

Experience a gemba walk @ PRATO

Lean Kanban Benelux 2016

Storybook of an unconventional presentation



Prato - HR Tech Valley
Based in Hasselt of Canal Campus, Prato is a Belgian middle HR specialized company in a highly competitive context. Notwithstanding the context, the company is on a successful growth path.
Businesses that HR services are so much more than just meeting people's employment needs. It's a cycle. From hiring to setting. That's why we support the full life cycle of your organization. From HR Tech through a combination of our services, we help you build a strong team and a thriving culture. That's why we're here.



Visual & story design by Bizzuals

Prato – HR Tech Valley

Based in Hasselt at Corda Campus, Prato is a Belgian midsize HR service/product company in a highly competitive context. Notwithstanding the context, this company is on a continuous growth path.

Prato believes that HR services are so much more than just recruiting people or creating payslips. It is a thought process, a cycle. From hiring to retiring. That is why we support the four Rs of HR (Recruit, Remunerate, Retain and Refocus) through a combination of user-friendly software, years of experience, our own legal department and a thorough service. That's why our motto is 'Making HR Processes Flow'

Key Figures: 11kk revenue, 1.5kk ebitda, 110 employees

Gemba the 'Prato floor' and experience a unique story about how the conjunction of expertise, observation and orientation, modelling and experimentation can lead to a successful value creation within companies in fast moving environments.



Visual & story design by Bizzuals

It's been already 3 years ago ...

Around Q1 2014, Prato had a fairly traditional business unit structure with functional teams and around 40 FTE. The company consisted of three business units: Innovation & Development, Sales & Marketing and Professional Services & Operations. Silo thinking was a logical consequence of that organizational structure.

An assessment of the fields of People, Processes and Technology and their current situation at that time showed that:

- People worked hard and were mainly focused on their own tasks, with little insight into what everyone was doing. There only was a fledgling collaboration within and across teams.
- The flow of work and priorities were often unclear. Too much work in progress had lead to a lack of focus, bottlenecks and an unbalance between demand and capacity.
- A monolithic architecture with little collective (code) ownership hampered the technological evolution of important products.

How could Prato prevent these hurdles to bother them to be fit-for-purpose?



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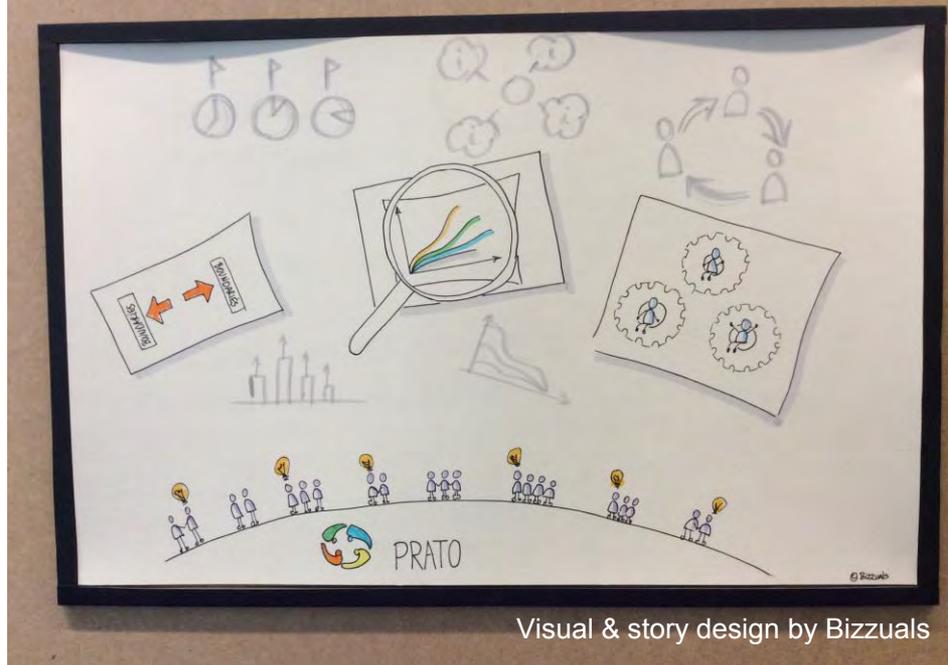
A company aiming for a different approach

Based on the outcome of the assessment and the environmental conditions back in Q2 2014, Prato management took a decision that would impact their entire organizational structure and their way of working. Prato started to introduce Lean Agile principles and practices

In concreto, during this first step, Prato put focus on improving their:

- visualization by putting the work & measure development flow of work on physical boards
- iterative and incremental delivery by training and coaching all employees and putting focus on reliable delivery of value in sustainable shortest lead time
- creating focus per team and introduce cadence in planning and delivery
- collaboration: creating capacity to improve on team level

How could Prato further scale an approach that works on team level?



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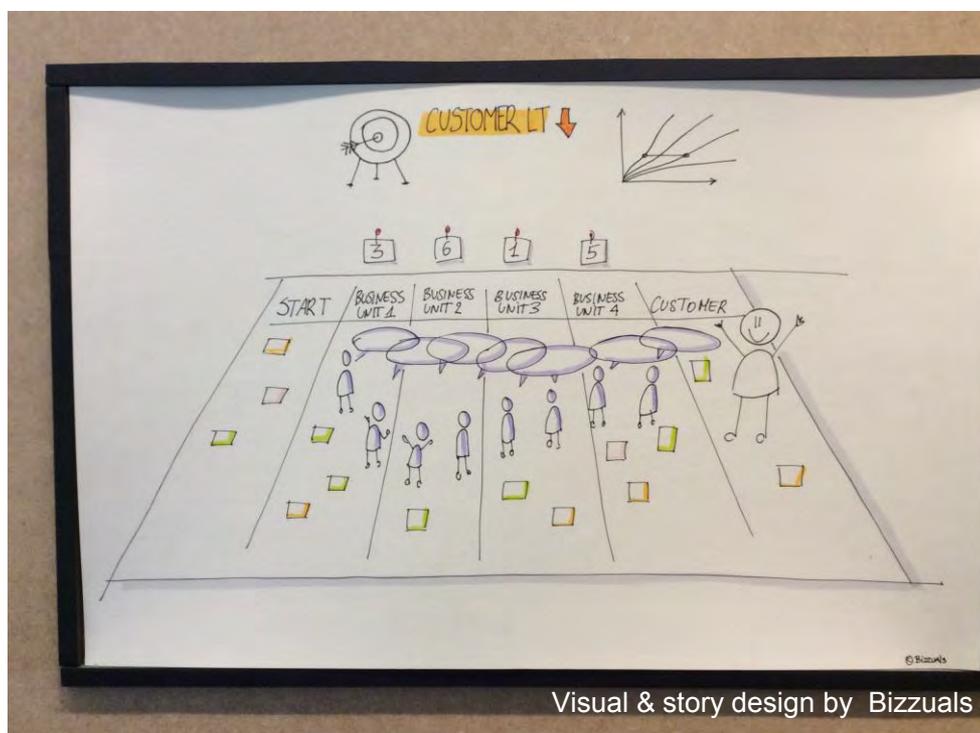
A company that evolves its lean agile practices

Once the Lean Agile basics were put in place and the first benefits started to become clear, Q3 2014 put Prato again for a very challenging aspect: while the teams improved their system and delivered new features more predictably, we noticed that legacy work was lagging behind.

The change continued on team level by:

- Pushing the boundaries to business analysts (innovation)
- Creating in-depth insight: e.g. organizing an extensive 2-day training for the teamleads & business analysts (Okaloa)
- Making outcomes visible: e.g. 2-weekly all hands progress (demo) meetings (company owners included)
- Focusing on predictability of development teams throughput (limit planned stories per 2 weeks, reserve capacity for unplanned, etc.)

How could Prato use these Lean Agile practices to become more customer oriented?



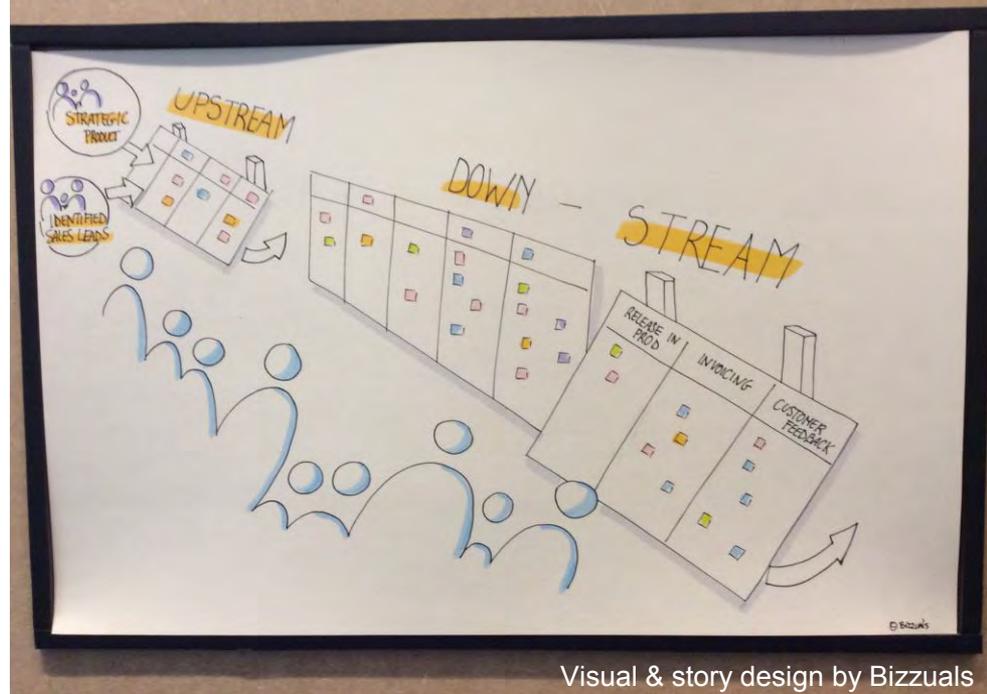
A company that was forced beyond team level improvement

Now that Lean Agile was taking off in the organization, Prato noticed that customer lead times were increasing for legacy (billable!) and maintenance demand. To cope with this observation a problem solving team was brought together: our so called "X Team". The main purpose of this virtual team with experts from different business units was to increase customer satisfaction by reducing the open number of tickets.

Two deep lessons learned from the X Team:

- The end-to-end focus improved the end-to-end collaboration between team members.
- Introducing WIP limits reduced the lead time.

Changing the way of working had a direct impact on customer satisfaction. Can we scale the X Team experience?



From end-to-end software development to service delivery

Up till now, Lean Agile principles on optimizing the flow of work were only introduced at and applied in IT feature teams. The X Team approach showed the value of cross silo boundaries collaboration. In the end it is not about optimizing a part of the flow, it is about keeping the End-2-End view in mind. That is why Prato started to visualize and monitor the flow from identified sales leads - together with strategic product ideas - till delivery. This was in Q2 2015. To do so, Prato added the concepts of Downstream- and Upstream Kanban to deal with specific work:

For Downstream

- Releasing into production, invoicing, and customer feedback (surveys) were added

For Upstream

- Changing the way of working from sales "push" to delivery "pull"

Did Prato have a clue whether the initiatives were leading to the desired outcome?



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A company that uses metrics

From the beginning onwards of this 3 year adventure, Prato had understood and acknowledged the importance of using metrics to observe, orient and feed the continuous improvement mechanisms. It started in Q1 2014 with user story tracking and unlocking and visualizing data in existing systems via automatically generated reports. Today Prato is continuously measuring the end-to-end flow processes*. Based on this data, experimenting with upstream minimal options limit and downstream analysis WIP limit set the pace for Prato to take again the next step in becoming more fit for purpose.

* Examples of today's measures: Throughput time from idea to release, Evolutions in cumulative flow diagrams, lead time distributions

Imagine Prato has divisions that are not part of the E2E board, but still have influence on the customer value delivery. How should they deal with that?



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A company that extends the organisation

By Q3-Q4 of 2016 Prato extended the organisation by integrating an HR Legal and Payroll division. Collaboration between all different parts of the organisation became more important than ever before. How would they optimize their existing and stable end-to-end flow across teams? How to deal with dependencies between teams and how to manage them structurally?

To cope with these challenges, we started visualizing everyone's viewpoint to integrate the service development, discovery and delivery across all divisions. The 'Cross-Divisional Board' was introduced to visualize the flow of options and share insights.

How will this story continue?

HELL YAH!!

You have just made a unique journey across time and discovered how deliberate deviation, unfolding events and learning from it, have changed Prato's DNA over time. You have felt the pains they struggled with, saw how they managed to cope with these challenges ... you could even almost smell the atmosphere of the teams ...

BUT THERE IS MORE ...

This is also a unique story about how the conjunction of expertise, observation and orientation, modelling and experimentation can lead to successful value creation stories within companies in fast moving environments:



Tim Pijpops (@tpijpops) has introduced Lean principles and Agile values within Prato. He shared with you lots of first-hand experience and learnings.



Koen De Keersmaecker (@KDekeersmaecker) has re-created the experience and illustrated how strong visual storytelling can be to make complex business matters visual, understandable and communicable.



Wim Bollen (@wim_bollen) has used elements of improvement kanban to do a retrospective reflection on Prato's 3-year-adventure.

You want to get insight in your organisation's change journey?
Would it help you to understand the 'ongoing' change in your organisation?
Thus can we help you to get insight into your current change journey?
Would it have value for change leadership to get this insight?

Contact us to explore the possibilities ...

You have just experienced an a-typical talk? Did you like the way it was brought to you, the way you got involved in this? Please leave us your feedback and help us to become even more mind-blowing in bringing the experience to you.