DIGITAL LEADERSHIP DELIVERED

Toby Corballis

Dedicated to the memory of Jon Corballis

Foreword

I began working in Information Technology in 1987. Back then, we used black screens with green text. Before I left my first job, someone in the office obtained a screen that had blue writing. Cue envious looks and *how do I get me now of them cool things?* thinking.

A few years later, I was working at a bank in the City of London. It was the days when it was normal to smoke cigarettes at the desk - a fact that seems unthinkable now1. I'd just gone to empty the ash tray when there was a loud *bang!* We had evolved to using IBM PCs as Mainframe emulators and my PC just exploded. Why never became clear (health a safety was also a wisp of what it is now back then). A direct result of that episode was my discovering the importance of autosave.

Since then, progress has been relentless… Sort of. I've subsequently worked with numerous firms in the banking industry: Exchanges (stock, commodity, foreign exchange, and derivatives2),

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1 I quit smoking on 1 January 1999. I didn't want to greet the millennium the following year with a resolution that might not hold.
2 Maybe one day I'll add Crypto.

Hedge Funds, FinTech starts up, and Investment Banks. And that's just finance. I've also worked with firms in Insurance, Telecoms, and Utilities. With the exception of exploding PCs, it's surprising how often we keep solving the same problems. Why? Part of it is that many in leadership don't view themselves as technically literate. This is understandable, but demonstrably not true. After all, everyone knows what a *database* is, that their phone has storage (and knows what that means), contains a *processor* that's of a certain power, sends and receives *data* over a *network*, and even, I would argue, has a good grasp of what's possible in *Public Cloud* having been acquainted with services like Dropbox, Google Drive, Salesforce, and Microsoft365 (formerly Office365).

The problem isn't a simple one, being, as many are, multifaceted. For one thing, there are some experts that, sadly, pull the wool over the eyes of their client's leadership. Sometimes this is deliberate - job protectionism on the part of a nervous employee, or revenue targets of a consultancy team member. Other times, it's less deliberate (competence). Experts often tend towards a combination of technical argot that has the unfortunate side-effect of befuddling the uninitiated and exaggerating the effects of fear and apprehension

towards learning new concepts. Another side-effect is the inhibition of hand raising due to a fear that in doing so one will betray one's ignorance - this being a particular issue for those new to leadership. Add these to the tendency for organisations to drift into a somnambulant state, as this quote puts it:

> [Organizations] are submerged in their numbing but familiar lethargy, their somnambulant operating state. It's like being stirred from your dreams by a strange noise in the night: in the fog of semiconsciousness, one part of you struggles to focus on whether it's an intruder or the cat; but another part resists the possibility of bad news and struggles to go back to sleep.
>
> Richard T. Pascale, Mark Millemann and Linda Gioja (1997)

… and what you have is a potent recipe for '*risk aversion*', which often doesn't mean risk aversion at all but is, instead, deployed as a neophobic mask. But, at the personal level, we should also think (if not, worry) about a lack of learning and associated training. The Peter Principle has it that everyone is eventually promoted to their 'level of incompetence'. You do a good job now, you get promoted. You do a good job in your new role, you get promoted. Eventually, you no longer have the skillset or experience so you do a poor job

(Peter and Hull, 2009) and, bingo, you've hit your ceiling. At that point you either get fired, side-lined, ridiculed, or headhunted1. Peter and Hull meant this to be satirical (Barron, 1990) but, with many a true word said it jest, it was inevitably recognised as a truism, albeit an unfortunate one.

At the organisational level, the problem is that digitalisation now happens at such a rate that if yours is not keeping up there's a real risk not just of being left behind but *lost behind*: becoming an acquisition target at a low price in a few years or going out of business altogether.

The aftermath of Covid19 is expected to speed the adoption of Agile, as this quote attests:

> As the global pandemic spread rapidly early this year, companies in virtually every industry were forced to make radical changes to their business operations due to massive disruption impacting employees, customers and supply chains. Savvy leaders who adapted to these unprecedented challenges 'on the fly' can now leverage

1 I know of at least five occasions when a firm has concocted to have a nonperforming resource either headhunted or thrown in as part of an acquisition.

> this experience to create a post-pandemic 'New Normal'
>
> strategy built upon a culture of high agility.
>
> Gallup (2020)

Or this one from Gartner:

> [Covid19] is a wake-up call for organizations that have
>
> placed too much focus on daily operational needs at the
>
> expense of investing in digital business and long-term
>
> resilience. Businesses that can shift technology capacity
>
> and investments to digital platforms will mitigate the impact
>
> of the outbreak and keep their companies running
>
> smoothly now, and over the long term.
>
> Sandy Shen, Senior Director Analyst, Gartner (2020)

So, at both a personal and organisational level there exists a very real problem.

The good news is it's not difficult to grasp the concepts of modern digitalisation. Abstract computing concepts haven't changed much since the 1960s. If you understand what storage, compute power, and networks are (q.v. mobile phones, above), you'll have no problem understanding digitalisation. You don't need to understand elliptic curve encryption algorithms, how to pronounce the word obfuscation, or even what these things do. All that's needed are a few

underpinning concepts - all of which I will attempt to reduce to a form anyone can take on board - and you'll be able to help guide your firm through digitalisation with confidence.

This book is aimed at ensuring that if you embark on the journey to digitalisation, you'll do it with the best chance of success. Not only that, you'll be in a good position to raise your personal ceiling and stave off falling victim to the Peter Principle.

In his book, *Playing and Reality*, the Child Psychologist, Donald Winnicott coined the phrase *The Good Enough Mother* (1971). Loosely, the theory goes that when mothers feel an obligation to be perfect it's counterproductive to both their self-esteem and mothering abilities. Perfection isn't, and shouldn't, be the goal, the ideal. If a woman chooses to become a mother, she just has to be good enough.

You won't be an expert once you've read this book, but, if I achieve what I've set out to achieve, you'll have a good enough grounding to navigate the field and spot the fakers, charlatans, and fools.

Enjoy!

Acknowledgements

As often happens with these things, I decided to write this book after a few events conspired to occur together which led me to think that whilst there is a lot of literature aimed at those aiming to become engineers or highly-skilled specialists, very little exists that is aimed at those who have to lead businesses and teams that utilise those specialists - leaders; established, new, and aspiring. Note, I differentiate these three types of leaders here because it seems to me that not enough support is given to any of them when it comes to understanding at the conceptual level what modern technology and modern project practices comprise, entail, or what the numerous benefits are when combined in a unified approach.

The first of these conspiratorial events was an amalgamation of conversations with business leaders in the UK, USA, and Europe at a number of firms I was helping at the time. Time and again it was clear they were not getting the truth about the ease and security of digitalisation, whether from consultants with hidden (and not so hidden) agendas or from their own staff, often with complementary, if subtly different, agendas. Frequently, these agendas were underscored by the leaders in other firms, victims of the same

ignorance; a kind of echo-chamber of uninformed opinion. It's not that leaders are ignorant people, but you don't know what you don't know, and if no one is giving it to you straight it can be difficult to access the right information.

Secondly, the technology and methodology have both matured in recent years. Couple Agile to Public Cloud properly and the result is an incredibly powerful tool for rapid digitalisation.

Thirdly, following feedback from a Webinar I gave to the Financial Services Club on 27 May 2020, it became clear that there was still a large amount of uncertainty around the topic.

And, of course, the advent of Covid19, the pandemic caused by the SARS-Cov-2 virus has also had an impact. The lockdown it caused (and the localised lockdowns it continues to cause) across the globe highlighted a need for proper information about digitalisation that could be consumed not just by technicians, but those in leadership positions.

So, the book was born.

But, no one writes a book like this without the influences and assistance of others. Thus, I would like to thank the following. Martin Walsh, from Think Above Cloud, whose excellent Digital

Chapter One

Introduction

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Where is everyone?
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In 2011, I bought a Brompton bicycle. Because I live in a hilly part

of London, I opted for one with six gears. This means that compared

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to other types of folding bikes, including other Bromptons, it's

heavy, weighing in at around twelve kilos1.

On Friday 6 March 2020, I cycled, as usual, to my then work

at an Investment Bank in Canary Wharf, London. I'd been cycling to

Canary Wharf for the best part of a year and had established a routine

with one of the security guards. I'd validate my card at the security

gates whilst he used the bike as a dumbbell. Once I'd passed through

the gate, he'd open a wider side gate and walk the bike through. That

Friday, he declined 'because of the virus'.

Until that point, that was the only unusual event to occur, at

least that I'd noticed.

When I got to my floor, I was one of only a handful of people

there. Again, this was quite normal. My usual target to get in was

8am, to avoid rush hour traffic. Notable that day, however, was that

the only other people in were a couple of the Senior Managers and

the head of the business unit I was working for. They were huddled

in a meeting, so I stashed the bike under my desk, dealt with some e-

1 Just over 26lbs for those using imperial measures.

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mail, then went down into the underbelly of Canary Wharf to get some breakfast.

At five past nine on a Friday morning, Canary Wharf, usually a bustling, vibrant, throng was eerily quiet. Here's a picture I took that morning:

Figure 1: Jubilee Shopping Mall, Canary Wharf, London. Friday 6 March 2020, 09:05am.

By my reckoning, footfall was less than two percent normal level.

Returning upstairs, I found out many people had been requested to stay at home. Some business units were implementing a

blue team / green team approach. I'd not been told about the arrangement because I was seconded to a business unit rather than a card-carrying member. I was a Change Management Professional / Technologist and, thus, the responsibility of a technology unit. Thus far, they were still considering what was sensible for them—after all, the nature of their work differed greatly from that of the business units. Still, I was a seconded resource and therefore present, so a Senior Manager in the business unit came over and said that if I wanted to, I could go home and work from there. I declined. There was only a smattering of people in the entire area let alone the floor and, besides, I was cycling, not using public transport.

It turns out that was the day a lot of other banks and consultancies based in the area decided to implement a similar concept. As the day unfolded, I spoke to colleagues and friends at other firms in the area. Rumours were rife. In whispered tones people were saying they were going to have everyone working from home in two weeks but had no idea whether systems would cope.

The next week, many firms mandated all staff to work from home on a particular day to ascertain whether IT systems would, indeed, cope with a vast increase in remote working. Of course, there

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were some tense moments, but, by and large, most systems coped well, or at least adequately.

In part, this was down to the robust nature of the Internet; in part, the traffic load generated by most people is actually quite small (even large emails and documents rarely consume that much bandwidth); but, in part, for some firms it was down to the heroics of small bands of technicians. This was JDI in action—no time to plan: Just Do It.

When the tests were done, everyone went home.

Then the world went tilt*!*

A quick note before going further

The main content of this book was originally written in April 2020. The world has changed rapidly since then and some information may be out of date. For instance, in The Next Normal, I state that one possible future issue could be Covid19 reinfection, i.e. catching it more than once. In fact, this now appears to have happened with one case reported as confirmed in Hong Kong and two in Europe; one in Belgium and one in the Netherlands (Euronews, 2020). I've taken the decision to leave the text as is because I think it's interesting to see

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how predictions pan out and I'd never publish if I tried to keep pace with the rapid rate of change. That last bit also plays nicely to the Agile gallery where the world is not a static set of requirements but a complex ever-evolving change.

Ebeasles

In issue 1519 of the UK satirical magazine Private Eye, the columnist MD wrote how we'd been lucky with Covid19 (M.D., 2020). It may not appear that way when one looks at the numbers of deaths, but the point was we've known a pandemic like this could happen at any time for many years. Had it been as deadly as Ebola or fast spreading as Measles, we'd've been 'properly screwed' (ibid).

That it wasn't Ebeasles is down to luck.

In March 2015, Bill Gates, co-founder of Microsoft, gave a TED Talk in which he argued that the big threat to humanity was from viruses and predicted that at some point in the future one would come along and cause a pandemic. Gates' view was that we needed to 'get going' on the research so as to prevent a global catastrophe (Gates, B., 2015).

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In October 2016, NHS England participated in Exercise Cygnus, an exercise set seven weeks into a pandemic designed to test the limitations of the NHS (Swindells, 2017). The exercise found a number of issues and provided several recommendations (Pegg, 2020). Whether the recommendations were taken up isn't clear, but it shows that ministers were not blind to the fact a pandemic could happen and that its consequences could be dramatic.

Indeed, the world has had several near misses in the not too distant past with SARS, which began in Guangdong Province in Mainland China in November 2002 and spread to Hong Kong by April 2003. By that June, it had, 'Singapore had had 205 cases with 28 deaths, Vietnam 63 cases with 5 deaths and Taiwan 686 cases with 81 deaths' (Hung, 2003). It was snuffed out, in the end, through a diligent track and trace process and, thankfully, never took hold in Europe or the UK.

Before the advent of vaccinations, pandemics were even more common. Measles, preventable by vaccine, has been doing the rounds for centuries—according to the CDC, it was first written about in the 9th century by a Persian doctor (2019).

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Pandemics have been around for centuries and it doesn't look as though they're going away anytime soon.

Crystal Balls

A Danish proverb goes along the lines of 'it's difficult to make predictions, especially about the future'. Actually, I think making predictions is simple. After all, we're met with a plethora of the things every New Year, most inaccurate. The sole exception to the inaccuracy is that the gym will be full of people in January who won't be there in February. This has held true since I first it made in back in the 1990s. Alas, other predictions have proved less fruitful.

In a recent Webinar for the Financial Services Club1, I suggested the term 'The New Normal' may, apart from already becoming hackneyed, be incorrect. Instead, we need to consider that what we're looking at is series of evolving normals, the first of which started with lockdown. Thus, we are already in the Next Normal.

Why Next rather than New?

1 See: https://fsclub.zyen.com/events/past-events/leadership-financial-technical-firms-time-covid-19/

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I'm no medical expert but do speak frequently to many who are. I'll let you in on a secret—I play in a band where I'm the only non-Medic, a sort of Not-Doctor and The Medics. I've also spoken with various medical scientists and have taken to reading a number of publications. Whilst this does not make me an expert, nor increase my powers of prediction, it does allow for a certain amount of informed opinion (not fact). One thing that's become clear from this autodidactic feast, is that despite the hyperbole about a vaccine being ready by September 2020 (University of Oxford, 2020), we still don't know what we're dealing with or whether such a vaccine is viable. Can Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-Cov-2), the virus that causes Covid19, mutate, like, say, flu, or other coronaviruses, of which four are reckoned to be responsible for roughly 20-30 percent of common colds (New Scientist, 2020), so that despite having had it once one is able to be re-infected? What are the longer-term effects? Why are some people affected more severely than others? The list goes on…

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As lockdown cautiously lifts, will there be a second peak? One doctor I know remarked that we'll know in two to three weeks. Well, quite1!

Even if the 'R' number is significantly reduced, is it fair, or tenable, to expect those with underlying health conditions, such as any form of diabetes or asthma, to return to work, especially if the only way for them to get there is by public transport?

The Next Normal

On 29 April 2020, Jes Staley, CEO of Barclays, stated that the days of 'putting 7,000 people in a building may be thing of the past' (Reuters, 2020). Mr Staley is right. One might operate a Blue Team / Green Team arrangement, alter shift patterns, or reorganise office space to encourage social distancing, as well as demand all workers wear face masks at whatever the Health and Safety gurus deem to be apposite times. But, how do you get several thousand people to a building's floors whilst maintaining social distancing? If you've ever

1 As restrictions have been lifted and people with the virus mix more freely with people without the virus, new peaks have begun. Crikey!

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visited one of the large banks in Canary Wharf, London, you'll immediately comprehend the immense challenge this entails.

One part of the solution, Mr Staley suggests, is a partial return to the days of regional offices (ibid). Who knows, perhaps that would bring regional economic benefits? Even if it did, there's still a logistical element to it. Which regions? How do you migrate the existing workforce?

Staley is not alone. On 21 May 2020, Facebook announced it would allow many workers to work from home permanently, the catch is they will have to accept regionalised salaries (Conger, 2020). You may, like many, have thought Facebook already had such a culture. In fact, until then they, like Google, had strict policies prohibiting home working.

It's worth reiterating that, regarding workforce welfare, we cannot simply mandate people with underlying health conditions park anxieties, 'man up', and get on the bus. However one configures the options, remote working is here to stay in some form for the foreseeable future, leaving aside the question of what 'foreseeable' might mean.

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If the virus mutates, can be caught more than once, creates continual peaks and troughs, repeating cycles of lockdown—local and national—may be necessary until it is sufficiently vanquished, if that's even possible. As stated earlier, SARS-Cov-2 is only one sort of Coronavirus. Twenty to thirty percent of common cold cases are caused by a coronavirus (New Scientist, 2020) and whilst an array of medicines exists to ease the symptoms, as yet there is no cure. Nor has flu disappeared, despite there being a vaccine; nor, for that matter, has HIV gone anywhere — it's just managed better than before.

It's not all about the workforce, though. One firms workforce are another's customers and vice versa. So, we need to think about how we treat our workers *and* how we service our clients.

This is ecosystem management.

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You Don't Know What You Don't Know
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There's a lot of talk about digitalisation post-Covid19. In a blog entry of 31 March, Chris Skinner noted that '[during] the crisis, the one thing that failed in banking is the physical office. When everyone was ordered to stay at home, the bank's offices effectively

closed, their call centres closed, their mainstream services were understaffed and overloaded. What would happen if, compounded with all of that, the network failed and all digital services were unavailable. [sic] You need a backup.' (Skinner, 2020).

Skinner's right, of course. But, in my more than twenty-five years' experience, mere mention of digitalisation or automation often strikes abject fear into the hearts of many in leadership, and for sound logical reasons, especially when everyone is predicting the mother of all downturns.

Recall, from the Foreword, the recent quote from Gartner:

> [Covid19] is a wake-up call for organizations that have placed too much focus on daily operational needs at the expense of investing in digital business and long-term resilience. Businesses that can shift technology capacity and investments to digital platforms will mitigate the impact of the outbreak and keep their companies running smoothly now, and over the long term.
>
> Sandy Shen, Senior Director Analyst, Gartner

Done well, digitalisation is a way for firms (i.e. leadership teams) to significantly reduce the amount of money spent on Information Technology and achieve better value per pound/euro/dollar, as well

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as realign the goals of Business and IT, distribute risk (i.e. lessen it), and build more resilience into the business.

Abject fear coupled with a sense of foreboding can leave leaders at the mercy of experts. After all, you don't know what you don't know—the Johari Window (Mindtools, 2020), as made famous by Donald Rumsfeld in a news briefing on 12 February 2002, as he explained the limitations of intelligence reports (Shermer, 2005). But what you don't know may be in the purview of someone else, someone commonly known as an *expert*.

Some (so called) experts will gladly pander to a bias (such as confirmation bias) in the leader, unconcerned with whether it's the right thing or not so long as it extracts a fee; more unscrupulous ones deliberately pull the wool over the poor leader's eyes in order to increase their own profits; and, sometimes, the 'expert' isn't as expert as they or others believe or would like to believe.

The good news is there are experts who are, well, experts. But how does the leader, saddled with having to be savvy enough to know enough to know when they're being sold a pup – not an easy thing when you don't know what you don't know—work out who are

the fakers, charlatans, and fools, and who are the genuine article?

(Hint: read on…)

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Chapter Two

Digitalisation (Re)Defined

(Digitalisation 2.0)

Digitalisation is a great way to ensure that risk is distributed, and,

thus, reduced, and organisations achieve better value per currency

unit ('value for spend' as one firm eloquently puts it). It isn't about

removing people from the workforce, but providing tools to enable

smoother workflow, leading to a smoother experience for both

workers and clients alike.

Before we dive into the (non-mechanical) mechanics, I'm

going to attempt a digital definition:

> *Digitalisation is not just about making a process electronic,*
>
> *it's about making the right process electronic in the right*
>
> *way.*

Maybe that's more of a statement than a pure definition, but it

captures the ethos well. Simply automating existing processes in the

current flow is a mistake made frequently, and one that leads to

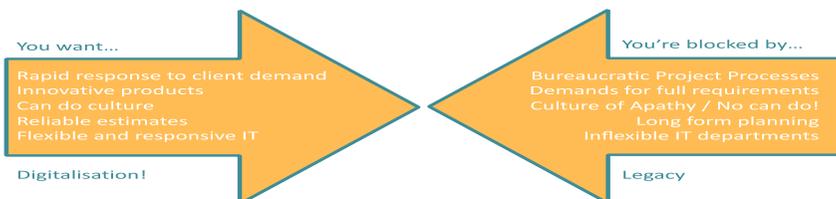increased risk and wastage, and by extension increased costs.

A great example of this is the settlement process for

wholesale securities. Within Europe (including the United Kingdom),

it takes up to two days to settle a transaction that is electronic across

its entire lifecycle. Until recently, the process differed according to

which country settlement was occurring in. Then, as part of an

initiative to simply Capital Markets across Europe, Eurosystem

launched the T2S initiative. The idea was to standardise a process

that had evolved due to the quirks, foibles, and, yes, self-interests of

the different systems adopted across different countries. In essence,

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settlement should possible in moments, if not instantaneously. Indeed, this is the case with many cryptocurrencies—a topic I explore in more detail with Jannah Patchay on the Wicked Problems podcast (Corballis, 2020)—and cash transactions1.

Quirks in digital processing need not necessitate a delay in settlement. That delay exists at all is largely due to legacy manual process that traditionally required time to enable physical movement of goods or papers, perform quill and ink ledger accounting, and ensure trust mechanisms, such as escrow, were in place and performed their function. Yet, when these processes were made 'digital' many of the extant lags were embedded into the process, thus ensuring it remained slow and pregnant with counter-party risk.

Here is a pictorial representation of the problem that digitalisation seeks to solve:

You want...
Rapid response to client demand
Innovative products
Can do culture
Reliable estimates
Flexible and responsive IT
Digitalisation!

You're blocked by...
Bureaucratic Project Processes
Demands for full requirements
Culture of Apathy / No can do!
Long form planning
Inflexible IT departments
Legacy

1 If I go to the pub and buy a beer, the transaction is settled (between me and the publican) as soon as the exchange of my money for beer is handed to the publican and any change due returned.

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Figure 2: A simplified force field analysis. What you want versus where you (probably) are

The above picture is loosely based on Acceleration Stalled, from John Kotter's excellent XLR8 book. It's a Force Field Analysis of the forces in contention within the organisation when moving to digitalisation. You want to be able to respond to client demands rapidly but are blocked by bureaucratic processes often imposed by some central project authority.

To be effective, digitalisation requires reimagining processes and process flows such that they become efficient, with the use of the right tools and experts that know how best to use those tools.

Technology has leapt ahead in recent years, especially with the advent of Public Cloud, new operating models, and methodologies that match the rapid pace of development and delivery. Ensuring optimal experiences for the business, its workforce, and customers, requires joining these enablers of digitalisation into one cohesive model; a model that is as easy to navigate as possible.

Enter the Digital Maturity Model, the epitome of Digitalisation:
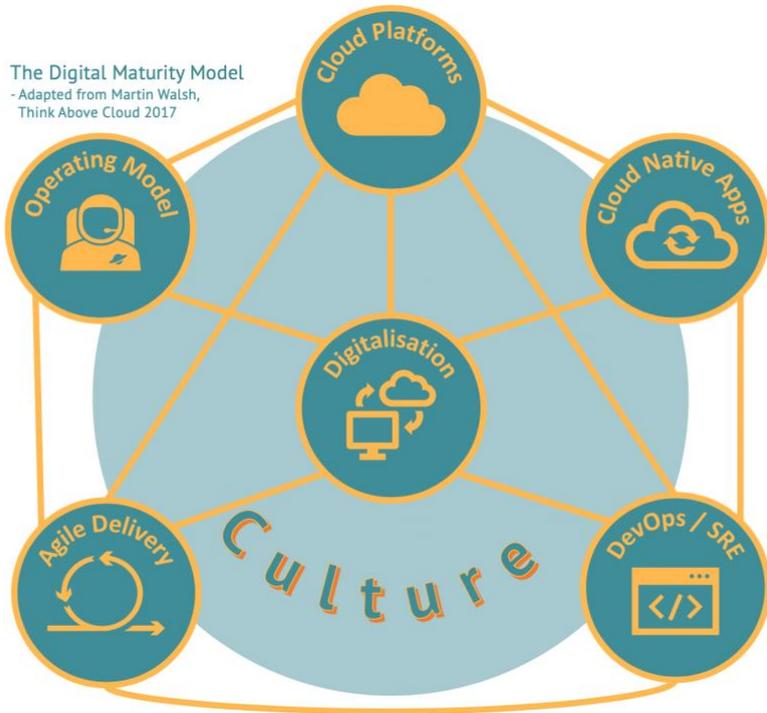
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Figure 3: The Digital Maturity Model. Adapted from Martin Walsh, Think Above Cloud (2017).

The model comprises six parts. Once you become familiar with it, it'll help you navigate the complexities of digitalisation without fearing techie-talk bamboozle. Its power lies within its simplicity but, like any model, there's a danger: too often firms take a model—a template based on a theoretical firm, an archetype—and treat it as a blueprint to be implemented unaltered. This is a mistake; archetypes are abstract representations. The result is some amorphous beast unaligned to organisational needs, leading to disenchantment, and a

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regimented, often Waterfall, programme of work to 'undo' what's been done. The ultimate outcome is that, instead of saving them, costs are increased, value is missed, and opportunity lost.

The Digital Maturity Model is based on the Digital Maturity Flower by Martin Walsh at Think Above Cloud. It takes key concepts from the computing world and slots them together in a way that creates value for those that use it properly. There are two important differences between Martin's Flower and the Digital Maturity Model. The first is that I've introduced Culture as the sixth element. This is because culture is the glue that binds the others together. Secondly, The Digital Maturity Flower is aimed at Technical Leadership, whereas the Digital Maturity Model extends the scope to include Business Leadership.

A fundamental tenet of this book is that it's been produced to help leaders, and aspiring leaders, at all levels of the organisation, navigate the six areas that comprise the Digital Maturity Model: Cloud Platforms, Cloud Native Applications, DevOps / Site Reliability Engineering (SRE), Agile Delivery, the Operating Model, and Cultural Change.

At its heart, this is digital ecosystem management.

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