



CR044

Dealing with complexity with Rob England and Cherry Vu



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[00:00:00] So why did we choose Friday the 13th? I'm having one of those days today. I dropped one of my earbuds in my yogurt. It's still working.

Welcome to Cloud Realities, a conversation show exploring the practical and exciting alternate realities that can be unleashed through cloud driven transformation. I'm David Chapman. I'm Sjoukje Zaal, and I'm Rob Kernahan.

And in today's episode, we are going to talk about The Cynefin framework, a subject we've touched on.

I'm not quite passionate about here on the show. And we've got some guests with us who have not only thought very deeply about Cynefin and worked with Dave Snowden in terms of developing the model and applying the model, but actually in their day to day business, use that [00:01:00] model extensively in the conversations they have with their customers, but before we get to that, I was in the office the other day.

And I shook Rob awake again and, and he woke up with a bit of a start and, you know, was quite alarmed about something. And I'm like, I'm wondering what you're confused about this week, Rob.

Well, uh, as I awoke from my sleep, for those who don't know the competition and markets authority in the UK has launched a probe into anti. Competitive or dominance of the hyperscalers in the UK cloud market. And I'm confused about it, Dave, because working in that area, it seems fiercely competitive to me.

And the bit I'm confused about is what's their angle and what will be their conclusion about it? Cause we know the American hyperscale is dominating, you know, that, that, that race is there. There's lots of programs trying to invest in various things like guy or X in Europe and such like, but. Nothing comes close to it, but there is still within the three dominant big [00:02:00] American hyperscalers fierce competition And so i'm i'm just confused about the angle that's going to come out of that investigation You know of all of your moments of confusion.

I think this one is is one that I very deeply share I I also can't see what's going on here because not only is there fierce competition across the hyperscalers There is enormous amounts of customer choice about how you implement these things, like one of the biggest things in terms of adopting cloud, the organization struggle with is they move away from these big supplier outsourced 700 page contracts with everything, every I dotted and every T crossed for the next seven years to a single page of T's and C's and complete ownership of what they're doing on that platform.

So I think to my reading without knowing the detail yet, and I think some more details going to come out on this, so we'll keep a track on it. But my read of it is there's a bit of confusion going on here, and it looks like they're almost treating the cloud [00:03:00] like a data center again, you know, so when you when you think about data center contracts historically, you would have.

You know, switching clauses built into your contract. It's painful, but fairly straightforward, frankly, logistically, to move from one data center to another, it was never a pleasant process, but it's quite, it's quite straightforward. And therefore you had this notion of freedom. So you weren't in inverted commas locked into something, but within that you have a software stack.

And in that software stack, the second you apply. Any piece of software you are then quote unquote locked into using that software, but that's an intent. It's a choice that you're doing



that and you're actually buying that because you're buying a licensing term for N years at that stage. You're choosing to use that particular thing for that period of time.

And in my mind, that's more analogous to the cloud, isn't it? Well, the thing about the cloud is you can buy software, pay as you go per minute. So, yes, if you invest in technology and you [00:04:00] train your staff up, then you are to a degree locked in, but you can choose to if you want commercially to exit and do something completely different.

And that's the bit I think, I'm wondering if it's traditional thinking driving the probe. And then there'll be an awakening moment or if there is something else in it and maybe there is an angle they're taking where there is some form of under undercurrent of lock in that causes organizations to get stuck.

So I am, I am awaiting the next stage of information to come out and see that primary angle that they take on if they think there's something there. Likewise, we will definitely keep a track on that. It is, it is actually quite fascinating. So we'll see what's going on in that and we'll, we'll talk about it again on the show in weeks to come.

But let's return to our main topic of the day show and delve into the world of complexity and how you apply it in organizations. I am delighted to say that joining us from Teal Unicorn is Dr. Cherry Vu and Rob England. I'm going to let you guys just say hello and introduce yourselves. Thank you very much.

I'm Rob England, the managing [00:05:00] director of our company. And, uh, with me is Dr. Cherry Vu, our Chief Executive Officer, although Cherry might see it differently.

Tell us how you see it, Cherry. Oh, I think you are a slow driver.

Maybe tell us a little bit about what Teal Unicorn do. Yeah, so we do consulting around the world. At the moment, we do lots of consulting in Vietnam because we have the secret weapon of Dr. Cherry Vu. And so we're doing a lot of work there. So even though I might be the managing director, I also have On LinkedIn that I am the executive assistant to the CEO, because Cherry does all the work in Vietnam.

That's why she says I'm a slave driver. And I literally carry the bags because I don't speak a word of [00:06:00] Vietnamese. It's a very modern organizational structure, fluidly swapping between roles. I, uh, I applaud it. I applaud it. Not very good governance though. Um, I had to sleep with the CEO.

So on today's episode, we are going to return to a subject that we have covered before, but it's one that we think about a lot and we use a lot to frame the work that we do in our day jobs. And that is the connection framework. And we were lucky enough last season to have the author of the connecting framework, a chap called Dave Snowden on the show, and Dave took us through some of the background to the connecting framework.

He took us through some of the thinking that's been involved in it and how it's developing into other new models. Our guests today have done work with the connecting framework, not only the Using the framework, which we're going to talk about quite extensively today, but also in developing it further.

Now, before we get into that, Rob England, do you want to just give us a quick little pen picture of what the connection [00:07:00] framework is just as an ad memoir or just to refresh people who have maybe not come into contact with it? Yeah, thank you. So the way that it was originally laid out, there were just five.

Situations that you might find yourself in so you might find yourself in and some people will



have heard this being called simple was one of the words used but these days we say find yourself in a clear situation where you clearly know how to deal with it and you can have best practice and stuff or you might be in a Complicated situation where it's knowable, it's still within your knowledge domain, but you might have to get some experts to unpack this thing because it's complicated.

It has many moving parts. It needs some analysis to figure out what to do, or it could be complex in, in which case it's unfamiliar to us. It's new territory, our existing knowledge. doesn't immediately offer us a way to deal with this. We're going to have to develop knowledge. We're going to have to learn and explore.

And so we probe and try and understand. Complex [00:08:00] domain, or it could be chaotic, where um, there are no effective constraints on it and it's all over the place and it's unknowable. So you go from known to knowable to unknown to unknowable, which I've always liked as a quick way. And then there's a fifth one in the middle, so it's not as simple quadrant.

There's a fifth sort of state you can be in, in the middle, which is confused, where you don't actually know which of those four states you're in. That's my favorite stage, as previously just demonstrated, that's where I spend most of my life. And it's quite a fun place to be because there's low expectation that comes out of it.

I love the way you leapt on that before anyone else could. Well, I had to get in before you did. I'll have that one, give me that one. That's mine, dibs, dibs, dibs, mine always. So Dave has developed it since then. So there's a concept of a liminal state, liminal meaning in a state of change. In between some of those.

So there's like seven or eight sort of situations you could be in with these liminal transitional states. So there's [00:09:00] a lot more to it, but at its basis, it's those five. States. And so it gives you a sense making tool, which is tool to make sense of the situation you're in at the moment. And you're right in terms of saying it's not just a simple two by two because Snowden makes a specific point, doesn't he, of, of drawing it with like wavy lines versus like sort of hard.

Clear delineations, because you know that it's not a binary snap between either of the states, I believe. And he always draws it with a little bit of a cliff between when you're in clear and the chaotic. So what it means is you think you're in clear, it's nice and simple. You're in a factory, you're doing a transaction, chunk of the chunk of the chunk.

This is all in control. And there's this cliff right next to you. And it's so easy to fall over that cliff into a chaotic state. And so the more bound and constrained a system we have to make it well behaved, the more fragile it is, the more easy it is to just slip off that cliff [00:10:00] and all hell breaks loose.

And I always use the video, look at those videos of the accidents they have in steel mills, where they're rolling the... Red hot steel and then the machine breaks and the steel starts flying all over the factory, you know, that's the transition from clear to chaos for me, one minute, the stuff's wishing along nice and rolling up on the next minute.

People are sometimes they're dying, but I mean, they're running all over the place to get away from molten steel. So that's a great mental model. It's a good example of a very quick and rapid transition from one state to the other by some, some variable changes that causes the manufacturing process to go out of control.

One roller bearing just ever so slightly goes out of tolerance and the next minute you are



in chaotic. And software automation, hey. Yeah, when that goes wrong. Some of the best incidents I've ever worked on is because somebody hit go on an automation, hadn't properly tested it, and then 100, 000 actions get fired out and you go, oh, dearie, dearie me, this is going to take a while to fix.[00:11:00]

Automated software can be firing through thousands of transactions a second and everything's absolutely humming. And the tiniest thing goes wrong and the next minute there's molten metal every metaphorically right that when it screws up, you are deep in the chaos, right? So we use the Cynefin framework quite extensively to describe sort of states of organization and states of transformation, you know, and I sort of hold at the highest possible.

Level of abstraction that, that effectively an organization that's sort of in inverted commas, digitally transforming itself. Well, what does that really mean? Well, in my head, it really means you're using a tech stack and different ways of working to be more responsive to a faster changing market to iterate and respond and provoke the market.

So in very simple terms. You know, culturally organizations are moving from being in the complicated world of planning and waterfall and trying to predict the future to recognizing that the world is significantly more unpredictable than it ever has been. And that level [00:12:00] of unpredictability is only increasing on like a, frankly, a day by day basis.

These, these days, the rate of ongoing complexity is, is, is going up with time. So therefore organizations are really moving from the world of the complicated into the world of the complex. And, and I, I'm not sure if Dave likes me saying it this way, I haven't really pinned him down on this, but we approach it as complexity is the base condition.

The world is complex, all the time. The world is complex, it just is. And all the other states in Cynefin, like complicated and clear and chaotic. I regard as sort of a special case, like it's chaotic at the moment, but it will, Dave will say it'll settle into complex and it's complicated at the moment because we've done, we've put the energy in and we've done the hard work to build the expertise to corral it, to fence it in, constrain it to [00:13:00] be complicated or really invest in it, fence it in and get it to clear.

And so they're like local, uh, states that we've created. I always say we've bolted it to the concrete. Right. You know, in a factory with we've bolted things down and got us into that state, but the natural state of everything underneath is the world's complex. And in the 20th century, we're kind of pretend that it wasn't and that we could have simple linear models for management and for work and lean and talk and, you know, and they work fine when you've got it all bolted down on the concrete, but there's just saying, Dave, in the, in the people are coming to terms with the fact that the world.

It's getting harder and harder to ignore the fact that the world is actually complex. I think for me, there's a good example in that in financial services, where there was this ordered models that people use to try and predict what the markets would do. And then 2008 rumps over the horizon and guess what?

The models are wrong. So then they ran and reworked all the models. Then a few years later, something happened and all the models were wrong. And then they [00:14:00] tried to redo the models and they're continually trying to go back to this world of, I can model this. I'm going to understand it. And the financial markets have clearly demonstrated.

You can't model it. And what you need is the adaptability to be able to respond to the markets quickly when something starts to change. And I think there's this old Thinking where



they can just scenario plan their way through everything and they'll be safe and it, I mean, this is a great way of thinking about that and saying, you know what?

It doesn't work like that. It's too complicated. It's too nuanced. It's too connected. You've got to think differently. We love that phrase VUCA. VUCA originally was volatile, uncertain, complex and ambiguous. Actually, when the military coined it. When they said complex, they actually meant what, in Cynefin terms, we would say complicated.

The battlefield was, in their word, they thought of complex because there's just so much going on. There's too many moving parts. It's complicated. And actually, V plus U plus C plus A, volatile, we, we, for the C, we say complicated. [00:15:00] So, volatile, uncertain, complicated, and ambiguous. You put all that together, you're describing complex.

Complex is all those things. So, we've switched from saying complex in the middle of it to saying complicated. All of it's complex in the way we use the word now. I noticed in your description, Rob, of the financial markets and the, and the chaos and complexity that went on in that. You didn't touch on Bitcoin.

Oh man, don't get me started on Bitcoin. I'm still confused about it. And you still owe me an answer from your mate down the pub. Who you, like, built it all up to say, I can explain this to you, Rob, and then you didn't know. So you need to ring him up and get that explanation. What's happened today? I'll try and get out, give us a couple of bullets on WhatsApp for you.

Yeah, but that's another example of you can't, I don't, I don't see how you're going to predict what happens there and what's going on and all the moving factors in it. I just think it's just, you got to sit back and wait on that one. So the other day, before we went back to Vietnam, two months ago, the [00:16:00] organizer, so we go for the, uh, Communication group in Vietnam is one of the biggest communication group in Vietnam.

So the organizers asked me, Cherry, could you please tell me what date you will do what with with quick teams? I said, I don't know which workshops on which day. Yeah, but but did which day you will do what? So I said, I don't know. So they asked me again, like How can you don't know? You must know. You are a consultant, so you must know what you are going to do.

I said, I have no idea. And they can't believe it. They, I just blow their mind and they get, they so confused. I said, I have no idea what I'm going to do. I just have roughly about this time. If you want to have a schedule, I will give you a schedule, like which day I have a free time to work with you guys.

That's it. Nothing else. I have no idea. Just blow their minds. It will emerge. [00:17:00] Yeah. And it's that view of we'll work it out when we get there and we have a bit more information about what's important, what's not. That confuses a lot of people about the, we'll, we need some more input and then we'll decide what we're going to do next.

I did a presentation to a leadership team once on, uh, I think it was an IT operating model, uh, presentation and. I did it intentionally, slightly provocationally, but with exactly the same sort of thought in mind, I did a, it was called, there is no FMO, so you know, you have like, you know, current mode of operation, future mode of operation, and normally when you plan transformation, you do a picture of one, a picture of the other, and then you talk about why the future mode is going to be Substantially better than the current mode and, you know, he's what the transition is going to look like and blah, blah.

But yeah, I was like, there is no FMO and it was exactly the same cherry, you know, they, it could barely compute what that meant. One of the, one of the biggest fights I had ever. And in a consulting [00:18:00] gig was when we were doing a DevOps transformation, a big



DevOps journey in a big government department here in New Zealand, and they hired a organizational change manager to come and drive the organizational change in IT associated with all this.

Did he have a, like a special outfit or? Yeah, yeah, a little special clipboard. And he said to me, you have to tell me the target operating model in two years so I can do a gap analysis. And, and yeah, and when I said, I've, you know, no, then all health reckless. Well, no, but you don't understand. You have to, I'm ordering you.

I'm the, and it just could not get us. Do you know that I'm the organizational change officer? Do you know who I am? Yeah. So let's return to the framework itself then, uh, before we go on and Cherry is going to walk us through some sort of real world use cases, but Rob, you spent quite a lot of time. Kind of working on this and [00:19:00] developing sort of your own strand of the model.

So what provoked you to start to build on the model and where did you get to? Well, yeah. So build is a big term and Dave Snowden is very big shoes to try and step into. So I'm not sure I would say build. I actually accidentally fell over the conifer model. So a friend of mine told me about case management and, and this.

You know, like medical case, legal case, social work case, there's a generic body of knowledge called case management, how you manage cases. And I was wrestling with ITIL and IT process and standardized process. And when he told me about that, I realized it was yin and yang that when you mixed standardized process thinking in IT with case management, you kind of covered the whole world.

They, they complemented each other. And so then I went looking for other models for sensemaking and situational analysis, and I discovered this newfangled thing called Cynefin. This is 10 years [00:20:00] ago. And so I fell over Cynefin in researching this model that I'd come up with, which is a very simple two state model.

It's either standard or it's a case, and you know, it's either standard work at which met pretty closely to, it's either clear. Or it's the rest in Cynefin language, it's either clear or you're going to have to manage it as a case and probe and sense your way through it. And so the model that I came up with is actually a more simple one, which in some ways is compelling because it's just two, but in other ways, of course, it's more limited because it doesn't have the subtlety of Cynefin in it.

And so in the process of doing that and trying to understand Cynefin. I drew a three dimensional diagram of Cynefin that showed the clear, complicated, complex, and chaotic as being different energy heights, right? The amount of energy you have to put in them. So you have to put a lot of energy in, I just mentioned before, [00:21:00] right?

To lift it up to complicated by, by putting bounds around it and controlling it. And then even more energy to get you up to clear. And then I drew another little platform, even higher than clear, where you really push energy in and you get up to automate it. Some of the clear stuff you can automate and so you're teetering on this little pinnacle of automation with this huge cliff into chaos next to you.

And so I drew that picture and people loved it. It's like, yeah, this three dimensional. I just sort of hit a note with people to make it a different way of understanding Cynefin, a simpler or a different way. Differently, and so it helped them understand Kniffen in a different way. Yeah, I must admit, my learning in the conversation this morning already is the effort level thing that you describe.



So I'd sort of seen clear and complicated as more sort of natural states of understanding versus you've had to put effort in to get them there. It makes total sense now you've said it actually, but I hadn't thought about it like that in the past. And I particularly like the build of getting it to automation.

I like the rapid [00:22:00] descent, again, going back to your Original analogy where you can get, you get all the way up to automation, the huge amounts of effort, and then you just tumble off the edge into chaos. And it's, uh, I don't think people appreciate that rapid transition state, but the, the example uses an excellent one to say it can go wrong very quickly.

Once you put all this energy in to get to this pinnacle state, which is fragile by its very nature. Exactly. I have a hypothesis, no data for this, but I have a hypothesis that automation doesn't necessarily reduce your total level of screw ups. It just saves them all up for one big one. I love that!

You're storing it, compressing it into a tiny little ball and releasing it at the worst possible time for the largest possible impact. Exactly. Exactly. So, for the listeners that haven't seen Rob's kind of 3D representation of Cynefin, we'll put a link in the show notes so you can go and check that out and it's, it's really well worth a look.[00:23:00]

I wonder what your conversation with Dave has been, Rob, in terms of the, of the 3D version. What was it, what was his reflections of it? Yeah, well, there's two things. One, one was initially with the original diagram, someone drew it to his attention on the internet somewhere, and he told me that I had chaotic as the lowest energy level, the highest entropy, and I had Complex is slightly higher.

So you kind of just went up a staircase from around the diagram and he said, no, no, no, no. Complex is the lowest energy state. The system will cool into complexity. You actually have to put energy in to make it chaotic. You have to stir it up. You have to shake the box to make it chaotic. So chaotic is actually a higher energy state than complex.

And so I changed the diagram to make complex the lowest one and every time people see it, like, I've got all these [00:24:00] notes on every diagram saying before you ask me the reason why it's supposed to be like this, this is intention and the wrong way around and the other conversation with Dave is that there's a guy called Martin Berg in Norway who draws these little trolls and he has a blog with these little illustrations, these lovely little Norwegian trolls and so he, yeah.

Drew a 3D Cynefin with little trolls all over it. And I can't remember if he was inspired by mine or just came out of his own head. And then another guy, Christopher Bramley in England, drew a 3D diagram. And we think we all sort of independently came up with these 3D diagrams. So we all got together and we got Dave Snowden in.

And Martin Berg drew the mother of all 3D diagrams with lots of input from Dave, and it's much, much more complex than my one with stairways and escalators and ladders and trying to represent the liminal. And [00:25:00] it's a really complicated diagram. And it's in the Cynefin book. So they published a red covered book called Cynefin weaving sensemaking into the fabric of our world by Dave Snowden and friends.

And it's in that book, is this super 3D diagram of... with all these little cartoon characters all over it, which is pretty cool as well. And Dave had quite an input into all the subtleties of that diagram. Well, it's certainly something we'd recommend people hunt out and take a look at. And like I said, we'll, we'll link to a few of these things in the show notes because it's



phenomenal thinking.

So Cherry, pull us into the real world of usage with this and the sort of conversations you've had, because in some ways, what we've been talking about is. Abstract in nature and maybe if you're in the heat of something in an organization, you're probably not framing it and thinking about it in the way that we've been talking about like this one step removed.

Let me just think about what state of the world I'm in is [00:26:00] probably not something that many people do. So tell us about the sort of work that you're doing and how you're introducing these topics to your customers. I think I use Kenafun quite often, even though I didn't explain to my clients at all. I did actually.

Like, for example, when we work on, uh, we have a framework where we use Shuhari. Are you guys familiar with Shuhari? No. Now tell us what it is. Shuhari, we use it to measure people's skills. That at the levels, people's level skills, they can contribute to the work, to add value, their value to the organization.

So people who are at Shuh, for example, Shuh is a learner, so they can do the symbol. Simple work, like in kindergarten, or a little bit of complicated work. People who work as a [00:27:00] Ha, they can work mostly in complicated and complex. A Ha is a people who are good practice. good practitioner and, and re who can, who can deal with chaotic and complex.

So it's somehow it's relevant to when you look at the framework, you can, you can actually use a workforce with people level of skills to deal with a situation where they can fit in. Yeah, so we took the shoe her remodel from. The Agile world, who took it in turn from the martial arts world. So originally in martial arts, shoe apprentice, ha practitioner, remaster.

And Martin Fowler, in the Agile community, modified it slightly in the terminology. And we picked up on the Martin Fowler model, but... Now, Cherry has re [00:28:00] engineered it into a way of thinking about skills, not roles. And so framing teams around what their skills are rather than define roles and job descriptions and building teams that are fluid and work based on their skill matrix.

So rather than like, Hey, I want a person that's got these exact pieces of experience. It's more about. I've got a collection of humans and how do I better drive creativity and performance out of some humans? Exactly that previous example of the change manager with the clipboard wouldn't like that Where he saw talk about a grouping of people with capability and skills and they've got to get a a job done And like no, but who's doing this role who's doing that?

Well, they'll kind of work it out as they're doing it because they're clever people and they know what they're doing And they've got the right skills. Go on get on with it Yeah, but having that comfort level that there's going to be fluidity in the team and that there's going to be a learn as you go attitude.

And that's very [00:29:00] different, isn't it? To making it up as you go along. You know, like I think, I think people often conflate those two things and almost make like a negative out of it, but actually no, it's a positive. It reminds me of the first. Responses to agile when agile came out, people claiming it was just this kind of crazy open ended, you know, kind of uncontrolled experiment versus actually what it really is.

If it's done correctly, and I hasten to add, if it's done correctly is it's much more close monitored as much more telemetry, there's much more in the moment, intentional decision making going on than if you're just allowing something to run for. you know, I don't know, six



months or a year before you get to another inverted commas gate to check whether it's right or wrong or not.

Organizations getting used to ambiguity, it seems to me is one of the biggest challenges of our age, really. For organization, I think it's the same everywhere in the world, I guess, that [00:30:00] we normally in the end of this year is the end of the year. organization spends like months to make a plan for next year, right?

Yeah. Or even longer, even five year, in five year plan. So in, when we work in Vietnam with, uh, one of the biggest bank in Vietnam, they normally spend at least three months. To organize what they're going to do for the next year, what number they want to have and blah, blah, or what resource they want to use and how much money they spend all that, or what product they will produce.

So we talk about, I said to them, to the CEO, I said, look, you know, you don't know, you don't know how the world change, especially in, in banking system. If you waste your time and your energy to make a very, very detailed [00:31:00] plan, then it's a waste. Please stop, stop doing that. And somehow I persuade them to stop doing yearly plan, planning.

And I... And they start saying, and the CEO at the beginning, he didn't get it. He's just like, you know, that bullshit, you know, we have to make sure that what we are going to get and how much money we, we, we make next year. And, uh, so, but I said, look, again, if you try to do it, it's all right, but it's just a waste, why don't we try three months planning, just three months, just try three months.

And then they, they did it. They did three months planning, okay, what needs to improve, what we are going to do in three months, how much money we spend, and who we do what in three months. And then not only the headquarter, but also the training system, training [00:32:00] program, and all others, division, they do it the same.

And they said that the, the change in the plan, it's very little. They don't need to change a lot. They don't need to change a lot. They don't need to, like, re planning everything. Just a little bit of change, but normally they can go with the plan. So I think, I think make them to understand that the war is complex, complicated.

It's a big change in, in the organization, in reality. And how did that conversation go then before and after? So you persuaded the leadership team to change to a three monthly planning cycle as opposed to a, so you know, a much more sort of complex dealing with the world as it comes along planning cycle versus their.

Traditional 12 month planning cycle, which is a lot more like, you know, we understand fully what's going to happen at the end of the year. And therefore we can predict [00:33:00] with a level of disturbing accuracy to within zero 0.5%, what the world is going to be like in 12 months time. How did you get them to go on that experimental journey?

And then let's say after a year or so of them doing it, what were their reflections on the improvement or not that it was driving? I wouldn't say that it is, uh, they totally, the whole system is buy in, but one day when they have a big forum or the sea level meetings, the vice CEO messaged me saying, My Boss just calling your name, just mention you, say, remember Cherry said three months is enough.

One year's too long. So I think, I think that's a win. I would say it's a win. Now they, they, they kind of have that mindset. That don't waste the time. Don't waste [00:34:00] the time. We don't know what the future like. We just try to do the best at the moment. And has it improved their outcomes? Oh, yes, yes, yes, they do.



Yes. So, I give you an example that we work with the retail banking. They normally do all year long, but now they do three months and their outcome is incredible in terms of money they get and in terms of quality they make. They're one of the best, uh, retails bank in Vietnam when two years ago they was the worst.

That's quite a turnaround. That must be very rewarding for you to go into what is a very traditionally conceived organization and get them to think very differently. And then, but then they'll see the results and they'll go, Oh, hang on. And then that will create that. We talk about a flywheel effect within an organization where you get momentum to say, this is the right thing to do.

Yep. As Cherry said, they're still deeply conservative in a lot of ways. We haven't done the magic pixie dust, total transformation, but, and [00:35:00] even that chairman is still a deeply. almost suspicious conservative person. But Cherry, I think, correct me Cherry, but I think you seeded the idea in his mind and then just sort of stood back and waited for it to be his idea, right?

In that mind, they have two, two Ajai. One is Cherry's Ajai and the other is Ajai. McKinsey Agile. McKinsey's Agile. And Cherry's Agile. So they talk about it. Yeah, I think, I think we, we planned some seats, good, good thinking over there. So I think it's they changed quite a bit in terms of, and, and it's, it I was lucky enough that I have a chance to coach and training for the OC level at the, at that bank.

So they all see the kind of funds model. Right. And that's important, isn't it? Because it seems to me that there is an implicit need to educate [00:36:00] leadership and for leaders to start leading in a different way in these sorts of organizations. How would you characterize the journey that most leaders have to go on to start to lead in a more complex way?

I, I think it's the most difficult thing for them is to unlearn. The thing that they already learn, and it's not about the complexity world that very difficult to understand. It's not. They are intelligent people. They are absolutely very intelligent and they understand it quickly. I don't think it's a problem at all for them to understand how the world works.

The difficult is how to change their behavior and their daily activity and their habits. of doing thing and managing thing thing or leading thing. That's a, that's a difficult bit. And I think the normally when, because we are, [00:37:00] maybe to, to us, it's a little bit different different to another consultant firms because we are the customer, our customer always chose us.

We don't, we don't choose them, or we don't come to them, or much, you know, we, they always invited us to come. Yeah. So they are all willing to, to change and to do the change. Yeah. So they've already, it's already occurred to them that they need to do something different and they're sort of actively inviting the thinking in.

Yes. Yes. So it's easier for us. to, to do the change than other, I guess, because we don't need to persuade them. Okay. And taking a step on then from the leadership shift that needs to happen, how deeply do you guys go into the rest of the organization? So it seems to me that particularly traditional hierarchical annual planning style [00:38:00] organizations are very much built in a certain cascade style model where that 12 month plan like cascades right the way through the organization and that effectively.

Sets the organization on a journey for that particular year becomes very, very difficult to change because everyone's locked into their annual KPIs and all of those sorts of things. So it seems like it's a much bigger shift isn't it in an organization to take the leadership, you know, education at one level, but then what did they have to do to the rest of the organization?



Do you think to get it to a point where the whole organization is working in a way that's. More suitable for the complex world, we normally do the training not only for the leadership, but also managers with the organizations that we work, we trained, we deliver a kind of basic training on new way of working and managing.

So they all understand at the same page what organization we are going [00:39:00] to, to be, and how we do it, and how the manager and leaders have to change. And we work together with them to change, to do, you know, we applied a lot of open, open thinking and open methods. To have the organizations kind of step forward.

Then normally we don't do like strategy level and then action level we do. We open and we invite everyone to come and then start from the beginning that everyone. Understand that why we have to change and who we want to be in the future and the how we have them with the how I see. And I guess maybe just to bring our conversation today to a bit of a close.

Rob, maybe let's start with you. Like what advice would you give to organizations that are? Just thinking about there's something not functioning correctly here in my organization where to start two things one is [00:40:00] I sort of stereotype a lot of past consulting engagements as management bringing me in and saying we told them to do the thing and it's months later now and they still not doing the thing they must be broken can you fix them you know and it's like I don't think they're the problem so.

You know, Cherry said this, right? We focus on management, that you've got to unlock the management to unlock the work. And so I think that's the first thing is don't think it's their problem. I mean, the people strategizing this change who have some type, you know, higher title on their name, they're the ones who need to think about changing themselves.

And then that's the first thing. And the second thing is for goodness sake, don't do it in a big bang, right? Can we please not have any more reorgs? Can we just stop doing reorgs? And, and there's nothing more dysfunctional and damaging to an organization than a structural reorg. Just don't do it. And it's a complex world.

We need [00:41:00] to advance in an iterative experimental, uh, way, constantly reflecting and feeding back and modifying what we're doing and find and explore, probe out, sense our way forward into the complexity. Yeah, uh, to tell the boss, the leader that you don't know what you don't know, it's very difficult. They don't know what they don't know.

They know, lots of people think that they know it all and they do a lot of things, they do everything right. Just only the people's wrong, not, not them. So that one I think is very, very hard, even if my experience is even when they invited us, the CE, the CE or leader invited us to, to, to help them, but they still don't see their problem.

Lots of people don't listen. That is very true in the world today. Absolutely. And if I can, if I can be forgiven a plug, [00:42:00] we're working on a book called The Open Executive specifically for that top C level people to say you need to be, it's all about self reflection. That flip in the leadership style though, so important these days to sort of get the modern adaptable org up and running and working.

Effectively actually working with people to make them help change a month ago. We just fire, uh, companies, uh, CEO, uh, clients. Because they, he invited us to, to help him. He didn't bring people along with him. He said, I want to change. And people are need, have to change. And then when we start, start working with them, people don't, he's, uh, hire.

People at the sea level, they didn't engage at all. They didn't engage, they didn't, because he forced [00:43:00] people to, he just say, the night before I came to Hanoi, he said, Jerry will



come tomorrow, you guys have to be ready, at the meeting room, blah, blah, at what time, and then when I came, everyone sit idle, and We talk about what we already do a little bit of like open space and find out what's the problem and what we need to improve in the system, blah, blah, for one day.

And I thought that everyone's already at the same page and they agree together that I will help them to move forward. But then he didn't tell people. At all until the day I came and then people just like they don't want to because they, it's not because they don't understand why they have to change, but because they don't want to be bossing around and they hate that.

And they are [00:44:00] those people, right? They even have their share in the company, but they didn't know or didn't decide. what they are going to do. And then then I stopped working with them just right after the first day. I said, no, I don't think that you guys ready. You have to persuade people that we need to change and somehow you have to bring them along and they have.

They need to be willing to, otherwise nothing work. And he said, no, no, that's why I invite you to come here. I said, no, it's, it's the leadership work. It's not me. It's not my job to come and to persuade them. It's your job to persuade your people. And when they are ready, I will come to help you. But he said, because it's hard, because it's hard.

So I, that's why I invite you. I can't do that. I said, I can't, I am not the leader [00:45:00] here. I am not the CE here. So you are the CEO. You, you are in charge of that. Whenever you are ready, tell me. And he never get it.

Sjoukje, what you've been looking at this week? Each week I do some research on related ideas in transformation and tech. And this week I thought we should take a look at. Free actions to unlock greater cloud value. So in the last years, a lot of companies have committed to the cloud. They signed big deals with cloud providers and developed ambitious goals for how cloud would deliver immense growth, agility, and efficiency for their business.

But today companies find themselves at a new inflection point. The low hanging fruit has been picked and are now reaching higher. So to realize the most value from cloud investments and to have or maintain a strategic market [00:46:00] advantage, leaders should focus on the following three things. First, get the business aligned because the top barrier from getting full value from the cloud is misalignment of IT and business.

Second, parse the technology complexity. First, the business priorities need to be clear. Then companies can take a robust architectural approach to create their digital core. And lastly, work on the human systems such as investing in people and skills, but also take advantage of new technologies like AI.

So a question, is this the way to go forward for companies to get more value? Out of the cloud. It's a tough question that because because considering what we've just discussed. And then for me, it goes back to what does cloud allow you to do? Right? So think about what we discussed. It allows you to change quickly with minimal regret.

Yep. So commercial models aren't long term locked in. So I haven't picked this technology for three years. I can change it if I need to. I can get access to new resources when I [00:47:00] require. So it's it's allowed freedom above. So the organization that's using it Can now do things differently very quickly. So going back to the only plan for three months viewpoint that we discussed cloud doesn't give you regret when you want to change quickly.

So therefore, organizations haven't wasted a load of stuff. So I think embracing that that



flexibility allows you to behave in the way that we've been discussing of how organizations need to unlearn the 12 month cycle, go to the three month and think, I don't know what's coming over the horizon. I might need to change.

But then I'm not locked in and i can change so for me embracing the new technology or the third epoch of of technology cloud native makes the thing above that we've just been discussing so much easier. Yeah another thing that resonated for me is one of the things about connection is that it's really a systems view right it's it's a.

It's an analytical view, and there's not a lot of [00:48:00] people in it, really. It's not a human system, to me. It's a systems system of thinking. And so the whole humanistic thing is a thing that excites us much beyond Cynefin. And so, you know, you, you, you're a third... Of the three key things was the human systems right that it's it's it's not the first one align and vision absolutely is a human thing and that's the leadership thing the leadership creating getting everyone on the same page aligning the business and it we talk about open opening up the system so that business and it are not separated siloed at war.

You know, we get, we work for that unity and then focus on the human systems, not just the technology systems. So, I mean, I really love that, you know, we talk about human systems adaptability. So we think the human thing is the most important thing and then the systems thing is comes in and then the adaptability of the [00:49:00] organization.

And the human thing, the human part is the most difficult one to change, right? Technology is really, but, yeah. If anyone's, if anyone's a mathematician, they, mathematicians talk about open and closed problems. Yeah. So a closed problem is a problem that you can prove there is a proof, even if you haven't yet found the proof.

You can prove it's provable. Whereas an open problem, you can't even prove there's a solution to it. And so I always say to people, look, tech is always a closed problem. You know, the technology can work. You've just got to figure out how. Right, but the human part of it is always an open problem. It's quite possible that you will not solve this.

It's quite possible you can't get the people to do that. Yeah, but I have a different view on that. Tell us. Yeah, I always, I always give example of me driving in New Zealand and me driving in Hanoi. It's total, it's still me, but it's total different behaviour and attitude [00:50:00] because of the bad system is make a good people, beat the good people and the other way around.

And vice versa, good system make bad people become good. And when we change the system, when normally when we have, I, I said to, to my clients, look, I can't help you to fix every individual, but I can help you to fix the system that make individual behave better. And it's come true. That's such a powerful point about create the right environment and it's a great way to affect behavior because others learn from others in that right environment.

I like the analogy of the road system. Bad traffic laws create bad drivers. Good traffic laws help people become good drivers. It's a great analogy, isn't it? I also think my reflections on it as well are the, you know, we've talked a lot about Organizations changing to be able to respond to a [00:51:00] complex world.

And I think what the sort of the cloud era has brought to organizations is the tech can finally keep up with that now. So like his, you know, historically waterfall, particularly in organizations that are very dependent on compute have been forced to have long lead times for things and long planning times because it just took that long to change traditional technology.



But, you know, cloud native technologies. You know, microservice based fabrics, those sorts of things, and now allow us to make change like in the moment on the fly and become and become much more responsive selling it neatly brings us to a close, I think, because it brings together a couple of hefty subjects there.

So thanks for that shout and Rob and Cherry. Great talking to you today. Thanks so much for making the time and sharing your insights. Thank you. Thank you. Now we end every episode of this podcast by asking our guests what they are excited about doing next. And that could be got a great restaurant booked at the weekend, or it could be something [00:52:00] in your professional life.

So Cherry, let me come to you first. What are you excited about doing next? We are going to celebrate Rob's birthday very soon in four days. Oh, happy birthday in advance. 29 again, Rob. No, 21. 21. 64 actually. Wow. Wow. Congratulations. He's too young for me, you know.

Seriously. You laugh, but he is. He is. Yeah, still 17. We're excited about a lot of professional things too. Corporate Rebels are going to write up some of our clients for us. They were in Vietnam while we were there. A couple of months ago and so we're looking forward to, to seeing them write up our clients.

That's really thrilling for us. It's sort of a validation if you like, um, yeah, and, uh, also the fatherishing things and we're going to move into the new [00:53:00] house. In a few weeks. So that's also exciting. Oh, amazing. Like Shay's just moved house, haven't you, shark? Yeah. Yeah. Just, uh, I, yeah, I, I loved it. I love the process.

Yeah. I'm finally get to getting the feeling that I'm a bit recovered now. Yeah, yeah. I can see in your background as well, and you shelving units emerged. Yeah. Yeah. Each week we watch Shay's house evolve slowly behind her and, uh. We've watched the development. Yeah. And I have exciting news that we are going to public three books in Vietnamese next month.

We're book crazy. We crank out several books a year in each language. It's a bit. Bit over the top, actually, to be honest, but you guys need to slow down. But every time I think I'm going to slow down, it's like someone, there's an idea comes for open executives. Oh yeah, we've got to do that. We've got to do the open executive.

You know, we're off on [00:54:00] another book again, straight on to check GPT. Like what, what should executives do to become more complex leaders? Carriage return. That's not funny. That's not funny. I'm writing the book with chat GPT. I say that in the introduction, I hope it doesn't show, but no, no, you've got to do it.

It's like you write it in like what a third of the time, probably it's another tool that you're asking, isn't it? Absolutely. So a huge thanks to our guests this week. Rob and Sherry, thank you so much for being on the show.

Thanks to our limited producer Marcel, our sound and editing wizards, Ben and Louis, and of course, to all of our listeners.

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See you in another reality next week.

[00:55:00]



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