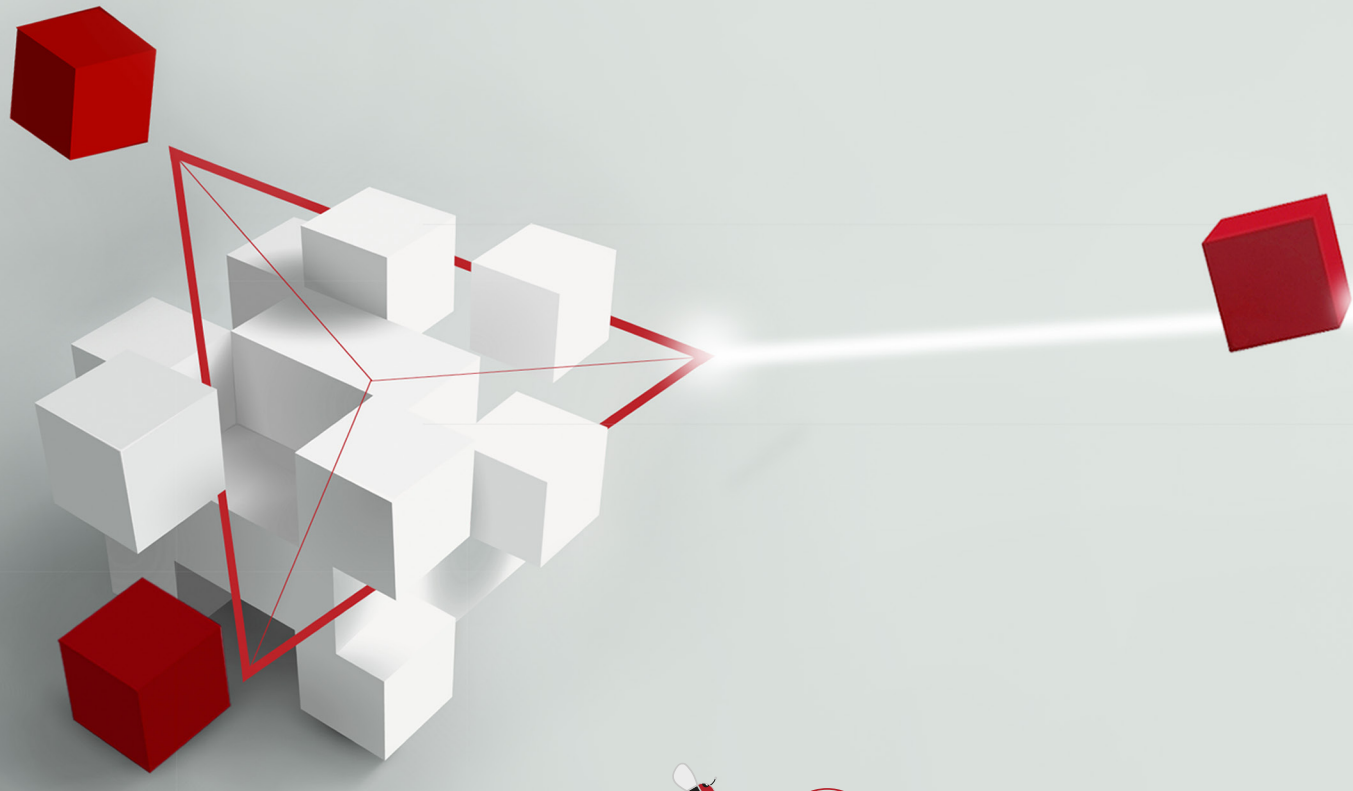
WHITEPAPER

BeeCore

The Principles of a Fast Execution



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In the past we have seen recurrent periods of high volatility (see Table 1). Especially in the last two decades, we have experienced six major global market fluctuations.

Time Period	Market Fluctuation
2000 - 2001	.com Bubble
2007 - 2008	Financial Crisis
2010 - 2011	Euro Crisis
2011 - 2012	Creditworthiness USA and Flash Crash
2015 - 2016	Chinese Stock Market Crash
2020	Corona Crisis

Table 1: Periods of high volatility

This means that a globally-operating organization is likely to experience a phase of high volatility roughly every three years, which lasts for about a year until the waters have calmed down again. Periods of high volatility will always be part of the business.

How Do We Operate in Times of High Volatility?

The Gartner analysts answer this question in their article, "Winning in the Turns: A CIO Action Guide," as follows:

„Ensure a fully aligned and agreed-upon plan
on how to respond to risk events.
Increase oversight of strategy execution [...]. " [1]

A fully-aligned plan and its fast implementation requires a suitable foundation. A holistic perspective on the organization is necessary, and can be achieved by using a holistic management methodology as provided by BeeCore.

In the following text section, we will briefly outline what constitutes a methodology and then move directly to the principles of BeeCore: the principles of a fast execution.

What is a methodology?

The word methodology is derived from the Greek Methodike and translates as The Art of Planned Procedure. Structurally speaking, a methodology contains various modules that collectively describe a planned procedure. From a scientific point of view, a methodology is,

"[...] a system of principles, practices, and procedures
to a specific branch of knowledge." [2]

Our specific branch of knowledge is *Holistic IT Management*. In the remainder of this paper, we briefly introduce BeeCore as overall methodology and then describe the principles of a fast execution in detail.

Holistic IT management using BeeCore

BeeCore offers a holistic approach to management that enables you to keep an eye on all management- related factors, from cost-driven projects to the exploration of innovative business opportunities.

BeeCore is based on a modular structure. This enables users to extract specific topics from the overall structure, generate added value in a focused manner, and drive a robust and stepped change. BeeCore covers three levels: principles, practices and procedures.

The approach defines principles for a fast execution, practices for effective steering, and procedures for a holistic management. This paper focuses on the principles of a fast execution.

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[1] Gartner (2019): *Winning in the Turns: A CIO Action Guide*

[2] Peffers et al. (2007): *A Design Science Research Methodology for Information Systems Research*

BeeCore: Principles

There will always be questions that cannot be answered formally. We all need to make the hopefully right decision on a regular basis. BeeCore describes four principles that provide a common way of thinking and acting to guide decision-making in ambiguously-defined scenarios.

Principle 1 – Clarity on All Levels: Transparency

The first principle aims to provide clarity across all levels:

All decision-relevant data is accessible
to everyone, to enable a common view and language.

Decisions made in one organizational area affect other organizational areas. For example, investments can be made at one level that are theoretically useful to maintain a system, but in practice it is decided at another level to abolish the system. One could also say that it is about painting the garage, the demolition of which has already been decided.

These situations can be avoided if we create transparency regarding the management-relevant data. To ensure that this transparency is effective, we must be able to rely on our data.

Principle 2 – Less Is More: Effective Data

The second principle aims at maintaining only data directly relevant to decision-making:

Only data relevant to decision-making is stored,
to prevent the proliferation of information and
to ensure the reliability of the data.

Here, less is more. At first, this focus on as little data as possible, as much data as necessary may seem to take a contrary position in times of Big Data. But Big Data is pursuing a fundamentally different goal. In the context of Big Data, we collect and bundle a large amount of data, then use a wide range of analyses to identify the data's purpose. In our context, we already know the purpose of our data: holistic management. Accordingly, we can select the appropriate data in a focused and careful manner.

Figure 1: BeeCore

The question must therefore be, *which data is relevant for decision-making*? At what level of abstraction do I need to collect data before I can trigger targeted, effective decisions? Do I need to store data in the management context that provide me with information down to the last detail and down to the last cent? Do I really need 5 or 10 project traffic lights to communicate the project status, or is one traffic light sufficient here, which simply indicates whether there is a need for action or whether the project is proceeding as planned? Less is more.

With too much data, it is possible that you cannot see the forest for the trees, and therefore do not know which route to take through the forest. If you want to take this route together as a group, it is particularly important to implement the first principle, transparency, or each individual will only navigate from tree to tree. If I know the forest, and I know which trees are relevant for navigation, I can make appropriate decisions.

Principle 3 – Reduce the Noise: Data-Driven Decision-Making

The third principle aims to base decisions on data:

Decisions are made on the basis of data to promote good decisions and make them comprehensible.

At this point, we remove the noise. Decisions are often made based on the intuition of the highest-paid person in the room. This is not necessarily a bad thing, because intuition is gained through learning and experience. There is often a reason why these people are highly paid. But especially from a certain company size on, this kind of decision making can also lead to the promotion of local rather than global optima.

A special challenge can arise when there are conflicting decision options. For example, the decision to migrate a system to the cloud could be pending. This migration leads directly to costs, so the contrary opinion is currently to not migrate to save on costs. However, on-premise operation entails a huge amount of operating and maintenance costs. Technological debts can rapidly accumulate if this is not done carefully. In the long run, on-premise operation is not only more expensive, but will also have a negative impact when the time-to-market of a new product or service depends on system maintenance.

The three principles we have established so far provide a basis for well-founded and comprehensible decisions. We can now use this foundation to further accelerate our decision-making by decentralizing the decision-making process.

Principle 4 – Accelerate Decision-Making: Decentralized Decision-Making

The fourth principle aims at decentralising decision-making:

Decision-making powers are delegated to those who value them most to promote the speed, quality, and acceptance of decisions.

We empower those who know. Decentralization is known to promote growth. Suppose we want to develop an innovative digital product or service. In this scenario, individual teams interface directly with the potential customer or user of this digital service. The teams know best how to proceed in their field. If I take a classic management approach here, for example in the form of long-term, planned work-breakdown structures, I not only run the risk of overburdening the management due to the complexity and frequency of changes, but also do not lead the teams to explore and develop independently.

By decentralizing decision-making to those who work directly at the customer and user interface, I avoid micromanagement, minimize coordination costs, and increase commitment — both of the teams and of our customers and users.

A striking example of this can be found in the article by Langlois[1] , who writes about modularity in organizations. He argues plausibly

[1] Langlois (2002): *Modularity in Technology and Organization*

why actions and decision-making powers ought to be in one entity. For example, he mentions the restaurant owner and the management of table salt. The restaurant owner leaves the salt on the tables for free disposal, because the consumers of this resource know best how they want to salt their dish. Furthermore, the costs incurred by coordination and charging would exceed the revenues — something financially questionable and having exceedingly low quality results.

BeeCore Continues:
Practices and Procedures for Holistic IT Management

Combined, the four principles shown here enable the swift implementation of comprehensively coordinated plans across several levels. Each principle builds upon the last. Decisions are made transparently and comprehensibly for all. Decisionmaking powers are shifted to ensure that plans can be implemented quickly and reduce time-to-market.

Decentralization is a well-known tool for promoting growth. On the other hand, centralization is known to increase efficiency and move from growth to scaling. However, decentralization and scaling do not have to contradict each other.

About the authors:

Dr. Corvin Meyer-Blankart

Driven by his genuine interest in technological advancements, Corvin is motivated to establish new ways of working to leverage digital innovation. His experience spans from vision and strategy to support, from local SMEs to globally active corporations, and from B2B to B2C industries. This contextual in-depth knowledge enables him to identify and communicate organizational, technological and processual requirements to drive a departure from the traditional towards an agile and customer centric approach.

Sönke Claussen

Sönke draws on decades of experience when it comes to managing corporate IT from a holistic perspective. Over the years, he supported and drove transformations of various firms in B2B and B2C industries. He is a generalist with an eye for details – whether it is the joint conception of a digital strategy or the precise implementation in various areas. His rich background enables him to draw the bigger picture and determine the right lever for driving change.

Interested in How Adaptive IT Governance With Bee360 Works in Practice?

Learn more about Adaptive IT Governance with Bee360 in practice.

Then take a look at the presentation „Leadership matters - The right guard rails of a high-performance IT“ by Miele CIO Uwe Herold.

Agenda:

1. Introducing Miele
2. Miele IT
3. Initial situation
4. How to execute
5. Leadership principles

Watch the WeBeenar here

Bee360 is your partner for holistic management.
We stand with you in your transformation journey and deliver the right software for an effective execution. We deliver step by step to the desired maturity degree.