DAY 2
Operations/Business

Continuous improvement of the back office in the context of regulatory pressure

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Continuous improvement of the Back office in the context of regulatory pressure:
The Flexible Back Office

11/10/2018   10th ETOT Summit

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Introduction: As I was saying …
Connecting with the 9th ETOT presentation

From traditional projects to rethinking the whole organisation

08/11/2017   9th ETOT Summit

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Hierarchical rigidities are an important trouble when developing operational efficiency projects that require the collaboration of different units.

Flexibility is required, and AGILE is a tool that can provide methodologies helping to cope with the challenge.

But AGILE is a tool, not the goal. The goal is to evolve from the traditional back office into a flexible organization.

The flexible organization could call into question the boundaries among the Back Office an other departments.
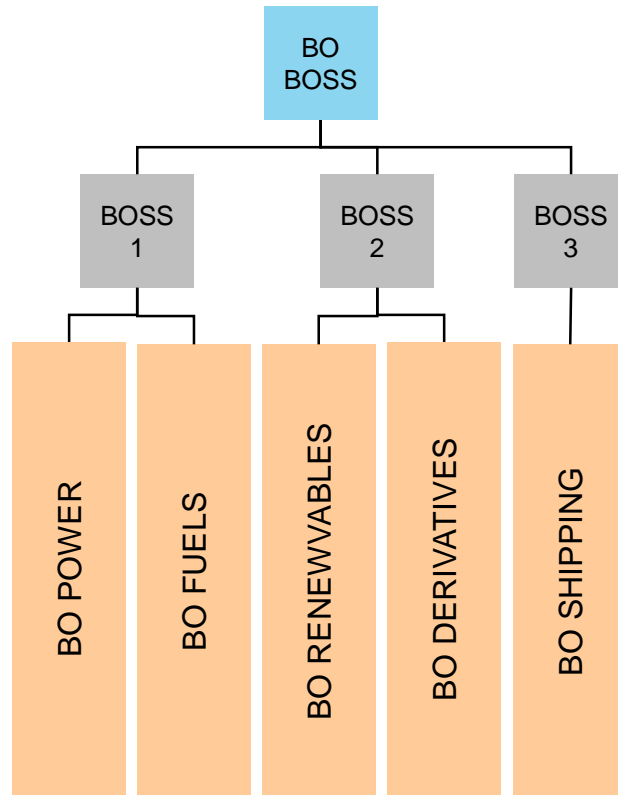
Question for the audience

Is your organization AGILE?

1. Nothing, it don't apply us *(It's some ICT stuff!)*.

2. Everybody speaks about but nobody actually uses it.

3. We are starting to learn and use it.

4. It's really embedded in our culture.

Hierarchical rigidities
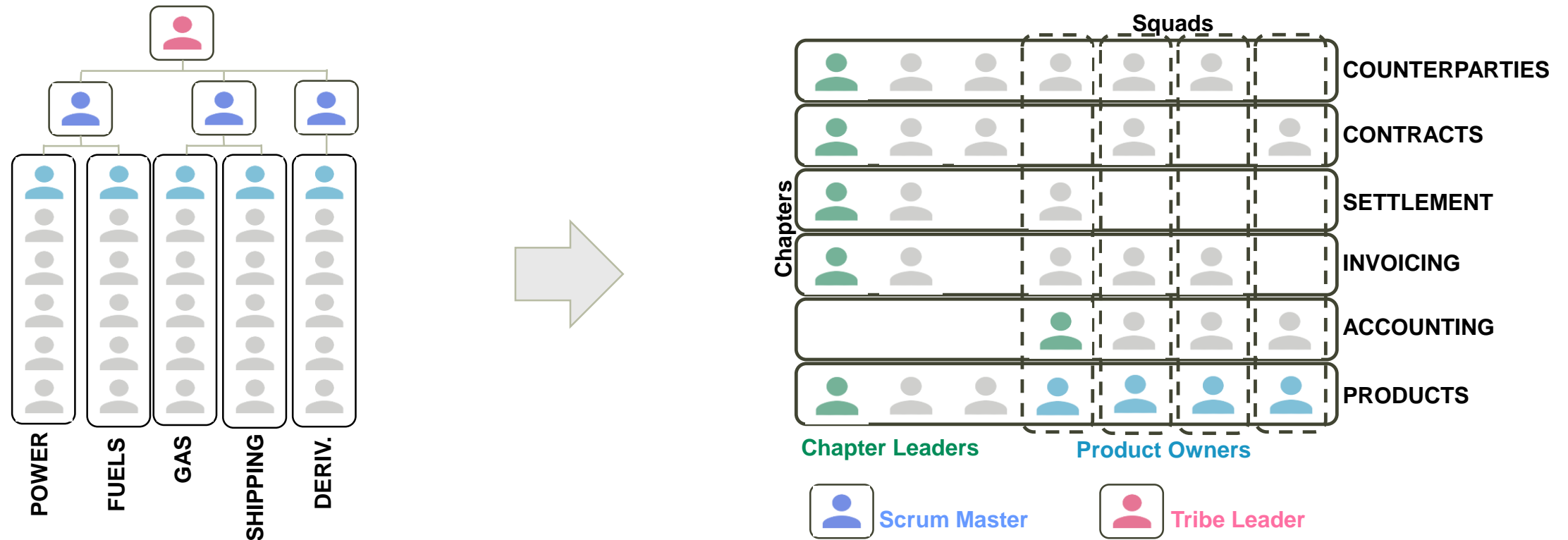## How they affect the development of efficiency projects

Collaboration among teams presents the following problems:

- **Communication:** Must go through different bosses who can delay, or modify, the message.

- **Decisions:** Are made upwards while technical knowledge is downwards. This limits talented employees and protects lazy employees.

- **Priorities:** Even common projects don't have same priority for all the units.

- **Resources:** Are allocated according to priorities.

Therefore, projects requiring collaboration are seriously hindered by the hierarchical organization.

Flexible Organisation
From operations' units to processes' units

Squads

COUNTERPARTIES

CONTRACTS

SETTLEMENT

INVOICING

ACCOUNTING

PRODUCTS

Chapters

POWER FUELS GAS SHIPPING DERIV.

Chapter Leaders **Product Owners**

Scrum Master **Tribe Leader**

Our traditional BO was organized as a set of teams focused on products. Now we are changing into an "AGILE" organisation of teams specialised on processes (chapters) and temporary workgroups on products (squads).

Flexible Organisation
How does this work?

Daily tasks are highly automated and distributed among chapters. Chapters are responsible for the correct running of tasks, and their improvement.

"Products" Chapter reviews the overall performing of the activities and analyzes new requirements (business o regulatory).

Squads (involving several chapters) are created in order to coordinate improvements or changes affecting one product.

Assignment to squads is *flexible*, it depends on the complexity of the goal pursued. Additional resources can be allocated to critical squads.
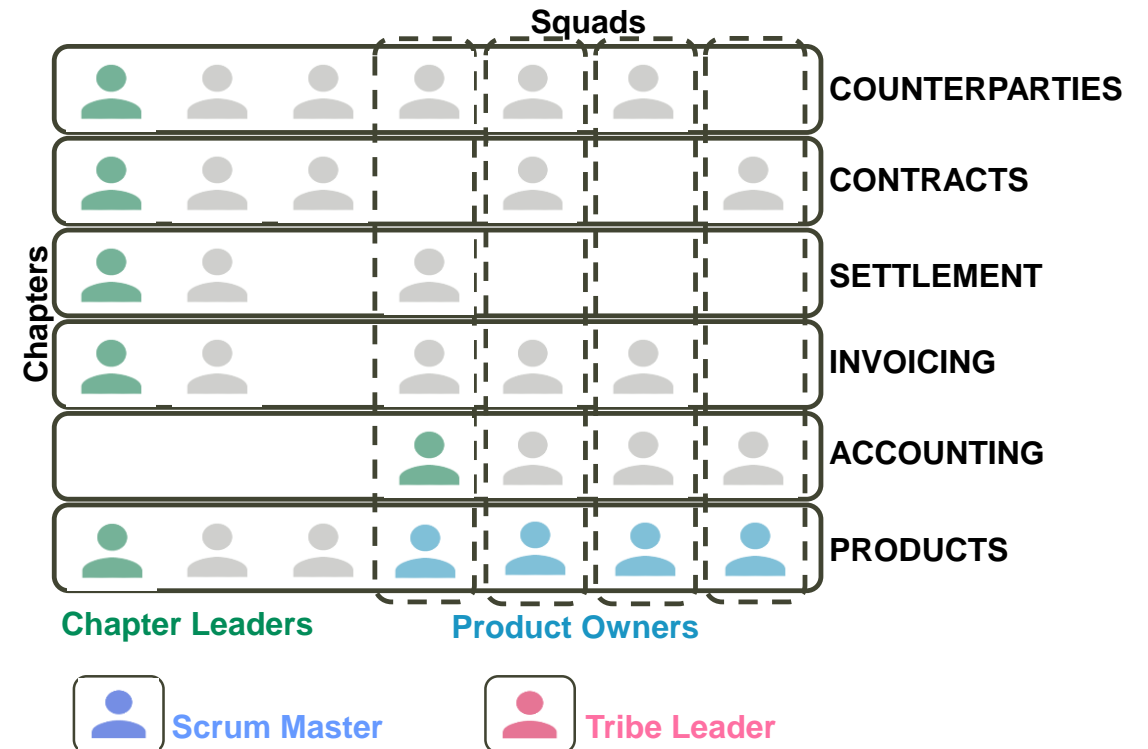
AGILE elements
Solving some doubts

AGILE is about projects, not everyday work.

Are your daily tasks 100% automated?

Are squads permanent?

Are squads only for products*?*

Who are the product owners?

Where are the managers now?

What's a scrum master?

Who's making the decisions?

Communication and Motivation
Helping to get a smooth organisational change

Communication is key

- <u>Globally</u>: You must explain your goals clearly to *everybody* affected. A positive mesage is required. Stress in skills development and increased responsibilities and autonomy.

- <u>Individually</u>: Talk *individually* with all the people affected by changes. Listen to their opinions and take into account their proposals. Tipically what you find is collaboration and participation.

Changes must be quick: Expectations are created after beginning to explain the changes*.*

Employees' motivation increases: Employees take on additional responsibilities and there are new skills to learn and new opportunities for professional development.

Rejection could happen: It comes basically from the less productive employees because changes expose them to higher scrutiny.

Backlog vs. Dashboard
Complementary tools

Dashboard   It is about routine tasks and must be automated within the systems.

Backlog   It is about projects, deadlines and goals. It is manually managed.

Processes improvement

The dashboard will detect problems in your processes and with the backlog you'll be able to monitor the development of the improvements in your processes.

Employees performance

A backlog can help you to know the employees' performance, to check their real skills, their participation, and also to detect who's lagging behind schedule.

How the chapters are organized
Criteria in gathering activities

OUR CHAPTERS

Counterparties and Contracts

Prices management and MtM

Trades Supervisión

Energy Metering

Settlement and Accounting

Invoicing

Information Management
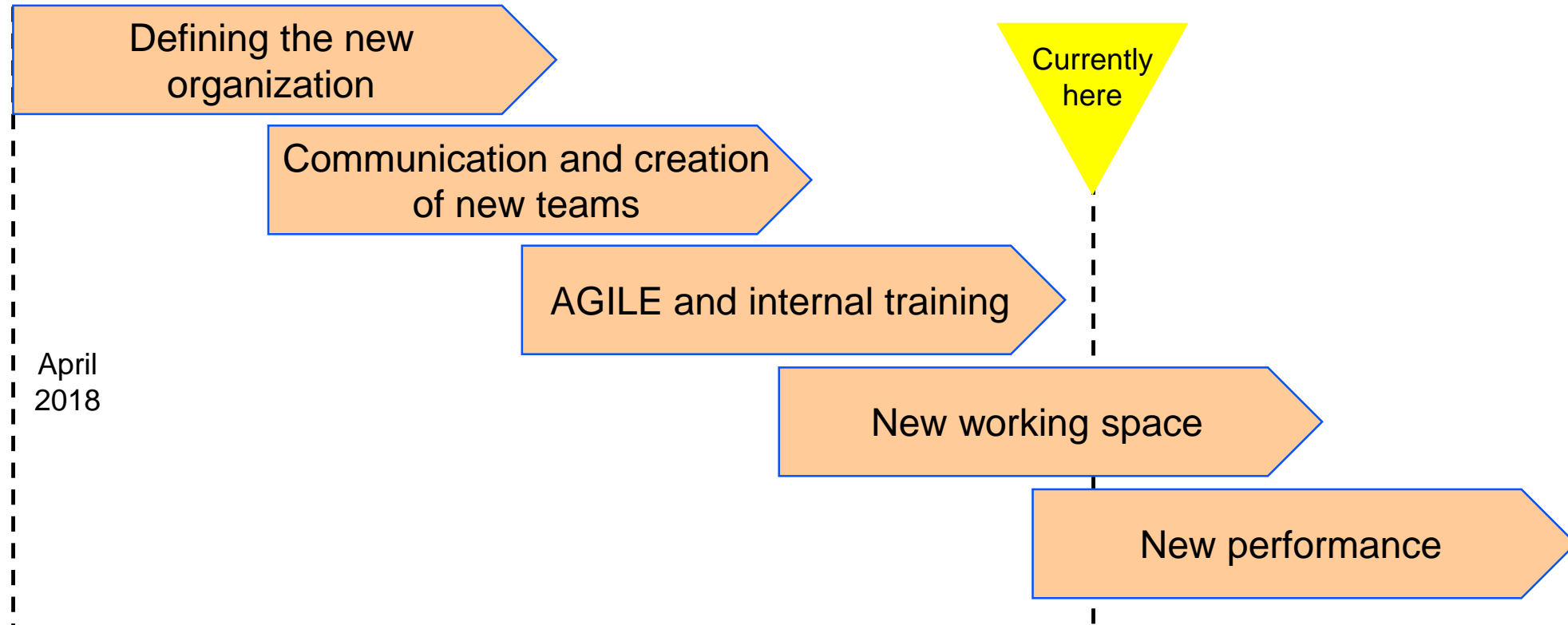
OUR CRITERIA

Distribution of activities between chapters is not fixed forever. Chapters' aims and organization are flexible and will evolve.

We have gathered activities with possible sinergies based on different criteria (activities, tools used or type of information managed).

The chapters' size must be homogeneous and around 4 – 6 people.

Implementing the change
Taking steps

Defining the new organization

Communication and creation of new teams

AGILE and internal training

New working space

New performance

Currently here

April 2018

Flexible working space and timetable
Required pieces in the puzzle

A flexible organization requires a flexible working space and a flexible timetable.

Working inside **cubicles** allows the employee to work isolated. The cubicle is customized with mementos, pictures and personal ítems. It is equivalent to working from home. Working from home is adequate for routine activities.
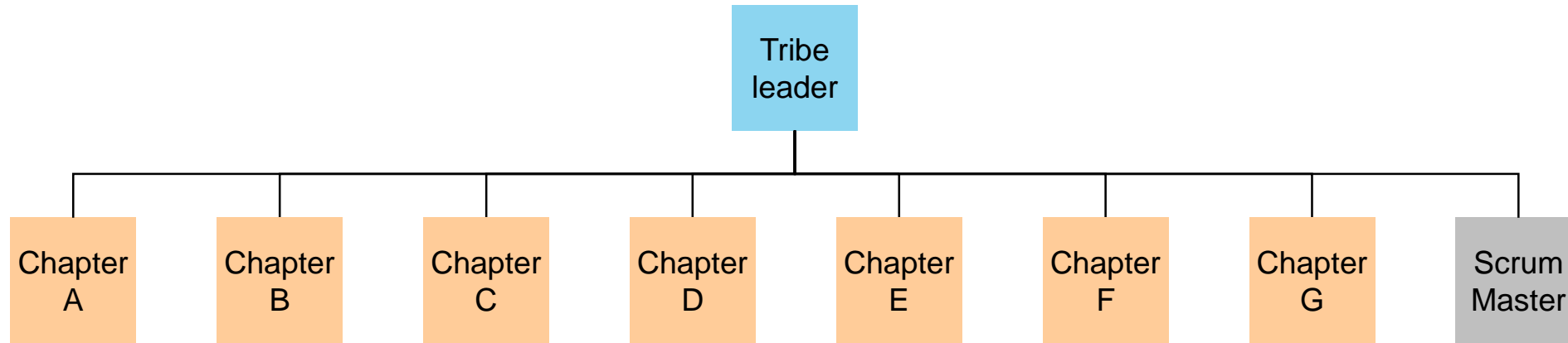
AGILE working is about cooperation and comunication. The working space must be flexible with no preasigned working desks.

Routine activities => quiet working space=> Home

AGILE projects => teamwork => flexible working space

The flat organization
Rethinking the Back Office

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                        │  leader  │
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There are no managers in the traditional sense. But not all the chapters are equal. There are different levels of responsibility.

Chapters collaborate in a flexible way in order to run the business. Decisions are made in collaboration.

Chapters increasingly could not fit in the differentiation front – middle – back.

Thanks

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