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Dave, Esmee, Rob and
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[00:00:00] So I'm going to see the, um, Aphex Twin tonight. The Aphex Twins? They did the, that, that video with the guys on the bus, yeah? Twin. Aphex Twin. Sorry, Twins. Yeah, Twins. The Aphex Twins. I don't even know what that is. What is that? You need to, Georgia, this is probably before your time, but Spotify, Aphex Twins, some of their music is rather, it is There's only one of them.

There's only one of them. There is, uh, is there? I thought there was two of them. No, there's only one. Only one, right, okay.

Welcome to Cloud Realities, an original podcast from Capgemini. And this week, it really is a conversation show. It's just us with a friend of the show, and we are going to dig into the big rocks of transformation, the hard things that you need to get out of the way. We're going to focus on culture, and we're going to focus on the organizing structures of governance, [00:01:00] and hopefully that's a bit more exciting than it sounds.

I'm Dave Chapman. I'm Esmee van de Giessen and I'm Rob Kernahan. And as I said, I am delighted to say that we are joined by a friend of the show who's going to muck in and try and help us weave our way through the big rocks of transformation, Georgia Smith. Georgia is a cloud transformation leader that we work with on a day to day basis here at Capgemini.

And Georgia also has her own show called Cloud Dialogues, which you can find on YouTube. Georgia, nice to see you. How are you doing? Thanks, Dave. I'm great. Thanks for having me on. Super exciting. No, man. It's like, it's another sort of podcast person coming to join in. It's like a, you know, show us how it should be actually done, Dave.

So bringing some professionalism in. Yeah. Is that what you're hoping? Is that what I'm hoping? Short, succinct, to the point, Rob. Oh, is that, hang on a minute, that's not, oh dear. It's not normally how we roll. That's not how we roll. I know a professional is going to join us to actually show I can't [00:02:00] deal with consummate professionalism on this show.

Away. So Georgia, tell us a little bit about Cloud Dialogues. Cloud Dialogues. Oh well, so I feel a little over a year ago, I guess, I guess to give some context to my career. I've been in the cloud space for maybe around eight years now. And then prior to that, like infrastructure and IT, you know, for the whole of my, my 14 year career, I always say that I do cloud for executives.

It's helping executives to use cloud and their organizations in the right way. And I wanted to use a podcast to do that. And fortunately I have a friend, Matthew Giller, that helps me to do that, you know, once a month. So yeah, excited to, to be on cloud realities. And I think, you know, we have, we definitely have synergies between the two shows.

Well, do go and check out Cloud Dialogues. I think it is available on YouTube and shout out to Matt. How are you doing? I am doing very well, although I am a bit, I have a bit of a cold. So, um. See, if [00:03:00] that was Dave, he'd be wanting sympathy. He'd be complaining. He'd be all drugged up. But, you know. Oh, that's the man flu, right?

Yeah, the man flu, innit? That's the, that's the thing. Clara the man flu. Yeah, he'd be like, he'd be, he'd be lying on his chaise longue. with his hand over his head, sort of moaning gently with a little bell to try and get service from his family. Wow. How do you know that? I've hacked your home security system.

That's talking about own experience, probably, Rob. Yeah. It's a Robert's here, everybody. Hello. How you doing? Yeah, I'm good. Yeah, I'm good. Big episode for you this one, Rob. Uh, yeah. Cloud on the rocks, Dave. We're talking about it. Yeah. Uh, well, no, I don't. I'm a bit nervous about new things, as you know, so we'll see how it goes.

Well, should we, should we get into it and see what happens? Fire away. Let's go. Let's go. So, Robert, you have been doing some work on what you refer to as the big rocks, is that correct? This is correct, [00:04:00] David, yes, those that are in the way and are very difficult to remove. So, in what context do these rocks exist?

So, if you think back to episode one, we talked about digital transformation, power of people and technology coming together, we explored all that, but When you're thinking about moving to this new mode of operation, product to platform, cloud native thinking, there are massive rocks that organizations need to sort out when you're moving from the traditional to the new.

And those rocks are often not tackled and everybody then spends their entire day going around the rocks, compensating for the rocks. It slows everything up and frustrates everyone. Before we dive into that though, what we've said on the show a lot, in fact, seasons one to three every single time on the shows that we look at the exciting and practical alternate realities that can be unleashed through cloud driven transformation.

Are these in the practical camp? Do these exist in the exciting world? Like, how, you know, where, where did they come into play and what, [00:05:00] and what, major issues are caused by them. So when you think about what makes a good product, let's, let's say that. So we're trying to create an experience. We're trying to create an outcome.

Products work best when they are able to operate autonomously. And independently, and they're able to do everything they need. So they need this sort of trust in the model. They need the guardrails, the paved roads, however you want to describe it. So they're able to get from A to B fast. It's frugal in its nature and it gets a business result out quickly.

And the big rocks are the things that prevent. things like autonomy in the structure. So if I go through the list of the rocks, you'll probably identify with them. So the first is governance, which is often archaic and superfluous at times, and people keep injecting into corporate systems. We've got the balance of risk.

So how much trust do I impart on people? What do I codify security, you know, regulation, all that stuff. We've got financials, which is a big one. So we're [00:06:00] used to running layer cake organizations where there's high friction, high interaction. Whereas actually when we go to the product and the platform, it should be zero touch, zero friction.

But the financials don't flow in the same way, so it's very difficult to create an organization structure. You know, Conway's Law, you create what your organization looks like, while financials define the shape of an organization, so you need to rewire those. You've got the spectra of security, and often, how do we make that work?

simpler to execute on, remove the burden and the complexity. And then the final part is you have to change the culture. You have to become a digital thinker and you need a different set of skills in your organization. And actually most organizations will start on a transformation, but those are the things that they don't want to tackle because they're too difficult to tackle.

So they kind of put them in the too hard basket. But actually, if you tackle them, get the rock out of the way, smash the rock, whatever you want to use the metaphor, everything gets a lot easier. So it seems like from a leadership point of view, that the. trying to get to some sort of exciting future for your organization, the [00:07:00] rocks are the sort of practical aspects of transformation that get in the way.

I think a lot of people for me see those rocks as inconvenience on the way to doing what they had in their mind, but they're not inconvenience, right? They're the, they're the

reality of driving change in an organization. Absolutely. These are the fundamental pillars organizations operate. And if you don't change them, guess what?

Your organization is just operating how it was, but you've put some silly facade over the top and you've fooled yourself to think, Oh, we've changed. We're different. We're digital. You're not. You've got to change the core of how people come together and deliver to be able to We talk about, so Georgia, how is that resonating with you in terms of, you know, the metaphor, I guess, in terms of like rocks in the way on your journey?

And then, and do you recognize, do you recognize some of the things that Rob's saying as stuff that gets in the way of pieces of work that you've done? I definitely do, and I think a lot of the time [00:08:00] it's almost something that gets dealt with after the fact. Like after organizations have. change the technology, you know, they've gone through a significant amount of change, but you know, they turn around and are like, Oh, well, we still have a change management problem.

We have, you know, we still have technical problems. We still have, we still have technical debt, even like on cloud, because our change management processes haven't really changed in order to actually, you know, make a difference. enable a more agile way of working. So yes, absolutely. And unfortunately, I think it is often seen well after the fact.

And, you know, by the time organizations have realized that they have a significant problem as a result of not changing in accordance with, you know, a different way of working on cloud. And I think if you, if you break them down, they're all massively interconnected as well. So it's not like you can deal with one and go, that's that type thing.

So if you take the governance one, it's got to span delivery capability, service capability, architectural capability. security. And, [00:09:00] um, I think if you think about the power bases in organizations as well, that touches all the power bases and all the financial things. And so a lot of people see the world that they know having to shift and change.

So there's this emotional factor that comes into it that people don't want to deal with these things because people get upset. Set by it, but actually it's that we've got to change. But there's a new role for you over here. And I think that human element is a lot of digital transformation. As, as you said, Georgia is a, a technology focus and they forget the, the, the human in the loop, which is a classic mistake.

You should almost start there and then, you know, technologies, technologies, and that you can figure it to do almost anything you want to. See so many massive change projects framing themselves with the tech. And really only thinking about the tech and even sometimes the business aspect of the change that needs to be driven in that in a particular organization is only thinking about it as a tech project.

It seems to be almost like one of the blockers that wasn't on your list is like [00:10:00] people being able to think about tech driven change without starting with the tech. That comes to the digital thinking, I think, which is the, you know what, and it's that fusion, isn't it, in the thing where it's actually your business model is now technology, yeah, and it's like, a lot of the people who've been very successful, the Jeff Bezos of the world, the Elon Musk's, love them or hate them, they understood that software, was the answer to their business model and everything should be codified.

And the way we operate is very different. And they're, they're good examples of these organizations. But, uh, yeah, I mean, it's a, it's, it's baked into the ethos of the problem with digital transformation. Really specific example, obviously throughout my career, as all of you

worked with different parts of different organizations that are probably looking at how they will move to cloud.

And I think one of the questions that always comes with that is. You know, obviously we need to be able to move faster in a more unconstrained way. I think a [00:11:00] question that we can ask ourselves before we think like, Oh, how do we rewrite our whole operating model? Really simply, for example, how do we perhaps move with more agility?

when we deal with our stakeholders as opposed to like, you know, rewriting our whole operating model, just like simple, small things. We might not be able to like use agile if we're still using, you know, if we're still on premise, for example, it's a little bit different, but how can we move with more agility?

I think these are the sort of questions we need to ask ourselves before we even think about operating model changes. I think also, I understand that we're using rocks And some sorts of categories to unravel things. But I think it's so interconnected now with these days, it's more of a rain forest.

Everything is influencing everything. So we're never able to see the entire picture, but we want to, because we want to be in control. And we think that if we understand the complete picture, at least in a project plan, then we're in control. And then, you know, we can make sure that everything's going exactly as we [00:12:00] planned, but that's like project management.

And that's the machinery mindset that came in with Fort, huh? When cars came in, we had the machinery mindset, and we still tend to do that in organizations, that if we do the plan, we, you know, we actually create everything just like Georgia said, then, well, we'll present it, we'll give training, we'll show everyone the picture, you get that role, you get that role, you might feel something about opinion about a safe.

Framework in here and then you know the world is suddenly a bit better, but I think it in essence. It's so interconnected that having a mindset that is still in the machinery place. It's never going to change the organization to a level that you really get transformation. So, and I mean, that's a good point.

If you start to dive into it, if we start to focus on. two particular ones like governance and culture. They're for me, they're the underpinning tenants of how you then rewire the organization. So when I know we had the episode with Gene Kim, where we talked about [00:13:00] wiring the winning organization, he talks about the types of approaches you need to think to consciously think about the way you're operating.

And then move that to a better place. And it's all little nudges and it's always on. It's the classic digital transformation ticking the box. We're completed, right? This is our organization for the next 10 years. That's just not the reality anymore. I think David, from your perspective, you've had a lot of experience in.

changing culture, which underpins things like moving to autonomy. I'll go back. People are happier when they're autonomous and they're 20 percent more productive. Exactly 20%. Exactly 20 percent more productive. It's exact. Should be a goal on every single, on every single project plan should be goal of moving my single digit percentage happiness score to exactly 20%.

No, no, it's not. It's, it's productivity that goes to 20 percent Dave. Happiness goes up and productivity shifts. What goes down to 20%? No, productivity goes up by 20%. Goes up by 20%? Yeah. I thought you meant the happiness. Good job you've been [00:14:00] listening.

I just see you starting to do stats and tune out a bit for a minute. Anyway, go on, go on, what was your question? So the point is you've got a lot of experience of Changing cultural mindsets in organizations, big, complex ones, large, matrix based, federated global organizations. What, what are the sort of critical success factors in that for you?

Because if we don't change the culture, we won't get the change in the thinking around, right, we've got to change governance and all the things that we think about how we empower people. Where do you think you should start? You stood and you're looking at a legacy organization, you know, What's day one for you?

Right. So it's a massively difficult one because the natural thing you might do, and I have, I've done this on in numerous programs before and have to say it doesn't really work, is starting with the mass of the, You know the mass populace of the organization and [00:15:00] thinking what do they need to understand what do they need to understand about the future we're going to what's going to be different in the future and starting to describe all of those things like hey let's do a day in the life let's do a look at like what the technology might be there and let's do a road show where we go and show them the new iPad or whatever it might be.

And, and people couldn't, generally couldn't give a best of a shit about that. You know, they'll walk past your stall. Oh, another roadshow. Yeah, they'll walk past your stall as they're coming out from lunch. I roll and keep going. And those things rarely put a dent in the organization. For me, all of these things start from Things like leadership and measurements.

So you generally get what you measure. I think that's a cliche, but it's it's true. If you, you know, kind of said load of nice to have the people in an organization that ultimately are working to their kind of year end KPIs and things like that. The nice to haves ain't [00:16:00] going to get a look in, even if they like the idea, you know, they might like the idea, but actually they're not going to go with it because I'm focused on these five things.

It's going to get them a bonus, whatever it might be. So the first thing is to think about it in really practical terms, like what's going to move the dial here? How can we measure something? And then the second aspect of this is leadership and leadership behaviors. And the more I've thought about.

Aspects of transformation, whether you're driving the transformation or whether you're a leader in an organization that wants a different outcome from that organization, big L leadership. is at the heart of it. If leaders aren't saying it, it will not happen. And that the change in an organization needs to come from, and I hate to be hierarchical about it, but I'm afraid most organizations do function in a hierarchical way, especially legacy organizations, at the root of your question, Rob.

Those leaders need to be vocal [00:17:00] in describing What the future might be like and why it's important to them, but more importantly, they need to be behaving like the future, like behave in the way that you want the organization to behave and people will start picking up the traits of them and they'll start to understand that the leadership of the organization are taking this seriously.

And that's the sort of thing that begins to turn the ship and it's. It only requires one offhand comment from a major leader like that appears that they're not taking this change seriously and they will destroy the change like in literally in a, in like a small world, it's just a small few words. It was a great episode of Doctor Who once where there was a particular character who was like a baddie and that baddie was trying to become prime minister of the UK and the doctor was trying to stop them becoming prime minister.

The doctor whispers to a journalist, doesn't he look tired? [00:18:00] And, uh, and you know, and that destroyed the dude's campaign. It's almost like that, that if leadership aren't aligned and demonstrating, then you can sort of forget it. I absolutely, do you know the work of Frederick Lallou? His book Reinventing Organizations, actually is now 10 years ago that he, um, that he published it.

And there's so much in there that resonated what you're saying. I don't know I know he's working on Ken Wilber's work. Um, so looking at the, the stages of development for humans and organizations. So consciousness levels, and he looks back into tens and thousands of years ago, and he actually can pinpoint certain development stages.

And every new development stage comes with a new organizational model. And you can actually see certain behaviors, processes, the way people use words and images to, to feel what kind of stages more dominantly in that environment. And even in one large organization, you can have different [00:19:00] pockets with different consciousness stages.

And you see now with the new generations coming, they speed up in development. So it's not that they skip certain stages. They go through the entire stages just like we do. But the, the level of consciousness is increasing. More and more. And this is what you now see with four generations working in the same place.

You can actually see the different pockets, and it's so fascinating to see. But if you have that leader that's still with that machinery mindset, that's not a teal organization or evolutionary organization that Frederick Lelewis is mentioning, then you will have that new organization or whatever he's calling out with the same old glasses.

So it comes with, you know, if he's able to really go into his own consciousness, removing trauma. looking into the mirror, putting away his ego, even though that's, you know, we all have an ego and it, it does have a lot of use, not in a predominantly way. So if the leader is able to really dig deep and go [00:20:00] into that transformation, or at least that's what I see in the examples, they're able to get it going.

But that's really, You know, tough to, that's not in a PowerPoint or in an AI generated story. What does Lilly say in terms of dealing with that multiple demographic issue? Because I recognize that as a, you know, each, each, each demographic in an organization. So you've got all of the organizational general complexity, right?

You know, the systems, rainforest that you were talking about, like all of these things are interconnected and it's dense and it's difficult. And you've got these big rocks in the way, but then one of those more complexing aspects is this notion of, of demographics and what different demographics, the language that's used, the way that things are framed, what they think is important changes dramatically.

Right. And I think between something like Boomer and Gen X. I'm a Gen X and I don't perceive a vast difference, maybe some difference, but I think when you roll that forward to Zed and Alpha, the differences are absolutely [00:21:00] enormous, right? So how does he suggest that gets dealt with? I'm a millennium myself, and I actually feel that there's quite a difference with Uh, some other generations.

So I'll try not to take that personally. I don't mean that in a hard way, because I think, and that's also what Lelou is saying. So all the previous, before Teal, Teal is like the highest level evolutionary organization that he's talking about. All the other stages actually have the idea that only our stage is the best.

So, you know, so they push away the other generations. I think that was correct for Gen X,

wasn't it? Yeah, I think, I think, you know, it was. The younger ones, you know, they're lazy. They don't have a clue. They know what they're doing. But the real, you know, if you're more, uh, advanced in your consciousness, you're really open to everything.

And there's value in every generation. And there's lessons in every generation. So that's opening up that wisdom of everyone in the room. I think that's very important. And to come back to your question, like, how do you make sure that all the demographics, you know, feel aligned? That bottles down to what you were saying.

What words do they use? What is the world that they are living and perceiving? What is actually the glasses and the [00:22:00] perspective they look into the world? What is it that they need? What is their sense of urgency and then tap into that? But that means multiple levels, multiple stories. You know, that's not a one size fits all Georgia.

What's your opinion on this? I was just thinking like what you were saying about what you do and how you behave. And I think a lot of that is how, how do you think about leadership? Like what is your, what is your like core belief about leadership, especially in the context of transformation? Right. And I think, I think one way that I try to think about this and it's, I'm sure it's far from perfect, but I always try to think about it that, you know, change is a constant Occurrence, and we will work together to do the best that we can with whatever it is that we're, we're trying to do as an organization, right?

I think that having a, a really clear methodology in terms of the way that you think about leadership is important and, and flexibility like what do they say? You know, strong on the [00:23:00] vision, flexible on the details. And I think underpinning all of that, and we've talked about this before, is you need psychological safety.

in the system so that people are more comfortable with having open conversations, experimentation, willing to fail and learn, all of that stuff. Whereas if you take how this podcast is managed in the way Marcel and his dictatorial style, there is no psychological safety and we're all living in constant fear.

If the recording doesn't hit the bar, then you know, we don't know what's going to happen. He's just like, Don't worry, we can fix that in the edit. Don't worry,  a podcast we published a year ago about, about building adaptable organization with Patrick Oestreich from Hellman.

And he discussed change of the organization. And basically he made it very visible by wearing Sneakers. Yeah, right. Simple thing. It's simple thing, but [00:24:00] everybody on leadership team were wearing sneakers and, and that you have to make the first step that was this sort of, uh, approach to the organization and explaining that we must make the first step.

And so they gave everybody in the organization and pair of very cool sneakers. The thing that always resonates me with that episode and what they did there, fantastic outcomes, was very simple, which is he got a group of clever people, he said, you know this better than me, it was supply chain in this instance, and then went, right, you make the decisions, I'll support you, I trust you.

And they were, and then they felt safe and I'll, I've got you back, but you may, and then that group of people felt empowered and they went and made a, you know, a dramatic improvement in performance. And it was as simple as applying a bit of trust, using the people who knew best and giving them the authority to be able to go make change.

And putting your ego aside, because that's a leader that is actually saying, you know, I, I, I, you're, you have a better answer than I have. Yeah, and this comes back to the phrase you

use, Dave, a lot in the conversations, which is servant [00:25:00] leadership styles, they work the best because they promote all the things we've been discussing about.

I think they definitely do in the sorts of situations that we're talking about. Like, like all of those, like all of these things, you know, there's a yin and yang to them, right? If, if you are a hundred percent servant leadership the whole time, everything could end up in like big debates and you're not really moving forward.

So there has to be a series of, there has to be a balance in. A kind of setting a tone where it's inclusive in all different levels of that term inclusiveness. This is where diversity really comes to become a very powerful thing. If you, if you kind of open up and become a genuinely diverse thinking organization, you really definitely do things that you wouldn't normally do.

different to what you would have done if like a load of old Gen X dudes are running an organization that's got, you know, you can predict what's going to happen in that situation. You know what I mean? Well, a serpent doesn't mean that you do not make decisions. And I sometimes get that feeling [00:26:00] like, Oh no, we, you know, let the group decide.

A leader also, you know, takes direction and says yes or no. And we still need to get there, I think. Yeah, you still need to, you need a driving, you need a driving force, whatever that ends up looking like. Yeah. Yeah. And you also need to understand the capability of your organization very well. Yeah. So it's great to give empowerment and it's great to hand that out, but you have to be assured in your own minds that the group you're handing it to are capable.

And that's a judgment call as well, isn't it? Because you shouldn't just go and tap your whole organization on the shoulder and say, well, you might get a bit of chaos there. It's about a learning exercise and making sure the skills and the capability are there. A coach of mine said once to me, really interesting thing was that part of my career when I was trying to get my head runs.

both servant aspects of leadership, but also things like how to do effective delegation. And he, and he said, Dave, there's a difference between delegating a task and absenting yourself from the task. Yes. And, and, you know, absention [00:27:00] is not leadership. Yeah, it's being present and in the moment. You have to be there, be seen.

And it's being mindful of what you were saying, Rob, which is in delegating a task to somebody or asking a group or whatever it might be, have you given them the tools? Have you, are you sure that they are set up for success? Are you sure that they've got the capability and the funding and things like that that they need?

There's, there's a series of things that come with setting up these sorts of environments that you're describing that, that is simply more than. Hey guys, what does everyone think? You know what I mean? The CEO works out of the office, yells at the organization, you're all digital now! Tick, walk back into the office and disappear.

Yeah, exactly. It's also systems thinking that a leader needs, and that's something that you hear a lot about lately. So I think it's all about, you know, being able to see everything and interconnected or at least bigger than, than you're used to. And that's also, I think, has to do with that level of consciousness that you're able to tap into that information that is [00:28:00] not always visible.

So Rob, we've talked about, and I think Esme sums that up nicely, like the messy interconnectedness of culture a little bit. We've probably barely scratched the surface in the last 15 minutes. Why is all of this important and why is it a big rock? If, I mean, I mean,

you go down the list we just discussed, that is the core tenant of, in my mind, of allowing an organization then to change their mechanisms.

So I think of organizations having mechanisms that enable us to operate more effectively. So mechanisms that keep us safe and secure, but allow us freedom. So, you know, a really good example is, we'll codify. our governance and security and risk and regulation so that people don't have to worry about it.

So we take that toil away, but without the right culture and without the right acceptance of what technology can achieve and how it allows humans to operate differently, then you're not able to implement these mechanisms. [00:29:00] And, and I see the new, the, the rocks are removed by reinventing the mechanism. So you have something in your organization that controls governance or finance or whatever.

We need to reinvent how we manage that, understand it and perceive it. The basis of that is I've got to change my culture so people understand that we can use technology in a different way to allow us to operate in this more effective way. manner. And that's, that's the heart for me. If you don't get the culture right at the beginning, you're not going to be able to make the technology do what it needs to do.

And people aren't going to accept that effectively. And you'll end up with loads of roadshows about what we're doing next, as opposed to leaders properly instilling that change within the, um, within the structure. Yeah, I've, uh, having stood on those booths, nothing more soul destroying than everybody in the company walking past your new iPad.

Rolling, eye rolling! It's another, it's another roadshow! Yay! Now within your summary there, you, you said the G word. So in a, in a Halcyon world of empowerment and [00:30:00] psychological safety and bottom up thinking and full inclusiveness, how does governance square with that, Rob? So remember back to one of our very first episodes about Liberty Mutual and how they changed the architectural structures that empowered the engineers to be able to go and do what engineers do.

So the mantra is make the right thing easy to do. and the wrong thing hard to do. So what you're doing is creating a structure where you're creating paved roads for people to go down as fast as they need to be able to get to their destination. So, so if you think about delivery governance, security governance, architectural governance, service governance, they all need to create the conditions for success that mean that the people can go and focus on the task at hand.

So removing the burden of having to think about it. And through that, what you're going from is an inline governance structure. So, I get in the way and have to approve to one way you're out of band [00:31:00] and interactions are through new things or via exception. And the normal day to day is just accepted that this is the way we operate, how we go.

I always liken it to a highway code. You don't ask permission to drive your car in the morning because you obey the rules of the road. You can use your car. It's the same as a mass transit system. In corporate systems for governance, we're constantly having to ask permission and that slows us down. It frustrates.

And in fact, Most governance, when you actually analyze it, is superfluous. So you don't need it. But it's because that's the way we've always operated. People feel safe and secure because another human's been involved and that's, that's a big shift. It also connects though, doesn't it, to particularly in limited companies, it connects to how the organization is reporting itself.

Yeah. So there is a very real. connection from the way the governance operates and I agree sometimes feels bureaucratic and sometimes feels slow and sometimes feels frankly irrelevant. But it's in place because it ties to the structure of how [00:32:00] delegation works in that organization and what I think is, often missed is the people are not engaging with a series of decisions that were made about how the organization governs itself to how the bureaucratic system of governance is now functioning in that organization.

And what's very interesting, there was a study on this that I'll have to dig out, but if you increase the empowerment limit of humans and tell them, say, you were allowed to spend 50 quid, now you can spend to a thousand quid. They won't do it because they don't feel safe and they don't, they don't like that.

They've not often been given the skills and the association with why that's been empowered and the fact that they're trusted, et cetera. So they'll continue to ask permission, even though they don't have to ask permission to do things. So this is weird trait of humans where if you don't give them the support and I've changed the culture around them, they'll, they they'll feel scared to use that new empowerment because they're worried about the risk and they'll get, you know, you've done something wrong.

And I [00:33:00] think that's a, that's a human trait that leaders have to understand as well, that when they are empowering that, you know, people do use it. I feel like this comes back as well to, you know, as you change your, maybe like at a really functional level, your decision making, say your decision making process, right?

That things will go wrong and things will get missed. Like there will always be misses, right? And the way that you react when that happens is massively critical to changing your organization, right? The way that you respond to that as a leader is That's one of the most important things that you can do in order to really enable that change.

Yeah. And I think it's the learning from your failures and how you respond and how you pick up and how you might adapt the system to deal with it better. Training education awareness, maybe subtle shift in thinking about risk is, is, is quite key because when you go [00:34:00] through this cultural change and then you start adapting things as fundamental as.

governance, you are going to break a few eggs, I think. To use the old metaphor, if you want an omelette, you got to break some eggs. So how do you do it in a way that isn't going to be disastrous, but in a way that people can see that there's, there's benefit? Because you always need the pioneer, I think, when you're doing these types of changes, that people can see that it's worked and then they can latch onto that pioneer.

And it's something tangible and real as opposed to, you know, trying to change everything at once. So, so you mentioned trust a previous boss of mine, my previous organization, he gave me a credit card, a company credit card. And he said, if, if, if, and I traveled a lot, and he said, so when you're traveling and you have the urge to buy a car.

You just buy it because you have a credit card of the company, but the business case must be strong. He said, I gave you all the trust. You know what to, what, what you can buy or not. But that gave me a sort of feeling on, oh, you really trust [00:35:00] me. Did he like your Ferrari? Yeah, I bought some. It was a good business case by the way.

Like my, I need to get from zero to zero to 60 in, you know, three seconds in the event I need to get somewhere to fix a cultural emergency in a company. Exactly, exactly where you can do that. There is a, there is a really interesting skit online. I dunno if you've seen it, but people pretend to do corporate.

meetings and then somebody's done something or the report's not ready and they play out a joke and it plays on a stereotype. But there's one where the exactly that happened, Marcel, the new recruit into the office gets given a credit card and no sort of guidance around how to use it and they go out and buy all this designer clothing and stuff to say, oh well I needed to look smart in front of the client and they spent twenty thousand pounds on all this stuff and then there's this pained conversation with HR about Well, maybe that's not appropriate, but it's that point about the, if you're giving the empowerment, you must let people know [00:36:00] the, the, the, the bounds with which they're allowed to operate that empowerment within, because it can be quite far reaching and have some quite significant side effects if you're not careful.

So shall we talk about the difference between top down and bottom up governance and what, what inverted governance is about and why it's important to the sorts of. digital cultures that you're talking about, Rob. Yeah, I think, um, I'd be interested in everyone else's view, obviously, on this one, which is, there's a failure in governance, I think, that we, we build organization structures and we put meetings in place because that's a, that's a way to discharge top down and you're asking people to make a conscious decision about something.

I would say a little bit more, I'd go a little bit more strongly than that on that, in the sense of There is an innate assumption in far too many legacy organizations that you're going to do top down and that it's going to be a hierarchical, militaristic structure that is almost matrix like in the way that [00:37:00] people leap to that being the conclusion.

They don't know that there's another world that exists outside of the top down structure, right? Yeah. Yeah. I mean, that's a very good build on it, which is, this is how we operate. This is how we keep control as a human in the loop. And they're there, you know, they have a level of authority. They make the decision.

Bottom up governance is leadership, creating the conditions for success. And an example of that is writing the rules of the road. Yeah. Which is the, here's your rule book. And as long as you stay within this rule book, you can just get on with what you need to do. And if it's not in the rule book, come and ask.

So if you think about driving a. a car on the road. Go back to that analogy. I can take my scooter on the road, I can take my car on the road, I can take my lorry on the road. But if there's something special I need to do, like a wide load and it's gonna, you know, need a bit more care and attention, then I do have to contact the authorities and ask for permission.

And that would be an example of where we're seeking something that is different and exceptional. And then you can get the human in the loop and we can have a conversation by it. But I think most organizations fail to write down the governance and give [00:38:00] people those guidance and guide rails. Uh, or even worse, they have mythical governance where people are undertaking actions because they believe they have to.

And when you actually get under the covers, again, it's not required or it was never mandated that you have to do that. And it's the failure to define that structure and be explicit about it that I think that, that many fail at because it's hard and it's like, Oh, well, I'm going to have to think about this.

And it's easier just to have a conversation with a human in the top down way than try and provide the, the guide rails though. So Esme, in your systems thinking world, how do you see the positives and negatives of governance in the way that Rob has set that out? Well, I think it taps down into what we said earlier, where, where are people in their own stage?

Are, are they feeling safe, safe enough to try things? Is it safe enough or do we know enough to try it? You know, is the risk limited enough to, to just [00:39:00] go and do it? Okay. I think middle management is the toughest position in this all, like, because we're talking top down or, you know, bottom up and it all.

The permafrost. I was going to say the permafrost. That's so tough. It's such a tough situation because they probably want to do everything like, you know, more for the people and they want to stand up and do everything right. And then on the other hand, they got the pressure on the numbers and on the results, etc.

That's a very generous statement. That's a very generous definition you've just given. Yeah. Try not to offend. Try not to offend. You get shit from both sides. You're never in a good spot, I think. And I really believe and I think that's also what George has said. You have like this minimal viable organization so if you take away everything that's already in place but you just start from scratch how would it look like?

To envision that end state or at least a state of how can we really let people flourish. Deliver value to our clients. And if you look into that [00:40:00] sphere, how is that compared to what we have now? And I know there are critics that don't believe in that setup, but they think you need to change from the inside out.

And other, other people say, no, you need to, you know, put a startup right beside it and then start flowing people over. And if they're not a match, then maybe they should. stay in the more older company. I don't think there's one size fits all. So also killing the organization is, is middle management with a micromanagement style.

Yeah. This is, I've become a big fan of the new co model and it's controversial because you're basically saying it's too hard to change the system within. We're just going to create a new one. We're going to define that in the, in the right way, with the right skills, the right culture, with the right leadership.

And we'll just start from Greenfield and we'll manage the legacy. as we need to manage it. It's controversial because the people who sit in the legacy organization think, wait a minute, they've created a completely new company over there. Shouldn't I be in that company? And then they're moving business across.

And there's a number of very notable examples in [00:41:00] banking and such like where they've just said, this is too hard. I'll just create a new bank. But it's, I think that's coming, rising more and more as people struggle with the pains that we're talking about. You say, I'm just going to start again and move me business across.

It's controversial, isn't it, in another way, which is if you, you know, when we talk to Dave Snowden, who obviously has done a lot of thinking on this subject and has influenced me personally and become an influence on the show in terms of a lot of his background models, doesn't believe in new co old co transformed from one state to another state.

He sees everything as There's continuum. And then he's got this other thing, the flexious curves model, which I think relate to that, but I must admit, I find it, I find, I actually find it a little hard to conceptualize it. But I think there's something in what he's done with flexious curves that connect to this sort of stuff.

And then there is the other aspect of it which says, the second you other. Everybody in the way that you just described, [00:42:00] you end up then with millstone type situations and blockers all over the place and that kind of stuff. So it's a massively complex thing we're talking about here and though I like the cleanliness of new coat old coat in a way of being

able to describe it.

and describe what the new looks like. Yeah. And what you'd like it to be. I'm not sure it's necessarily going to be the most successful executional factor because she can't remove the messiness we were talking about earlier in the show, right? But it can serve as a, as a visioner. Cause we're talking about transformation and digital taking place into that new place.

But I think it really, for me, I really need a place where I want to go to talking about a purpose and where are we doing this all for? And then it can help to take the team out and then envision that state and then, you know, bottle it down to the reason of existence. And that could help drive a transformation.

I've become a big fan of purpose led in these situations, exactly as you [00:43:00] say, which is what's the thing you need to get everybody to believe in? Mm hmm. And if you set a purpose, and back to your original question to me, Rob, about cultural change, if you, if you manage to land. An impactful, emotionally resonant, and frankly, non cringe worthy purpose.

And that's a fine line, I'm telling you. It needs to be genuine. It's to generate shareholder value, isn't it, Dave? That's the purpose. Yeah. As a little girl, I always dreamt of growing up to maximize shareholder value and synergies in an organization. Wasn't that a tweet? Was that a tweet? It was, yeah. It was a tweet, yeah.

So good. So true, though. Absolutely brilliant. The biggest dream. Absolutely brilliant. I liken this to, you know, when you have an organization and like going back to the technical side, I feel like, I feel like I'm a little bit more there today. Like, so you say you've got like an estate of applications that provoke provide a really significant function that like a green blue kind of set up, like, let's just [00:44:00] create a new one.

That's a similar scenario, right? It's like, we need to, we need to, you know, we need to get rid of the old one. And the easiest way to do that is to create a new one. And then you end up with like two functions that are looking towards the same thing. And I feel like it's a lot of the same challenges and that you do end up with a team being like, hang on, what are we going to be doing?

And that requires a significant amount of change management. That's almost like the only way that you can do it. I think I have seen it done successfully, but again, psychological safety, empathetic leadership, you know, is there an open dialogue between. people and leaders that enables them to get to where they need to be in a way that doesn't cause friction and low morale.

Yeah, you've got to in a situation where you're setting new purpose to your point, you have to be brave enough to retire the old stuff. Hard for an organization to delete things though, Dave, isn't it? It's hard. So hard. Yeah, it is hard because those are the things that have got you [00:45:00] to where you are. So when you, when you then tracking a course to the new, you're basically saying, well, we're going to stop thinking about the old stuff in the way that we did before.

And that I think is, uh, it requires real courage. Like the, the leadership aspect of this, the, the, one of the understated elements of really good leadership is, is courage and having the, And having the balls to just go, actually, you know, we're retiring that because now we're about this. So Rob, when you, when you boil this together and you talk about it in the context of cloud driven change, tech driven change, digital transformation, whatever you, you know, whatever badge you want to put on it, bring it to a head for us, why are these two aspects, the foundational pieces?

That's a very difficult question to summarize easily. You brought this up. I know, I know. Honestly, we were all here wanting to talk about the weekend. You're the one that introduced the big rocks, my friend. So, human systems are inherently complex [00:46:00] and messy, but there are certain things that we can set.

the codified laws that we operate to. We're used to, in society, working like that. We should think about reflecting that into corporate structures. So, if, if your culture's wrong, and then through via, very extension, your governance structure is wrong, that human system becomes too rigid, too flexed. people don't have the safety that they need to be able to operate in the right way they want to.

And you're missing out on the human factor, which is where your people feel the need. They want to be creative. They feel the need to try new things. They feel the need to experiment because they have that freedom and autonomy, right? That's set by the culture and the governance. Setting that wrong means that people are fixed and you don't get the value from the human.

So if I had to summarize it down, get your culture wrong, get your governance wrong, you don't get the human value, get it right, and there's this power of what's the possible that we can achieve today. And that's where I see it. It just sets the agenda for [00:47:00] everyone else and how they can become creative and make a change and deliver things.

which are more different and exciting and new. I think there's an aspect as well of all of this is not just accept the messiness of human systems. It's like respect. Yeah, it's just, it's what appreciate it. It's what it is. That's the beauty of it. And like, humans are imperfect. Yeah, systems are imperfect.

Humans are imperfect. And guess what? When you bring those two things together, you get a lot of imperfection. But actually within that, you also get the great stuff that gets created. And it's like, how do you create something that makes everybody feel good about that? Makes everybody feel like they're part of something.

So, yeah. Don't try and go too fast, like organizations are going to, you're going to get there by, you're going to get too fast by going a bit slow sometimes and you're going to have different pockets going at different speeds and actually make sure that your governance and the way that the two come together.

Governance is like an ordering. of a messy system, isn't it? Yeah, yeah. People seek it to create [00:48:00] order because they want nice clean lines. And it's like, well, you know, just kind of be present in what that's actually trying to do and understand what that's trying to do. Governance isn't to keep people in line.

Governance is actually to empower people to move faster and make better decisions and those sorts of things. So Rob, did we get to the bottom of your big rocks of the day? Oh yeah, you just double click on what we've said and everything will be fine. I think though, what we have explored, other than, you know, you trivialise it into, why haven't you fixed it yet?

Into the, I think we've explored well, the complexity of, there's not a single answer. It's all interconnected. It's messy. It's imperfect. You're never going to get the clean lines. So as soon as you embrace that, that's probably the first step in making change.[00:49:00]

But look, let's talk about what we're excited about doing next. And this could be anything from Got a good restaurant booked at the weekend to something that's going on in your professional life. And we'll do this a little differently for these shows where we're just kind of just us team with some friends of the show having conversations about what we're doing.

We'll, we'll go around everybody and see what everyone's up to. Um, so Georgia, why didn't you kick us off? I think I told you, Dave, a few weeks ago, I was in Ibiza with friends. My friends came out from Australia, which was amazing. Having them here was, yeah, so good. So they were here and then we went away and then I got back and I've been busy every weekend, like perpetually busy every weekend, every night.

because I had my birthday. So this weekend is my first like chill weekend. So I'm gonna do like a spa day and just go to Pilates. And so I'm super excited about that. That's kind of sad, isn't it? You know what I don't think it is. I think those weekends where you've been running on empty for a few weeks and [00:50:00] then all of a sudden you're like, you get to Friday lunchtime, you're like, got nothing to do tonight.

And that feeling is like, Oh, excellent. So good. I'm going to go to Pilates at six and then I'm just gonna Zen. Well, have. a wonderful and relaxing time. Thank you. Robert, what are you going to be up to? Well, my dad's down this weekend. He's a big fan of the show. He listens to all the episodes, actually. I think he feels morally obliged because I'm in it.

Well, hello Rob's dad. But we have a restaurant booked, his favorite restaurant as he's down. So we'll go and have that. We'll have a nice family meal out. They'll be all relaxed. And what is the cuisine? It's Cantonese. Oh, very nice. Very nice. Yeah, yeah. So, uh, we have, in fact, I don't know if this is good or bad, but we turn up, we have the same set menu each time, because it's really nice, and we drink the same drinks and stuff, so I think the restaurant just sort of, yep, start cooking that as they walk in type thing.

Yeah, the curtain hand's here. Yeah, yeah. We're here. So, uh, quiet. Looking forward to that, because it's a very familiar environment, and it's [00:51:00] very relaxing. What is your favourite dish, Robert? So I am a big fan of aromatic crispy duck. The pancakes, the sauce Have you tried the, the viral way of eating them?

Is you put the pancake against your mouth and push the No, uh, no Dave, I'm, uh, I'm a bit more I think Robert, you should try that tonight and report back. My Mrs K would not appreciate that, David, you'll get me in trouble. And even if I do say Chapman, well, exactly, I could kill myself and I'll get into trouble.

So no, Dave, I'm not following your advice. That's the kind of stuff we do for this show, Georgia. We put our lives on the line. We would have to replace you on the podcast, Rob. Who are we going to replace you with? What's our succession plan? You could probably replace me with a gentic AI in about a week.

So I wouldn't worry about it too much. Oh, that other thing you came up with, what was the other thing you said? Ambience. Yeah. I am actually quite like, we're starting conference season, so we're going to be doing live podcasts and we've got Microsoft Ignite next, [00:52:00] so there's a little bit of excitement about it, because I do actually enjoy that, the buzz and the energy of the show floor and everything else, and some interesting guests.

It is a good way of like, you, you, you, it's weird how you sort of pick stuff up almost without even not going to any of the things, because we don't get a chance to go to anything when we do these shows, we just have to pick it up from conversations that we have, yeah, and you, you come away with like, a good sense of where the industry is going for the next year, which generally plays out, right?

Yeah, it is good. It's useful. Although it's like, you're away, it can be tiring. You're traveling a lot, but, uh, you learn. I like learning. I mean, obviously you learn from discussions like this, but it's better when you're with everyone in a different location. It's a different experience.

Ez, what are you excited about doing next?

I am actually considering whether I'm gonna set up my Christmas village, or if it's a bit too early. Whoa, whoa, whoa, whoa, no, no, no, no. It's October, we've not even had Halloween. I think that's only one of the questions that that sentence The fact that [00:53:00] you've got a Christmas village as well also comes to mind.

What is a Christmas village? How big is the Christmas village? It's all there. No, wrong time. No, it's like, it's, it's two meters now and I think I'm going to keep it at that. But then you have like all sorts of houses and shops and they have lights and you see people skiing and, oh yeah, it's really good to see pictures.

Well, I actually have a video of it, so I'll put it on the website, www. esmayschristmaswonderland. com. I want to feel safe in this group that I can actually say this, so, um, yes, very important. No, you cannot. See what I said about it only takes one wrong sentence from an elite to throw the whole dynamic off.

It's up now. That's it, I've killed it, that's it. And you're the one wearing the Christmas collar today, so. I am, I am. And he's got the Santa beard. Sorry, I apologize. Of course, it's perfectly acceptable to put Christmas decorations up in October. Thank you. But by the time this [00:54:00] ships, of course, and everyone can listen to this, we will be clear of Halloween, Esme.

So I think, You, as always, one step ahead of Robert, operating in the future, you're clear, free and clear to wreck the village. Yeah, so I'm really looking forward to that. And Dave, how about you? You just came back from Rome, didn't you? Came back from Rome. Yeah, so unfortunately that's in the rearview mirror right now, but yeah, that was as amazing as you might expect.

I've not been without being there on business, so it was brilliant to actually do some of the stuff in Rome, like I should go to the Colosseum and. You know, spend some time there and we got a guided tour and it was, yeah, it was every bit as mind blowing as you might imagine it was going to be. But what I'm excited about doing next is an electronic pioneer called Apex Twin is doing a listening event at the Tate Modern in London this very day.

And that's where I'm heading tonight to go to that. Now, the upside of this is it's the Apex Twin at Tate Modern. at the Tate and he's doing a listening event in one of the [00:55:00] old oil tanks of what used to be a huge power plant. So that sounds amazing. The thing I can't quite get my head around. Now this gets worse, don't worry.

Contrived. Yeah. What gets worse is, it's a three hour ambient album. Three hours, Dave. And I can't quite imagine what we're going to be doing for three hours. Like, standing around for three hours listening to very minimal ambient? That is, is, is that, is, are you interacting with humans, or do you just have to stand there and listen for three hours?

No, I think it's like, I think it's like a nerdy listening thing. Wow. It's going to work. Mate, I suspect people will just naturally wander off and go, Probably added. I mean, how much ambient music in an old, uh, uh, power station oil tank can you take? Yeah, well, exactly. That's the question, Robert. I will, I'll tell you.

Your quest for artistic endeavor is impressive. Albeit, it's not the Friday Night at the Hardbook. Well, let's see. I will, I will report back and let you know how this thing goes. I think there will be one [00:56:00] tone and then three hours of echo.

How much have you paid Dave? It's free Robert. It's free. I'll tell you why it's free. There's a reason for that. I think they probably went, we're going to ask people to do what? Where? On

a Friday night? Nah, no one will come to that. You want to charge for it? No, no, no, no, no. Is this going to be like people walking past the roadshow, Dave?

People will just Very bad. All right, look, Marcel, why don't you complete the set? What are you up to? What are you excited about doing next? So next week is my birthday, so I have a surprise, uh, dinner, dinner, 35 again. Yeah, so a surprise, uh, dinner at Saturday evening. Let's see what happens. But during the day Have you set up your own surprise dinner?

No, no, my wife did. I mean, how do you know about it? Is it a surprise? Yeah, she said it's a surprise [00:57:00] dinner, so I mean, I get you're Dutch and there might be something lost in translation, but the concept of a surprise dinner has a very unique trait, which is, as you arrive, you are surprised. No, no, no, no, no.

It's, it's different. The surprise will be during the day, I will do some Pilates with a chainsaw in the, in cutting trees in the, in, in, in the garden. So I hope I will make it to the dinner. Let's, let's see what happens. You never know. Maybe the one arm producer in the future. You never know. It's like a, like an episode of casualty.

Yeah. Don't think I've done that type of Pilates before Marcel. Try it. Try it. Very relaxing. Is it as the chain, is it a petrol chainsaw? And you're trying to be zen. Yeah. Well, look, let's um, let's draw this to a bit of a close. So our first crack at doing one of these, um, team only shows. Um, we hope you manage to distill some nuggets out of that and we will come back [00:58:00] in a month or so's time with with another show where we'll explore a couple more of Rob's big rocks.

Yes. So, uh, thanks Georgia for joining our team meeting today. I really liked it. And thanks obviously for our Ben and Louie, our editing wizards. If you have any ideas, if you want to, you know, show me your pictures of your Christmas village, don't be shy. Send it to our email address cloudrealities@capgemini.

com or send us a DM on LinkedIn. We are keen on seeing you next. So. See you in another reality next [00:59:00] week.

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