, and in some cases budget planning for digital workplaces can be protracted and restrictive. As Laitenberger explains: "Traditionally, IT procurement is a centralized function within a company. Complex procedures such as needs assessments, approvals, tenders, procurement, packaging, license management, and support no longer meet the requirements of an agile business.

All too often, individual preferences regarding technical equipment also fall by the wayside." Yet companies that want to network employees in mobile teams and attract qualified staff can ill afford outdated IT procurement structures.

3. What companies can achieve through agile change

Bigger margins, higher profits, and better returns: "Companies that take an agile approach are also better positioned in terms of their key figures," says Laitenberger.

Companies that take an agile approach can ...

- increase their ability to innovate.
- react more rapidly as required.
- significantly increase their effectiveness and efficiency.
- replace rigid, if reliable, target planning with lean cycles with open outcomes.



"Agile companies are able to choose in which areas and how quickly they become more efficient," Laitenberger summarizes. However, companies have a lot of work ahead of them to get there.

Being an agile company requires, among other things, ...

- a lean organization with flat hierarchies.
- new ways of working that actively contribute to the achievement of targets.
- the promotion of employees' personal responsibility and self-efficacy.



4. Driving agile change

In an agile organization, the prevailing culture of control has to gradually give way to a culture based on individual responsibility and trust. But decision-makers often find this difficult as it is not that easy to replace rigid, if reliable, target planning with lean cycles with open outcomes.

Approaching the task half-heartedly is unlikely to lead to success. "An agile flame can quickly burn out if senior management is not on board," says Laitenberger.

4.1. Developing and fostering an agile management culture

Introducing agile methods into a company changes the way it is managed, that is to say the way in which planning and control are carried out. "You need to be bold and do things differently, faster, and with more results in less time," is Laitenberger's advice.



BE A PIONEER! Your path to greater agility:

- ✓ Start with yourself by adopting an agile approach.
- ✓ Make a conscious effort to delegate responsibility to middle management and to teams.
- ✓ In your new role, you dictate what needs doing.
- ✓ What are the medium to long-term goals?
- ✓ Leave it to the teams to decide how the goals are achieved.
- ✓ As a moderator and coach, listen to your employees and practice self-reflection.
- ✓ Draw on ideas to optimize your way of working and that of teams and departments.



Managing and scaling teams is mainly about offering direction. You no longer need to worry about micromanagement in an agile environment, you monitor the outcomes instead. But you need to do so more regularly. Laitenberger believes that agile management is one of the toughest management models because it is always about achieving a specific outcome.

Accepting that mistakes are part of the learning process is a basic principle of this approach. This is where a management consultant can come up against the culture of error avoidance in many engineering-oriented German companies. But agile methodology does demand that the same mistake is not repeated.

"The digital workplace supports value-adding information sharing and is thus driving agile transformation."

Oliver Laitenberger

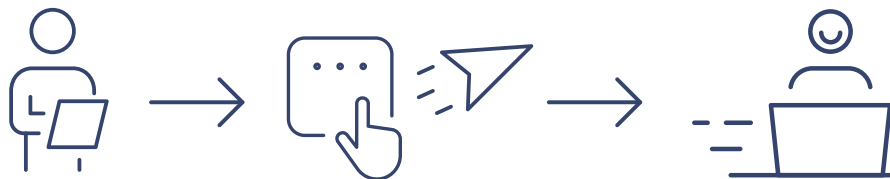
4.2. Using the modern workplace to drive agile transformation

At the company level, an agile approach requires a long-term paradigm shift. And whatever shape it takes, this kind of restructuring always places the employee at the heart of the action. The digital workplace allows organizations to react quickly and as required.

But if the necessary mobile devices and tools are not available, then an essential component for agile working is missing. Laitenberger has seen this at many of his customers. He firmly believes that quick procurement decisions require agile and flexible IT purchasing.

4.3. Getting the employees on board

An agile organization demands a higher degree of individual responsibility from employees, and that managers allow this to happen. Getting employees directly involved in procurement processes via a self-service portal such as tesma, for example, is part of this. The online portal lets employees order the devices they need from a pre-defined selection. This kind of involvement increases motivation and relieves the burden on the procurement team.



4.4. Establishing agile procurement

"Companies wishing to take a holistic approach to agile transformation must ensure that their procurement organization is customer-focused," says Michiel Siepman, Product Management & Service Design team leader for tesma at [CHG-MERIDIAN](#). "Flat hierarchies, decentralization, and the cross-departmental networking of employees all require IT procurement that enables, rather than hinders, quick decision-making."



Michiel Siepman

is the Product Management team leader at CHG-MERIDIAN AG and the lead manager for the development of tesma and the tesma portal. He helps companies to take their innovative approaches into a digital future.

"Companies wishing to take a holistic approach to agile transformation must ensure that their procurement organization is customer-focused."

Michiel Siepman

But what are the characteristics of agile procurement? "Above all, the ability to act." Agile procurement optimizes processes, thus enabling a faster and more flexible response. It takes many time-consuming tasks off the hands of buyers, users, employees, and suppliers.

Rigid rules are replaced by flat hierarchies in the workplace. For example, employees might use a self-service portal to choose what they need for work and for higher productivity. "Constantly checking the mood in the workforce is part of this," Siepman adds. The option to choose from a range of vendors and suppliers at the start of the contract creates a sense of independence.

By acting as an internal service provider, an agile procurement function makes a significant contribution to a company's ability to respond to a changing environment. "It makes the digital workplace available on time and to scale. If teams change at short notice, the device returns are managed quickly. This avoids internal bottlenecks and ensures that equipment is available when needed. Thanks to the closer connection to internal customers, an agile procurement function is able to identify what is needed at an early stage and react quickly," says Laitenberger, summarizing the key benefits.



Agile IT procurement has further benefits:

- It relieves the burden on the IT department and on managers, who are able to concentrate on their core tasks.
- It achieves higher efficiency through IT budget planning based on real data.
- Standardization makes the workplace easier to manage.
- Business objectives are reached more easily. User satisfaction increases.

4.5. Lifecycle models: what agile procurement looks like

To meet the challenges of the digital transformation, companies need new IT procurement processes. This starts with the new approach of procuring entire workplaces, not individual devices. "After all, a laptop alone does not make a digital workplace," says Siepmann, an expert in service design.

When it comes to the agile procurement of new hardware and software, financing solutions based on lifecycle models offer many benefits. Every asset runs through typical lifecycle phases, from procurement and rollout to use and disposal or remarketing. "Viable budget decisions can only be made when the lifecycle and the associated total costs are considered and planned holistically. This allows companies to unlock potential savings," says Laitenberger, summarizing the commercial aspects.

A company's procurement department has to be very flexible, i.e. agile. One solution for achieving this is [tesma](#), the centralized asset and service management tool from CHG-MERIDIAN. It provides the IT department with an overview of the IT equipment's commercial and technical data, and includes a [self-service portal](#) that lets employees choose their preferred hardware and software configuration from a selection defined by the employer.

4.6. Benefits of a technology and service management system

A key benefit of usage models such as those offered by CHG-MERIDIAN is that customer hardware is replaced at regular intervals. Customers always have access to the latest technology, which helps to drive the digital transformation. If the hardware becomes defective or is lost, a replacement can be ordered immediately. And if a [digital workplace](#) is required for new employees, then the necessary equipment can be ordered directly via a technology management tool such as tesma, obviating the need for cyclical bulk orders.

Thanks to their modular structure, platforms such as tesma can be adapted to the customer's requirements and expectations. "Customers can select the modules they need, and add new ones as required. This is important because new modules are constantly being developed and added to tesma," explains Siepman. "The [tesma Integration Hub](#) interface allows the platform and its data to be integrated into a customer's existing systems."

All current technical and commercial data is available in tesma. Access to comprehensive data, plus analysis features with filter options, enables customers to react to changes at all times. If the data shows that a printer is hardly being used, it can be returned. Additional components can be ordered just as easily, creating an open and flexible work environment.





tesma also supports the IT department with planning and coordination: Which rollouts are pending, which contracts are about to expire, and which devices have to be returned? Thanks to this detail, equipment returns can be planned in advance, for example.

The company is invoiced an agreed fixed amount at regular intervals, creating transparency and planning certainty over the entire term of the lease. Services such as insurance and data erasure at the end of the term can be incorporated into the lease payment. "Employees are provided with an all-inclusive workplace," says Siepman, "with the added bonus that getting the employees involved increases their satisfaction and motivation."

"Traditional conservative IT financing methods should be complemented by agile methods," he adds. That way, capital expenditure can be analyzed after the initial rollout and aspects of the processes and lifecycles can be examined in detail. With this approach, decision-makers can manage the new complexity more easily while also factoring in the ongoing development of IT and technology.

"Traditional conservative IT financing methods should be complemented by agile methods."

Michiel Siepman

CHG-MERIDIAN's tailor-made financing options offer flexibility, transparency, and financial headroom:

- With a lifecycle model, all costs are included in the invoice.
The entire lifecycle, including end of life, is covered.
- Additional services are available, such as a service hotline.
- Smart financing models, such as device-as-a-service, are available.
- Leasing offers flexibility in terms of quantity and replacement cycles.

Many order processes can be automated with a tool like tesma. "Procurement departments should definitely choose this option," says Siepman. It allows procurement departments to act as the main interface for all parties, and to actively support agile transformation processes.

"This will get the ball rolling for agile change in IT procurement," Oliver Laitenberger and Michiel Siepman agree.

If you would you like to find out how CHG-MERIDIAN and tesma can help your company to enjoy seamless technology management,



HEALTH CHECK: What is the status of your company?

Agility is on your agenda. You have taken the first steps and now want to give your company a health check. The following list specifies the key factors and aspects that will allow you to gauge how agile your company already is.



■ CULTURE & VALUES

To what extent have your culture and values been adjusted for agility and adapted to agile working? Is there a mindset that expects and promotes an agile approach?



■ MANAGEMENT & LEADERSHIP

To what extent are managers and senior executives role models for an agile approach? Is your company defined by a culture of trust and individual responsibility, rather than by a culture of control and micromanagement?



■ ORGANIZATION & STRUCTURES

Does your organizational structure promote teamwork by giving teams access to their own resources and allowing them to work independently? Do your teams have the necessary skills and expertise to work across disciplines?



■ FOCUS ON VALUE & BENEFIT

Have your teams been created to add value and benefit for stakeholders? Is the focus on outcomes rather than output when it comes to delivering benefits for customers and other stakeholders?



■ PROCESSES & PROCEDURES

Does your company's approach factor in agile processes and procedures? Is the focus more on **what** should be achieved rather than **how** it should be achieved?



■ TECHNICAL AGILITY & ARCHITECTURE

Is the right technology and architecture in place to reap the benefits of an agile approach? For example, iterative deliveries to customers or a focus on the end product?



■ TRANSPARENCY & LEARNING

Are the required metrics transparent for all employees, thus enabling continuous learning based on feedback?



■ PROCUREMENT & PURCHASING CULTURE

Does the procurement department support the corporate strategy? Is the focus on performance and employees rather than on adhering to hierarchical procedures?

YOUR SCORE

If you ticked the majority of boxes, then your company is well on the way to becoming an agile organization.

