THE END OF BUSINESS AS USUAL IS ONLY THE BEGINNING

A CURIOUS BOOK

When joining Capgemini Belgium, the Vice President of Technology Services offered me a book that was co-authored by Andy Mulholland, the CTO of the global Capgemini organization. The title is "Mashup Corporations - The End of Business as Usual" and it turned out to be a curious book. It has a story line, but it’s not a novel. Not a highly literate, fictional or romantic piece of work, but a very direct and effective tale about... technology.

PART 1: INTRODUCING VORPAL INC.

At the surface, the story is about the company of Vorpal Inc. discovering and entering new markets. But the true subject is the power of Service Oriented thinking at Enterprise level. All techie know about ‘Service Oriented Architecture’ (SOA) of course, but this book is about deeper business transformation.

Nevertheless, the story represents a real life company with real life workers and is very readable. And beyond the story the authors list practical rules, tips and examples on how to put it all to work. Luckily there’s also room for a lighter touch and humor as is shown by the main characters’ names in the org chart.

Vorpal Inc. is a traditional company in the popcorn machines business. Its market orientation and the role of IT are quite defensive. The focus is on maintaining a sort of status quo, that is only surpassed by large system upgrades. For which keeping control is the main objective.

The highest ambition for ‘improvement’ at Vorpal is... cost cutting.
Geoffrey Moore’s (Technology) Adoption Life Cycle is briefly mentioned in the book. But I like to use it to indicate the maturity and adoption degree of businesses and products. Vorpal is clearly in ‘main street’. It operates on an established market with established players, ‘gorilla’ included. And Vorpal is, as we learn, #5. Far from being the gorilla.

![Technology Adoption Life Cycle](image)

But... is that a new paradigm we see over there?

Vorpal, by accident, discovers new markets and business channels. The demand for customized and personalized machines. The source is a young marketeer and his blog. Because the fictive idea for such personalized machines on his blog gets picked up by external users to... make money. It illustrates how an inside innovator uses his ‘shadow IT’, i.e. IT and applications residing with company employees but outside of the company’s official IT stack, to connect with outside innovators to open up new business channels.

Luckily the company’s CEO, Mrs. Moneymaker, is open for these new directions and drives the transformation in a top-down way. *The authors understood however that this top-down support is not always present and have added a chapter to describe a bottom-up process in the second edition of the book (the one I was given).*

From the perspective of market adoption, exploration of these new options pushes Vorpal back up the Technology Adoption Life Cycle. Into the *Bowling Alley* & *Tornado* phases, where a different ball game is played. *The era of perpetual beta*. More dynamics, constant changes and all parties have to continuously adapt while keeping up a ROI.

Do note that the Vorpal transition described in the book passes quite smoothly. But, as the authors willingly confess, a real-life transition is not likely to be that easy. So, from that perspective it is a romantic novel after all.
The larger picture of what Vorpal is going through is a shift from 'hub IT' to 'Edge IT'. The wagon wheel representation shows this as a next step in historical enterprise applications evolution:

1. The ‘hub’ holds the core enterprise data and monstrous, large scale applications to maintain it, with clear, predictable processes;
2. As the limits of the hub are reached, customization and refining to new business needs happen through custom Enterprise applications;
3. The ultimate level of flexibility and dynamism is achieved by opening up to the new world via controlled services. Inevitable to remain competitive in tomorrow’s markets.

Unfortunately it is an evolution that few companies will initiate spontaneously. One single idea -ideally-, holding a promise of revenues, might trigger the transformation process. But preferably a company has a culture that stimulates its workers in creativity, provides room and space for people to think, experiment and learn. A starting point can be pretty standard collaboration tools and platforms, although that already means for traditional management to let go of micro-control. And then quickly social media come peeking around the corner...

It helps revealing new ideas at those companies that dare to go for corporate utilization of Shadow IT. It will bring what is hiding in the dark into the light. Note that this topic is related to unlocking the unstructured hidden information in enterprises (approximately 80%!), i.e. the Dark Matter of the Digital Universe. But, like in open-source projects, it requires gatekeepers (‘repository keepers’ in the book) for the collection and realization of ideas. Gatekeepers serve to protect the overall integrity and compliance of built services.

It may require mere utilization of the power already available through the computer natives generation workers, natural born innovators, and their use of shadow IT. They naturally form communities with likeminded outsiders, thus being a readily available source of innovation. This is “Generation 3.0”, the X & Y generation (<30y). They demographically form an increasing portion of today’s companies. They are by themselves highly critical on novelties and the use of new technologies, and they are very peer and community minded. So let them build new relationships, discover new business enablers. Support them. Even if it requires IT departments to start thinking beyond the firewall of the company, beyond the traditional one-way communication portals, beyond classical content management. IT can rest assured that the firewall will only let pass flows and data through controlled and secure services.

The potential of the changing web should be used in corporate advantage by using it as a platform to run transaction services, by building and supporting (composite) mashup applications. The services will safeguard secure control of the data and the conversation. And the automation aspect of it will take away wasteful and robotic operations from people, reducing errors at the same time. It will open products to new markets as external parties can connect to controlled services and do business... for you. And ‘controlled’
does still mean legal agreements, contracts, concise frameworks, documented rules, service repositories and... technical support on the offered services. Not in the least as sometimes official regulations may be applicable. Companies can at last provide real-time answers to a growingly on-demand market, users and customers.

The rules of service-based operations however do not only apply to the customer side. Suppliers should be offering services to which a company can connect, establishing a complete SOA-enabled supply chain, turning it into a real value chain. It holds a way of integrating with suppliers that very much resembles the Lean vision. It’s about building relationships on profit (and risk!) sharing. Mutual growth rather than a traditional supplier-customer relationship that is based upon large volume purchases, big negotiation rounds and pressuring one another, likely to end up with at least one strangled party.

The target of the SOA transformation is that there is no target, no definite end goal. The target is an ever-involving ecosystem, a living organism of actors that interact and work together upon a clear set of technical and social rules, forming a whole to flexibly respond to external circumstances and changes. Communities.

The transition to a service-enabled enterprise is not one to be made overnight. It can only be done gradually, including learning from each step.

(1) It starts with the design and implementation of one or some services;

(2) To move on by grouping services in systems of services that cover complete business processes and include well-thought orchestration.

(3) The highest maturity consists of service-enabling all enterprise applications. This will require new professions, titles and functions. Although that’s part of what is traditionally called ‘change management’, this still is psychologically very sensitive. And the introduction of incentives in itself is not enough. People should be in many options beneficial on the ‘success’. Many fears need to be addressed.

The process of creating, but also maintaining (web)services, puts a lot of pressure on IT and development. It requires a ‘build-and-run-fast’ culture throughout the organization, but certainly from those building the software and applications. The book presents a little summary of eXtreme Programming, Scrum and RUP, acknowledging the added value of these fast-delivering development methods.
PART 3: FAST-DELIVERED BUSINESS VALUE

The “Mashup Corporations” book rightfully approaches service-enabling as a mean to create Business Value. Which is a perspective that is, unfortunately, much less emphasized when talking about ‘pure’ SOA, as this is likely to be considered as a mere technological vision. And ‘Business Value’ should be defined from an outside-in perspective. Not seldomly do enterprises make the mistake of presenting their organization and designing their services from the inside out, meaning that they are presented according to organizational divisions and borders within the enterprise. But an external user/viewer has no knowledge or interest on these internal structures.

But this business focus doesn’t prevent a lot of thinking and learning to be spent on technical architecture and infrastructure.

Being a Scrum Evangelist myself and having applied it for over 7 years, I like to highlight some parallels and complementarity of Service-oriented Business Transformation with Agile transitions, and the power of Scrum in particular:

1. Agile development methods by nature will support and reinforce a services inspired business transformation. Because Agile has the dynamics to keep up with rapid business evolutions, accepts and encourages change as a driving force to improve. Agile has built-in principles for collaboration, business involvement, emerging architecture and design, and focuses on lively communication and trust over dead paper contracts. Deliver quickly, with high quality but on a less formal base. Go to market, learn and adapt the built software. Care should probably be given to the fact that Agile transitions advisably also require new professions, titles and functions in their domains. This is the time to go beyond the adoption of ‘Agile’ as common ground and principles, and select a tangible framework like Scrum. It opens up organizations to the new professions of ScrumMaster, Product Owner, Coach, Scrum Developer and Agile Tester.

2. Agile/Scrum transition is, like the introduction of enterprise services, not a goal in itself. It should not be limited to a technical implementation, superficial ceremonies and new titles. Like an external user/viewer has no knowledge or interest on the sort of development technologies or frameworks, hence the need for more business lead/ involvement in the development process as promoted by Agile/Scrum. The enterprise culture should be aligned with it. Exactly the alignment that is required for service-enabled environments. Scrum is a (powerful) framework to do so. It will increase a company's Business Value in the actual ‘era of perpetual beta’, where markets change, businesses change and technologies change, where nothing much seems to be stable.

3. Moving to service-enablement requires a level of Lean thinking at the corporate level. Scrum is an excellent and tangible process that implements the Lean principles for software development.

4. Scrum has the advantage of not being limited to a technology or engineering practices. It is a pattern language that can be used to enrich enterprise practices and culture.
Overall it should be the art of modern businesses, meaning enterprises as a whole, to turn uncertainty into an advantage. Instead of blocking it, it should be used to discover new business opportunities and subsequently to explore them. Moving upstream on the curve of the Adoption Life Cycle to enter new markets, from a niche entrance even challenge the gorilla. These new markets require new business models, and proven methods like Scrum are available to actually implement the new role for IT to re-inforce these business models. It is clear that in the chaordic circumstances of the *Bowling Alley* and *Tornado*, Agile development methods are the only ones suitable to keep up development at the pace of business change.

In my presentations on Scrum I tend to refer to what I call the ‘tROI’ prerequisite. ‘tROI’ reflects the idea of the Troyan horse to modern markets, a combination of ‘time to market’ and ‘return on investment’. It reflects that today, it no longer suffices to have a good ROI on the one hand or a reasonable time to market on the other hand. Both must be realized together, i.e. a company/product needs to go to market without delay while instantly realizing a financial return. Because change and competing products will come so fast that there will be no time to settle and stabilize before a return can be expected.

Anyone who can figure out why Capgemini has a strategic program that is called *Business As Unusual*?

Read chapter 9. Or even better, contact us...
**AUTHOR**

**Gunther Verheyen** joined Capgemini Belgium in March 2010. His objective is to establish an Agile practice across disciplines and technologies. Gunther is the community leader of the Agile/Scrum community of Capgemini Belgium and represents Capgemini in the Board of the Agile Consortium Belgium, co-founded by Capgemini Belgium in 2009. But he is also a leading member of the global Agile movement of Capgemini.

Gunther has been practicing eXtreme Programming and Scrum, worldwide the most adopted Agile methods, since 2003. He is Certified ScrumMaster since 2004 and is, since its inception in 2009, engaging in [Scrum.org](http://www.scrum.org), the new platform of Scrum co-founder Ken Schwaber. He has achieved the certificate of *Professional Scrum Master level II* and is in the process of becoming Professional ScrumMaster Trainer.

Gunther designed **ScrumPlus**, a wrapper framework for Scrum. ScrumPlus adds some lightweight controls to cover a complete (Agile) Project Life Cycle. This uplifts the process to better delivery of fixed price projects, upon the notion of *negotiable scope*. The additional controls include e.g. a Product Backlog estimation tool, a project tracking tool, roles and explicit practices for built-in quality, and some deliverables.