How a Financial Institution Embraced Flow Management To Empower Digital Transformation?

CASE STUDY

businessmap

BoaVista

Industry

Financial services

Size

700-800 employees

Platform Users

400

Location

São Paulo, Brazil

Specializing in

Analytics and Data Science

Key Results

- Aligned team operations with strategic goals
- Achieved a high level of transparency and better alignment between the different company levels
- Increased flexibility that helps to effectively react and adapt to changes
- Reduced and stabilized cycle time by continuously evolving work processes

How a Financial Institution Embraced Flow Management To Empower Digital Transformation?

"*We were looking for leaner, evolutionary and adaptive processes. That is why we chose Kanban over any other method*"

Introduction

Boa Vista is a Brazilian company that combines analytical intelligence with high technology to transform data into financial solutions that address the challenges of B2B and B2C customers. Their mission is to generate value for society by providing the best information to reach prosperity and sustainably through agility and precision.

To live up to that mission, Boa Vista was looking for ways to **accelerate project delivery and adapt to changing customer needs quickly.** However, the company's siloed departments proved to be a stumbling stone on the way there, as they created long queues between the different teams and caused long project delivery cycles.

With the new CTO joining the company in 2019, Boa Vista launched a Digital Transformation initiative to overcome these limitations. Aiming at evolutionary improvement, lean processes, and fit-for-purpose organizational structure, Boa Vista chose to move forward with implementing the Kanban method. Restructuring into value-stream oriented departments and product-oriented teams, Kanban helped them break down the silos within the organization and gave them visibility and data for further improvements.

Kanban-Empowered Digital Transformation

One of the most significant pain points for Boa Vista at the beginning of their Digital Transformation were the long delivery cycles, lasting from one to six months. Working with such a delivery pace was problematic for all project stakeholders, leaving no one satisfied with the result. Looking closely at the root cause of this issue, Boa Vista identified the siloed team structure with separate commercial, product, and IT departments as a major problem. Back then, one project was moving through the different departments, causing massive hand-overs with work items getting stuck in-between, and creating long waiting queues.

To accelerate project execution and improve the project workflow, Boa Vista made two significant changes. They restructured into value-stream oriented departments and product-oriented teams and also reduced the batch size of work items.
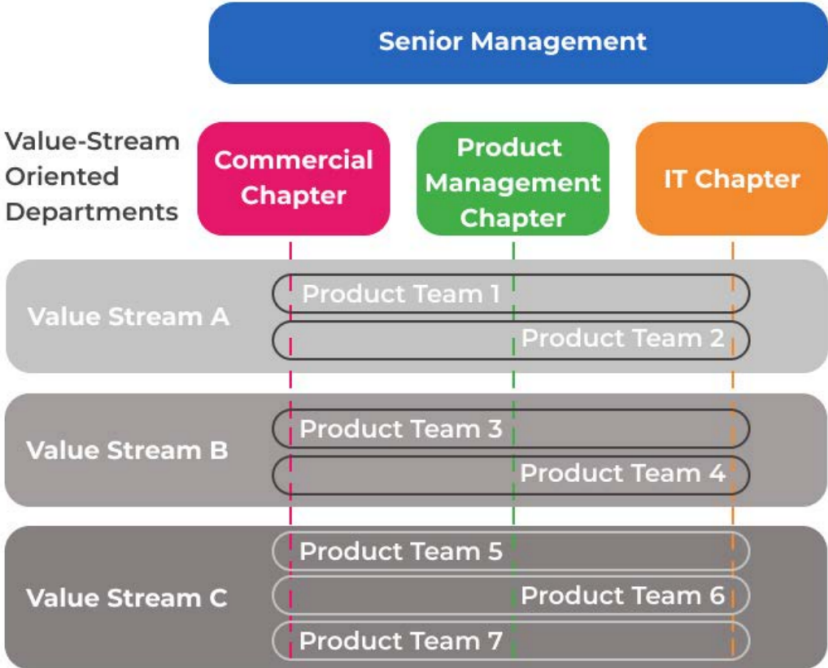
Focused on creating fit-for-purpose teams, they also moved away from specific team formats and chose which team roles are needed based on the product context.

Having reorganized in a way that resembles their business goals, the next decision in front of Boa Vista was how to organize their ways of working. Moving forward, they wanted to make their processes and operations leaner without forcing any unnecessary changes. Their goal was to find an approach that would help tackle the current pain points of the different functions and would enable them to improve steadily over time.

Another risk they wanted to avoid in their digital transformation journey was the lack of visualization. In their experience, this could cause misalignment, communication noise, difficulty in identifying bottlenecks, and lack of collaboration.

**"We were looking for leaner, evolutionary and adaptive processes. That is why we chose Kanban over any other method"**

Luan Oliveira
Head of Software Engineering and Development at Boa Vista

With the consensus at the top management level, Boa Vista decided to continue by implementing Kanban as an evolutionary approach towards reaching their digital transformation goals.

To support the implementation and evolvement efforts, they also decided to follow the Kanban Maturity Model as a source of pragmatic, actionable, and evidence-based information, focused on business results.

Kanban Maturity Model:
The Kanban Maturity Model provides guidance on scaling Kanban across your organization that facilitates the definition of a realistic roadmap for achieving organizational/business agility. It plays an important role in creating unity, alignment, a sense of purpose, and good governance.
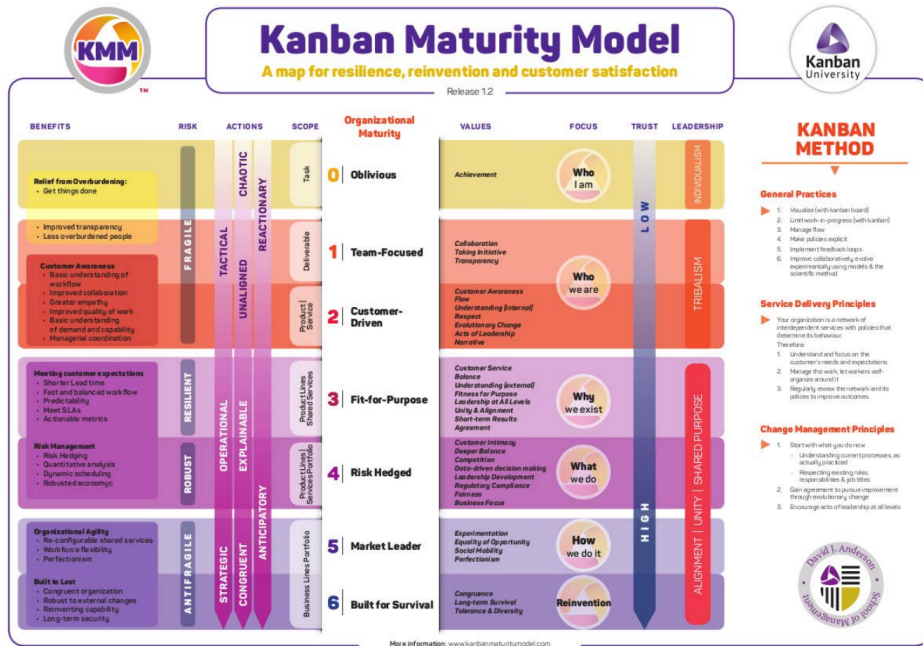
Source: David J. Anderson School of Management

Luan Oliveira shared that starting with physical Kanban boards helped the teams get familiar with the method and adapt to the change. However, the physical boards were posing several limitations regarding the collection and extraction of workflow data. Combined with their plans to scale Kanban across the different company levels, Boa Vista identified the need for a digital tool.

They were searching for a platform that will support their efforts to make processes leaner and help them mature their Kanban implementation. The new tool should also allow them to **easily extract flow metrics** to assess KMM progress and **identify leverage points for process improvements** without unnecessary complications. Another requirement was the ability to **visualize and connect work items on different hierarchical levels** and **achieve transparency on a management level** by scaling Kanban both horizontally and vertically.

Fulfilling all requirements plus offering scalable pricing, Businessmap proved to be what Boa Vista was looking for. Onboarding five teams in November 2019, 400 people are already using the platform in less than a year.

Next to providing the needed tools, Boa Vista also made sure each product team, formed after the restructuring, underwent Kanban, Lean, and OKR (Objectives and Key Results) training, and were familiar with the methods and concepts used in the digital transformation.

OKR (Objective and Key Results)
A collaborative goal-setting tool used by teams and individuals to set challenging, ambitious goals with measurable results. An Objective is what is to be achieved. Key Results benchmark and monitor how we get to the objective. OKRs are how you track progress, create alignment, and encourage engagement around measurable goals.

Aligning Strategic, Tactical and Operational Levels

Moving from physical boards to digital ones allowed Boa Vista to structure the Team Kanban boards in five levels. This way they brought strategic goals, risk management, and continuous improvement efforts closer to the teams' daily operations and managed to break down silos.
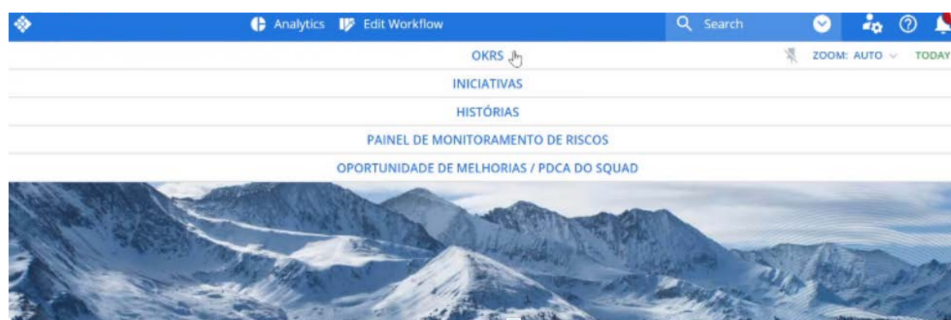

The first level of the board was dedicated to the OKRs, so the team could monitor the Key Result's development and link their team initiatives (second level of the board) directly to the company's Key Results without context switching. Bringing the strategic goals on team boards helped establish a new level of alignment between operational and strategic work.

Boa Vista shared that they aim to link all team initiatives to OKRs and pay close attention to "orphan" team initiatives, as they could be a signal the team is shifting away from the company goals.
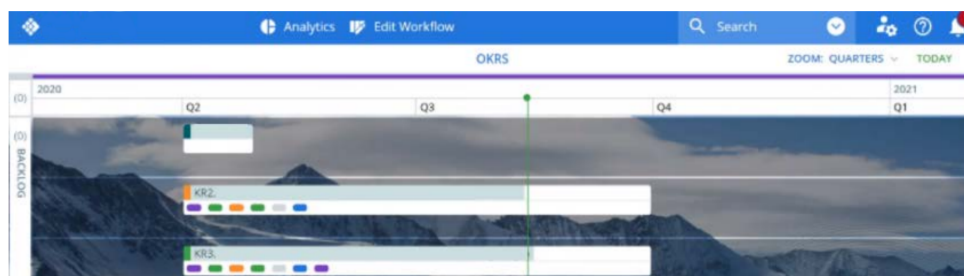
As part of their digital transformation, Boa Vista established the principle of working in small batches. To further support this effort, the team initiatives were broken down to Stories, representing the third level of the Kanban board.
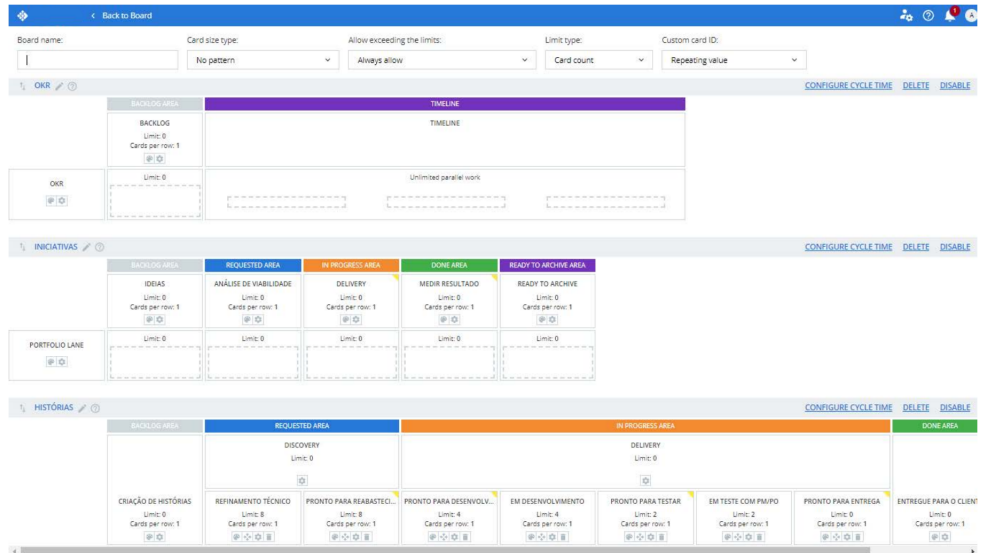
Although not directly linked to the team's discovery and delivery cycles, the next two levels of the board - "Risk Management" and "PDCA" represented an essential aspect of the digital transformation efforts.

The 4th level "Risk Management" brought proactive risk management into the workflow, so any potential risks on team level could be signaled there before they develop to actual risks and harm the output of the team.

The "PDCA" level of the board, on the other hand, offered a dedicated workflow, where the teams could visualize and manage their process improvement efforts and practice Kaizen.

Kaizen
An approach to creating continuous improvement based on the idea that small, ongoing positive changes can reap significant enhancements. It promotes inviting all employees at all levels of a company to proactively work together and achieve regular, incremental improvements in the work process.
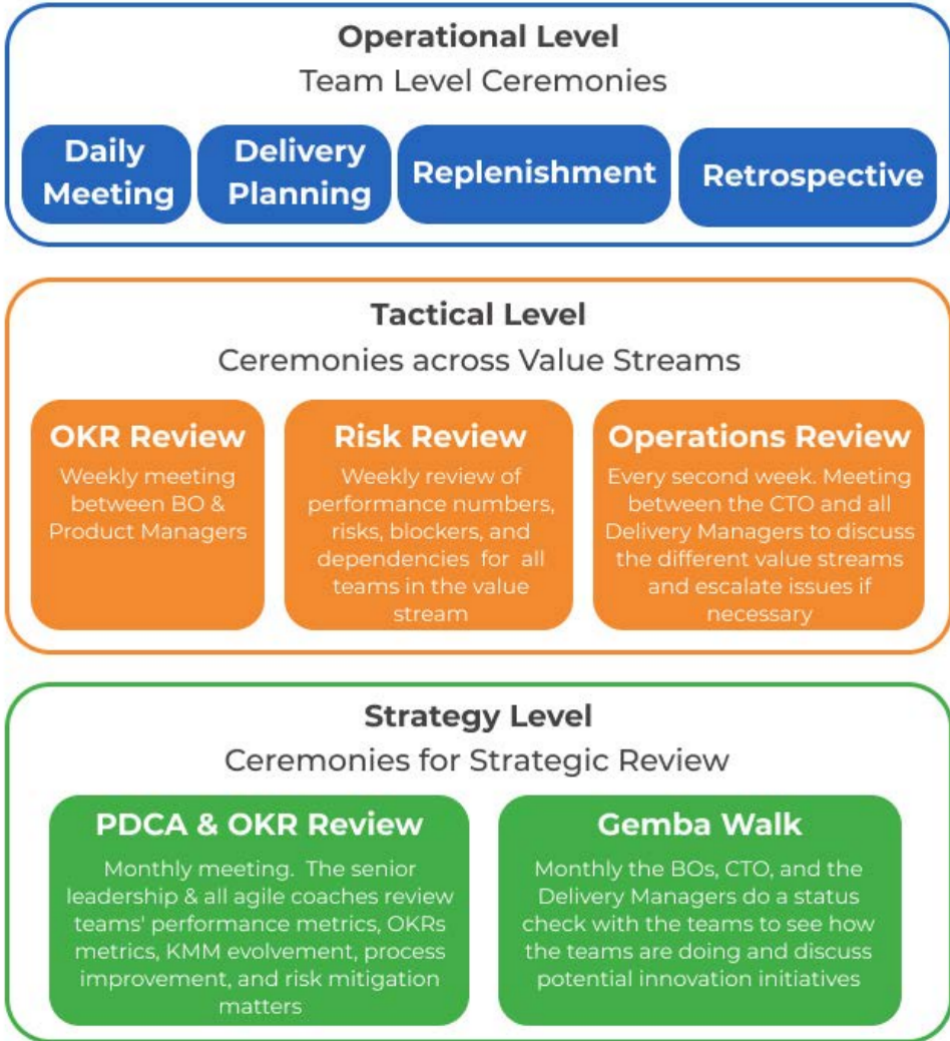
As next, the Team Kanban boards were organized in Woskpaces on the digital platform's dashboard, with each workspace representing a value stream of the company.
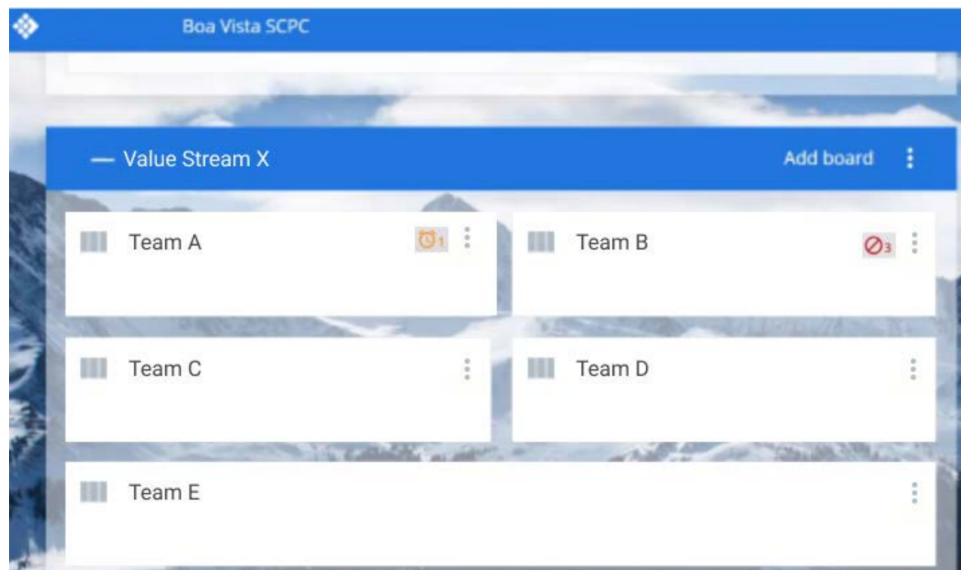
This structure gave the Delivery Managers, responsible for the value streams, a new level of visibility in the work and progress of the different teams. With blockers and overdue tasks signaled directly on the Workspace dashboard, problems became easily identifiable and approachable, making the alignment between the operational and tactical levels more straightforward.

To further support the alignment of the different company levels, Boa Vista also introduced various Kanban cadences and created ceremonies on the operational, tactical, and strategic levels as feedback loops that ensure a smooth information flow across the organization.

Kanban Cadences in Boavista

Operational Level
Team Level Ceremonies

| Daily Meeting | Delivery Planning | Replenishment | Retrospective |

Tactical Level
Ceremonies across Value Streams

OKR Review
Weekly meeting between BO & Product Managers

Risk Review
Weekly review of performance numbers, risks, blockers, and dependencies for all teams in the value stream

Operations Review
Every second week. Meeting between the CTO and all Delivery Managers to discuss the different value streams and escalate issues if necessary

Strategy Level
Ceremonies for Strategic Review

PDCA & OKR Review
Monthly meeting. The senior leadership & all agile coaches review teams' performance metrics, OKRs metrics, KMM evolvement, process improvement, and risk mitigation matters

Gemba Walk
Monthly the BOs, CTO, and the Delivery Managers do a status check with the teams to see how the teams are doing and discuss potential innovation initiatives

Key Results

•The Businessmap Software Platform helped Boa Vista visualize the workflow within teams and better align team operations with the strategic goals (KRs) of the company.

•The five-layered structure of the Team Boards helped break down silos and ensured a high level of transparency on Team Initiatives, Stories, Risk Management, and Continuous Improvement efforts.

•Working in smaller batches, combined with the new level of visibility and alignment, gave Boa Vista flexibility to react and adapt more effectively if needed.

## Data-Driven Continuous Improvement

Another challenge Boa Vista identified on their Digital Transformation path was how to effectively monitor and extract metrics from team workflows in order to identify improvement opportunities.

With the Businessmap Software Platform's built-in Analytics module, they acquired the needed visibility and data on the different teams' performance. They also shared that now, as part of the weekly risk review meetings on the tactical level, the teams go over the various charts to examine the flow's stability and identify areas that need attention.

Following the Kanban principles and the KMM model, Boa Vista focused on reducing and stabilizing its teams' cycle time as a direct way to accelerate the overall project delivery. To achieve this, they adopted several strategies when going over the different analytics charts.

Analyze Outliers

Monitoring their performance, Boa Vista adapted the routine of analyzing outliers. If they spotted a task that took unexpectedly long to complete or stayed too long in one of the workflow stages, they would investigate the reason. Some of the questions that helped them uncover the root cause and identify improvement potential in such cases were: Was the task blocked? If yes, for how long and why? If not, were there other issues? Was the task too big, compared to other work items in the workflow?
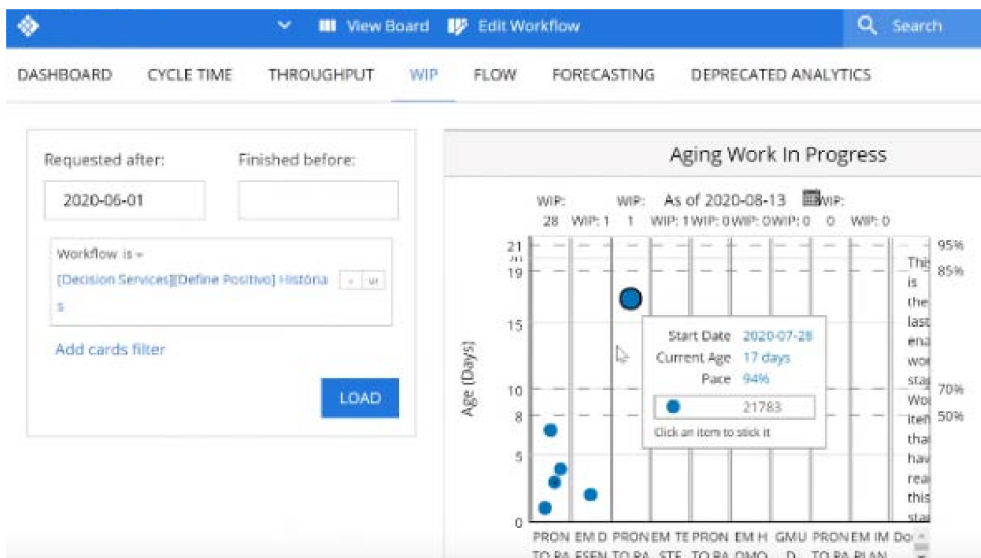
Asking this helped Boa Vista identify if the outlier resulted from a systematic problem and take actions to prevent it from repeating. Not all outliers uncovered improvement potential. However, the ability to quickly spot them and the habit of analyzing what caused them helped continuously evolve the work process. As a result, the teams were able to reduce and stabilize their cycle time.

Identify and Analyze Flow Interruptions

The various charts, visualizing the performance of the different teams, enabled Boa Vista to easily spot and proactively manage flow interruptions like bottlenecks and blockers.
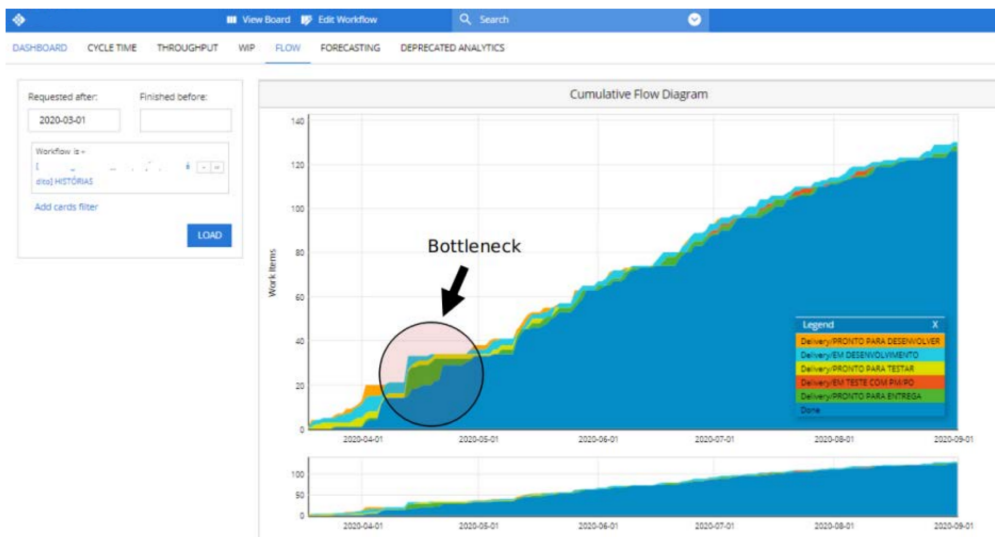
As they often caused delays in the project delivery, Boa Vista created the habit of looking closely at work items that could not flow smoothly through the work process.

Here they would examine what caused the interruption - Was it an internal issue or an external dependency? Was the task blocked because of bugs? Were there capacity issues, causing bottlenecks in the workflow?

Asking these and more similar questions, Boa Vista's teams were able to identify matters that needed extra attention and should go through the PDCA level of the team Kanban Board.
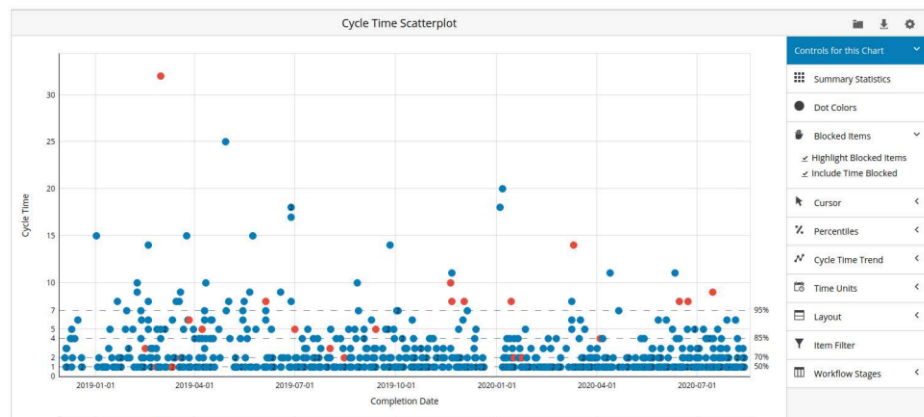
The blocker analysis also helped uncover dependencies and continuously improve teams' work processes, helping them stabilize their cycle time.

Combine Metrics with KMM

From the beginning of the Kanban implementation, Boa Vista followed the Kanban Maturity Model, with a solid plan for the teams to evolve to level 3 by the end of 2020. This involved gradually applying different Kanban practices. After visualizing the flow, they started setting WIP limits and implementing feedback loops. For Boa Vista was also essential to be able to measure how the workflow adjustments are affecting the performance of the teams. This way, the progress of the digital transformation efforts could be presented with hard data, and leverage points for further improvement could be identified.

Looking at the software's dedicated charts, Boa Vista clearly saw a steady improvement trend in the cycle time of the different teams during their evolution from KMM level 1 to KMM level 2. As the graph shows, the various Kanban practices they adopted, helped them reduce their cycle time and stabilize their processes.
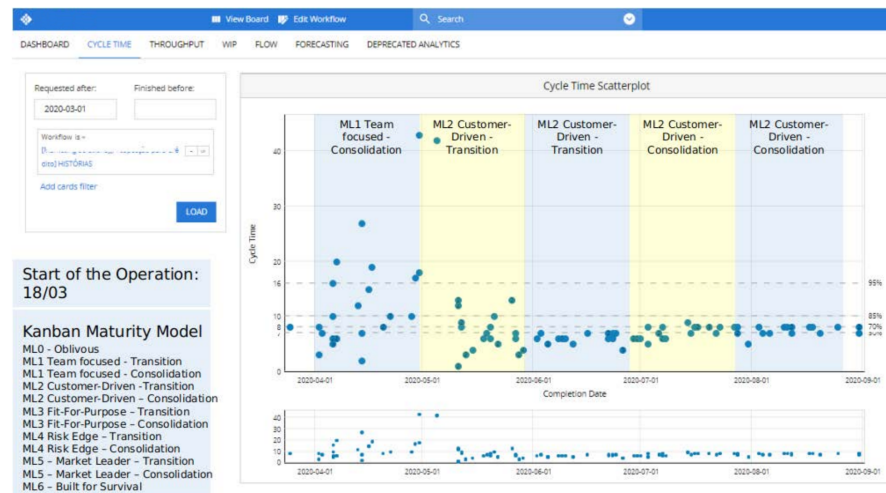
Another chart, showing this positive development was the Cycle Time Histogram. Seeing the declining tail on the right, signifying a more stable and predictable process, teams could further confirm the positive impact of the Kanban implementation and maturing.
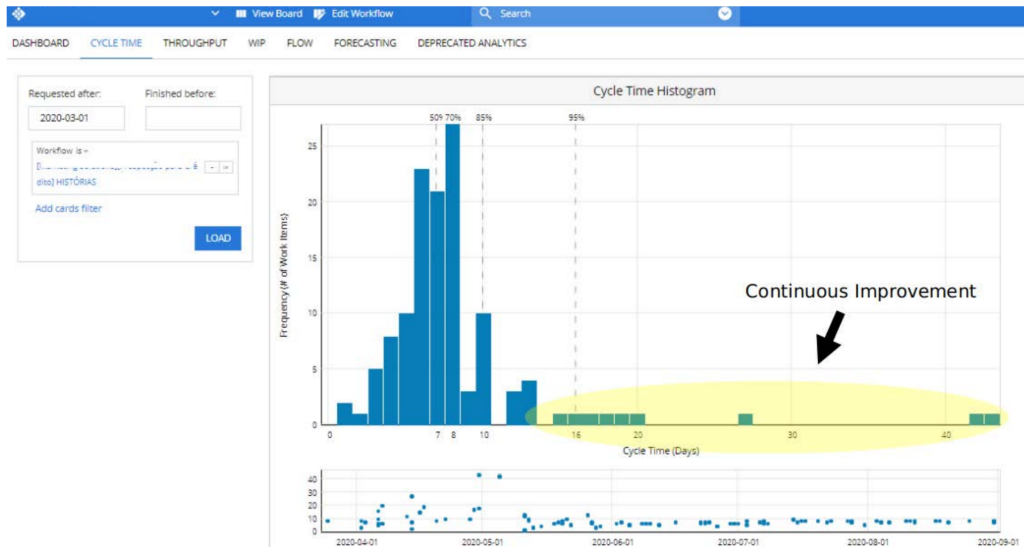
The transparency in the results of the maturing process gave data on the impact of the already introduced Kanban practices and further supported the continuous improvement efforts of the teams.

Showing how different workflow enhancements affect the teams' performance also served as verification that the company is moving in the right direction, and the digital transformation goals are being achieved.

Key Results

•The Analytics in the Businessmap Software Platform gave Boa Vista visibility and data on the performance of the different teams that help them reduce and stabilize cycle time by continuously evolving their work process.

•The systematic enhancement of workflows based on performance analysis helped establish a data-driven approach to Continuous Improvement.

•Combining Kanban metrics and focused efforts to reach a higher KMM level supported Boa Vista to achieve their digital transformation goals.

Future Plans

Next, Boa Vista plans to expand the Kanban implementation in the other company functions that directly impact the delivery process, such as Operations, Analytics, Finance, and Human Resources. They see this as an opportunity to create a shared purpose between them and the product teams and by that accelerate delivery even further.

Key Takeaways

The Kanban method in conjunction with the software solution by Businessmap enabled to gain visibility in their operations and successfully accelerate project delivery during their digital transformation. Introducing Kanban and maturing in its implementation helped them make processes leaner and establish continuous improvement as the norm. Choosing to improve gradually over time, helped the company avoid unnecessary disruption and resistance in the process. Introducing and training the teams in Kanban, Lean and OKR further helped Boa Vista become more flexible and aligned as an organization.

- With the help of the Businessmap Software Platform, strategic goals, risk management, and continuous improvement efforts came closer to the teams' daily operations.

- Linking team initiatives and company OKRs on the same board ensured better alignment between the different company levels.

- Introducing Kanban cadences on operational, tactical, and strategic levels helped strengthen this alignment by ensuring smooth information flow in the organization.

- Working in smaller batches, combined with the new level of visibility and alignment gave Boa Vista more flexibility to react and adapt more quickly if needed.

- The Analytics in the work management platform enabled teams to monitor their performance closely and evolve their work process based on data.

- The systematic enhancement of workflows based on performance analysis helped establish a data-driven approach to Continuous Improvement.

- Combining Kanban metrics and focused efforts to reach a higher KMM level supported Boa Vista to reach their digital transformation goals.

BoaVista

About Businessmap

Businessmap is an Enterprise Agility solution provider aiming to discover new management ways and share this knowledge through amazingly powerful, easy-to-use tools and professional services.

Businessmap offers the most flexible software platform for outcome-driven enterprise agility. Its unmatched functionality consolidates multiple tools into one, enabling affordable deployment at scale, visibility across all projects/portfolios and alignment on goals, to deliver quality work faster. Pairing it with the proprietary consulting program delivers a tailored solution that ensures lasting value and exceptional ROI.

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