Building a body of confidence at E.ON

E.ON is a multinational company with around 43,000 employees, 22 million power and gas customers, and over 980,000km of networks – and they're embracing agility.

The energy industry is facing unprecedented challenges and change. E.ON is an international, privately owned energy supplier based in Essen, Germany, aiming to become the partner of choice for energy and customer solutions.

Their agile transformation started in 2011 and is still developing and having a profound impact on E.ON to this day. Extensive innovation is never straightforward and their effort is a credit to a traditional multinational whose history goes back almost a hundred years.

Challenges:

- Well established, highly distributed and hierarchical multinational
- Doubt that the organisation could become entrepreneurial in culture
- Scepticism regarding the value of agility
- 12 agile coaches to change an organisation of 43,000 employees

Solutions:

- Starting small
- Finding an internal sponsor
- Focusing on evidence and transparency of results
- Developing a growth mindset
- Targeting behaviours as well as processes
- Communicating constantly and bringing people together outside the line organisation

The issue:

To adapt to the demands and constraints of a fast changing market, E.ON recognised the need to change their way of working. The IT department was where one of the main transformations began in 2011. Improving project success, becoming more efficient and reducing costs were the drivers. It became clear that focusing on discrete areas of improvement was not enough – a whole new approach was needed.

Dave White and Meggie Revesjö were both agile coaches at E.ON and took advantage of the appetite for change. 'There were already pockets of agility,' Dave recalls, 'but we subverted a programme targeting efficiency to press for the wider use of agile techniques.'

The solution:

'We knew we had to start small,' continues Dave. 'We couldn't transform an organisation our size overnight. We did a lot of knocking on doors, and found one enthusiastic sponsor in the Wholesale Gas business in Munich. This proved to be the lever we needed, and how we collected evidence to convince others.

'There is often a feeling in large established organisations that agility won't work if you're not Google or Spotify. We found that showing evidence from our own experiences at E.ON overcame this and proved that we can be more and more agile.

'Once we had our champion, this opened the door to new Scrum teams in Munich.'

Meggie continues, 'we had to talk numbers. That is what people wanted. There was real fear to overcome, but when you have hard evidence people listen. We had to be transparent about our results.

'Most early projects we ran had been planned as waterfall projects,' she remembers, 'so they already had allocated budgets and we were able to show savings from using agile. In fact we saved about 25% of planned costs.

'We continued to build knowledge through training and coaching, and by sharing our own success stories. As a result, we maintained the pace and the attention of senior stakeholders.'

Opportunities to demonstrate success

Dave was keen to spot opportunities where introducing agility could make a real difference. For instance, the E.ON business in Spain wanted to improve customer satisfaction. 'I went to Madrid,' says Dave, 'and said, give me your trust, and I promise we can give you a result in two months. And we did. We delivered over 90% compliance in customer numbers within three months on a regulatory project previously estimated at over two years. The marketing director was so impressed he wanted nothing further to do with waterfall!'

Dave and Meggie built confidence in agile by connecting new converts with other stakeholders, so an understanding of the effectiveness of agility spread organically.

'We built confidence that we can run agile projects' confirms Dave. Whilst they were building trust with stakeholders, Dave and Meggie were also building competence in their teams. As part of that, they engaged with the Agile Business Consortium. 'I really value the range of resources on the Consortium's website,' says Dave.

Meggie adds 'I'm really happy to share our experience, and to make new connections through the Consortium community'.

> '**Encouraging objective and data driven thought processes helps teams give up the ideas that aren't working based on evidence.**
> **- Dave White**

Creating community at E.ON

'Agile is about learning and development, and we have a culture where training, mentoring and coaching are the norm.

'We knew that we had to encourage change in behaviour as well as processes, building beliefs within the teams as well as with stakeholders, so we took people on as coaches who had never seen agile, but understood the mindset.' By 2013 E.ON had an agile community spanning Germany, UK, Sweden and Spain and it's still growing in 2019. 'We do all our own internal training and our 12 agile coaches have now trained around 5,000 people. It's important that this community never turns into a top-down organisation' Meggie stresses.

'Part of our agile community's success is that we've been allowed to work free of traditional corporate structures and processes' continues Dave. 'People stay attached to their main organisation, but bring us their problems – like stakeholder communication issues or prioritisation. They can access peer-to-peer help without the complication of a line organisation.

'Let's face it, business agility is an antidote to bureaucracy. You can't create agility with a pyramid structure.'

The agile community is now a major learning hub for enterprise agility at E.ON, coaching and supporting as needed, and sharing knowledge and practices. It comprises around 400 people, many of whom attend an annual conference and also meet regularly.

'There's also informal communication going on constantly' confirms Meggie.

'If you don't learn, you end up reinforcing the status quo. You need to evolve to take the next step' says Dave.

The results:

Agile transformation at E.ON is now thriving, but Dave and Meggie's goal is to embed agility across the whole organisation to build business agility.

'It's frustrating if agile is trapped in IT' Dave admits, 'We've been trying to push out and transform, moving away from change projects to a full lifecycle approach. It's easy for departments to become silos. For example a marketing department using customer engagement experts instead of talking to the call centre to get closer to their customers.

'If customers are moved from marketing to sales, who is responsible for the full customer journey and creating happy customers? You need to break down walls, so people can collaborate cross-functionally and better focus on solving problems if things go wrong'.

To tackle this, Dave and Meggie work with colleagues who have set up value pitching events that include all functions right across E.ON. The goal is to develop better understanding between functions and encourage thinking around customer value rather than what activities mean to one particular department. 'We get all our business leaders together to play value poker,' Dave expands, 'We're getting better at delivering results, but we need to have conversations around the right results to deliver. At our Dragon's Den style event we evaluate ideas based on Paddington Bear's critical measure of value: buns! They need to agree on how many buns worth of value each idea can deliver. It's tough to prioritise commercial value against compliance, safety, brand, cost etc – but although it sounds crazy, the Paddington Bear value game gets the right conversations going. As with Planning Poker, the benefit isn't just a value decision, it's engagement between people in different functions, understanding the big picture context. Everyone leaves with a clear view not just of what we want to achieve, but also that they have a chance to influence it. Call it

'We will never stop. We need to push forward until no one is thinking about initiatives and programmes, but only improving across the board. Then we'll be there'. - Meggie Revesjö

Dave White and Meggie Revesjö

"portfolio management as a social event" if you like.

'This is now a major source of product development ideas. It helps weed out lower value initiatives, and supports decision making based on real sense.

Objective, data driven thought processes helps teams give up ideas that aren't working. 'Often it's not about deciding what you do, but what you don't do – and having the courage to stop and pivot if something isn't working.

'We have a New Way of Working community pushing the business and value side of things and a Design Tribe community pushing innovation and customer experience techniques – it's a distributed community of distributed communities' Dave adds. 'We started with projects, then programmes, then scaled up to portfolios, organisation and roles' Meggie concludes.

'Our current focus is to be more data driven, with short rounds of investment aligned to the value pitching events and developing a value framework using an ATDD (Acceptance Test Driven Development) approach to quantify success metrics before a delivery cycle, and then examining them to make evidenced pivot-or-persist decisions.

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How to find out more:

E.ON:

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Learn more about E.ON at:
eonenergy.com

Agile Business Consortium:

The Agile Business Consortium is the professional body for business agility. We're all about community – whether you're a multinational working through a large-scale transformation, a new start-up, or a contractor, we can support you to achieve more, to grow more, and to build your business agility.

As a global not-for-profit organisation that's been around for over 25 years, our knowledge and experience around agile competencies and behaviours can offer you the guidance you need to reach your agility goals.

Together with our partners, we create and share agile research, case studies, resources and tools that help you compete in today's uncertain world. A registered not-for-profit, we're the world's longest-standing agile-orientated organisation. We're the brains behind AgilePM®, AgileBA®, AgilePgM®, AgilePfM™ and AgileDS™. Based in the UK, we have members in over 30 countries around the world.

Learn more about business agility at:
agilebusiness.org

Agile Business Consortium