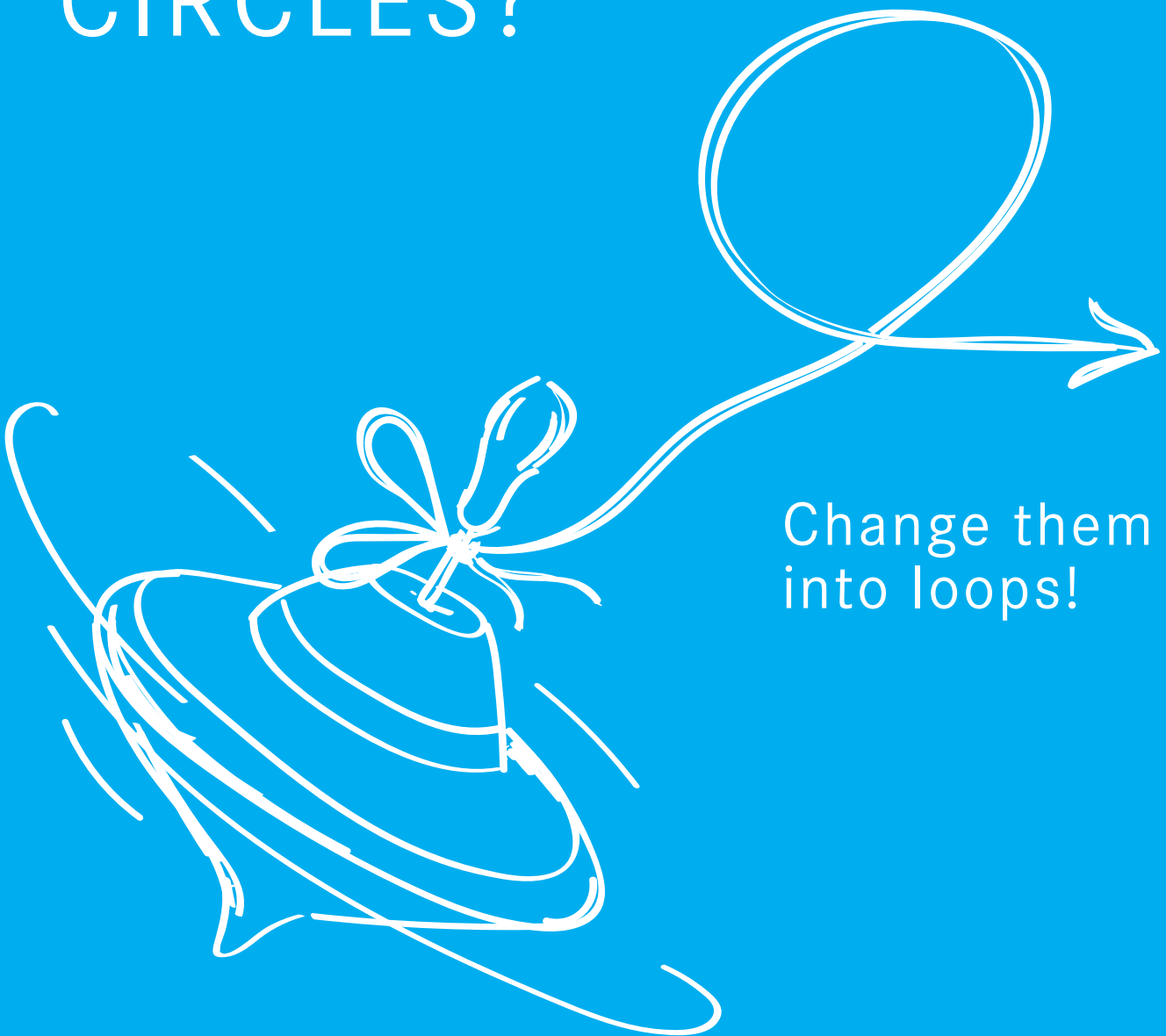


# RUNNING IN CIRCLES?



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Agility

# Taking Small Steps Towards Big Goals

## A Quick Guide to Head Off Into the Agile World

**Using agile approaches in projects is currently a trend topic. Instead of planning and executing projects “en bloc”, highly self-organised and intensely customer-focused teams move on in small steps. These characteristics of agile management keeps projects flexible, accelerates them and makes them customer-oriented. However, experts have noticed that many companies kick off too hastily into the agile world. They would be well advised to warm up with a pilot project to gain initial experience.**

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**“Agile project management is more than its methods.”**

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A medium-sized company forced new project management methods on itself. After the summer break, teams were expected to be agile. Self-organised teams have to work particularly close with customers and advance projects step by step. This requires ultra flexible methods to meet customers’ needs more efficiently, to work at a higher pace and to master complex tasks. After one year of trying, the company’s managing director pulled the brakes. The teams had never learned to run through the agile world, they were merely stalling. “We headed off too fast into the agile world”, admitted the managing director. After thorough and careful preparations, the company started into the second round with a well-prepared pilot project. The managing director reported that “this way, we were able to gain experience and to cautiously approach agile management.”

Greater flexibility in projects, faster developments of products and solutions, handling complexities, and meeting customers’ needs – this is what many companies expect from agile project management. However, the more companies rush into agile project management, the more stumble right at the beginning. Heidi Seidl, project management expert at next level consulting, observes two major mistakes.

Firstly, companies try to implement agile methods in all project management areas at once. But Heidi Seidl highlights that “agile project management is more than its methods. It is built on posture whose foundation is made of values like respect,

openness, bravery, commitment, and focus.” This statement signals that entering the world of agile management is strictly bound to a change of culture. Secondly, companies immediately shift the majority of their projects to being agile. This radical course of action overwhelms the entire organisation.

Heidi Seidl recommends to “first gain experience with a pilot project. This way, companies can find their own ‘agile context’ and familiarise their employees with agile values.” She proposes a basic strategy for starting into the agile world.

### 1. Step: Find a suitable project sponsor and a team of volunteers

Chose a project and assign it to a sponsor, i.e. to someone who takes the initiative and boosts the projects from an external point of view. The sponsor provides access to resources. Heidi Seidl explains that their central task is to “have representatives for the required competences within the team.” Most importantly, the sponsor builds a cross-functional team, which consists of members from different disciplines and with distinct fields of expertise. This variety of know-how renders the team dynamic. What is more, the team members should ideally volunteer to take the new, agile way with the company.

### 2. Step: Assign roles within the team

Agile teams work autonomously on their tasks. However, regarding their working practice, they firmly agree on specific methods and clearly defined work stages. Defining roles within the team forms part of this framework. The sponsor’s task is to appoint the so-called product owner and the scrum master. The sponsor is responsible for the product owner



representing the customer as well as external stakeholders within the team. The sponsor also maintains a close dialogue with all stakeholders. He prioritises and makes sure the customers and stakeholders' objectives are reached. His role differs considerably from that of the scrum master, who keeps an eye on methods and work processes. The scrum master checks whether his team operates within the set framework and organises, for instance, daily meetings, the so-called "daily stand-ups". Heidi Seidl recommends "to diligently qualify employees for this particular role, as hardly anyone can take it ad hoc."

### 3. Step: Fill the backlog

To fill the product backlog basically means to determine enough requirements to get the project going. One major aspect of agile project management is to ensure the customer's needs, which requires regular checks of the project's purpose for the customer. The leading question is: "Which customer needs what and why?" The reasons for the customer's needs are essential, because they clarify the customer's requirements. Real professionals are looking for user stories. A user story is a brief, non-technical description of the requirements and their purpose from the customer's point of view. Here is an advice for the project start: At least one or two weeks prior the first sprint, the product backlog should be filled with enough user stories to smoothly take off the project.

### 4. Step: Plan the sprints

In classic project management, all tasks are planned, executed and then presented to the customer. In agile project management, on the contrary, the team demonstrates intermediate results at the end of each sprint to the customer. These iterations, during which backlog items are transformed into deliverables, are called "sprints". Here is an example: A

team is asked to set up a homepage for employee trainings. The customer requires to integrate a knowledge store and a globally operating chat, which employees can use to get in touch with experts in case there are any questions. The product owner chooses these two desired features and requirements from the product backlog, with which the team enters into the first sprint. This means, the team firstly develops the list function and the chat window for the customer.

### 5. Step: Give feedback & hold retrospectives

The deliverable of the sprint is expected to be more than just a provisional arrangement. Heidi Seidl clarifies that "each sprint is supposed to end with potentially shippable deliverables. In other words, the team should feel confident presenting the deliverable to the customer." The customer then tests the preliminary product and comments on it. Based on the customer's feedback, the team adapts the preliminary product and starts with a new sprint, which also ends with the customer's feedback. This process ensures a step by step accomplishment of the project. Feedback is an essential element to agile management. However, beside the customer's feedback, the team's retrospective is as indispensable. Heidi Seidl briefly explains the principle of this team inspection and recommends "scrum masters pay attention to regular team meetings to reflect on the approach and process." During such team meetings, the team examines whether they have chosen the right tasks, whether there was sufficient expertise within the team or whether the social interaction in the team is generally acceptable. Heidi Seidl finally underlines that "not only do teams learn from success and failure, but also the companies, with regard to their future path in the agile project management world."

# Online Chat, Social Media & More - discover the Digital Project World with „Reverse Mentoring“

## Five Strategies for the Digital World of Work

**A serious indiscretion: The project manager has revised the project deadlines and sent the confidential draft to his assistant project manager by email. A discussion ensued via email until a copy of the incomplete analysis found its way into the inbox of a divisional manager who forwarded the document to the executive board. Horrified, the project manager ordered his team to revert to communication methods from thirty years ago: telephone, meetings and paper files. Surely, there is no chance for information to leak out again.**

Whether email, central data storage, online chat, or social media: digital communication has become an inherent part of project management. Data flows keep entire teams together. Teams often work online and know their project manager only from video conferences. Digital communication brings enormous efficiency to project work - if project managers are able to deal with it. Yet, this is often not the case. "Elderly project managers in particular do not use the full potential of the digital world of work," observes professor Manfred Muehlfelder, economics psychologist at SRH Mobile University and member of the expert network of next level consulting. He reports that "many project managers lead their teams and communicate with them as they did twenty years ago." They run into "digital traps": In the past, project managers had to pay attention to what they say. Today, they also have to decide on the right communication channels. For instance, confidential information should not be discussed by email. Despite the risks and obstacles, professor Muehlfelder identifies many benefits for digital innovation in project management.

For example, video conferencing makes communication more efficient for geographically distanced teams. While face-to-

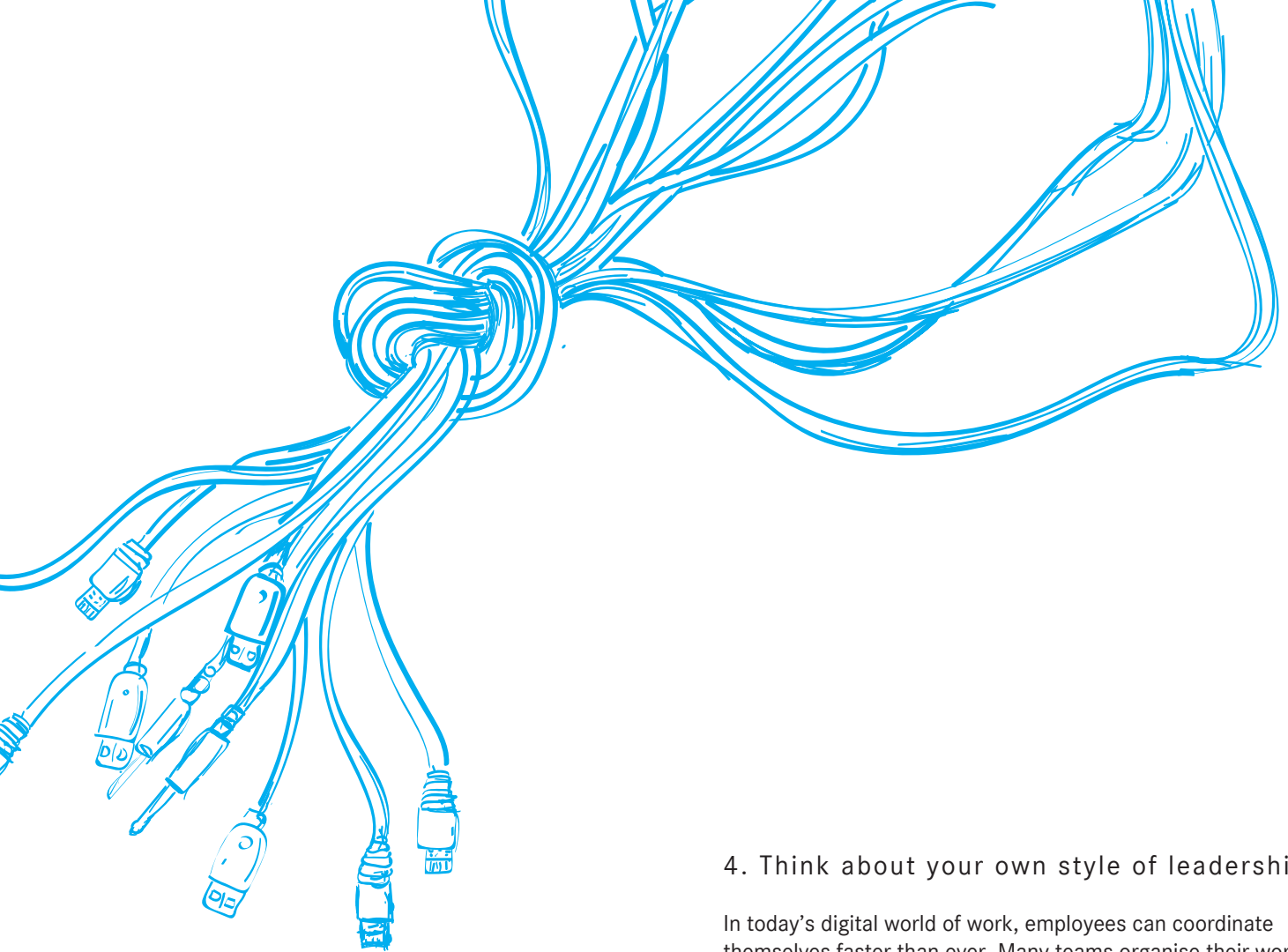
face conversations create more trust and commitment than calls or emails. The latter require neither money nor time for a journey to a common meeting place. "By skillfully using media and other digital tools, project managers can be very effective in managing their projects," explains professor Muehlfelder. He advises project managers to maximise the potential of the digital world of work by following five strategies:

### 1. Develop media competency

Most project managers carefully plan communication methods in their projects. Which information is sent when to whom? Who takes part in which meetings and with what responsibilities? But until now, the "how" of communication was not the main focus of project managers, which professor Muehlfelder considers a failure. Not every communication channel is equally suitable for every content. For example, emails are unsuitable for conflict resolution; arguments are better resolved by telephone. Comparably, conference calls are inappropriate for difficult team decisions or brainstorming, for which video conferences are better suited, as employees are more involved, and their facial expressions can be observed. Online chats are advisable for complex technical discussions, as the dialog is automatically logged. "Those who use specific channels should also be aware of the associated risks," warns professor Muehlfelder. Rumours spread quickly over social media. Misinformation in chat protocols cannot be rectified. Information sent to a wrong distribution list cannot be recovered. "Project managers should establish rules within their teams for dealing with different media types and agree on rules for data security," recommends professor Muehlfelder.







## 2. Reduce personal distance

It may sound ironic: Digital communication brings people closer together. But it also erects walls between people. The fast pace of digital communication allows for quick coordination and decision-making. But fastly typed messages render communication more impersonal than phone conversations. Email messages often employ ruder wording than face-to-face interactions. “Undesirable group formation is especially risky,” explains professor Muehlfelder.

“In digital communication, the individual recipient is secondary, as the addressee is often associated with a group. This can lead to perceptions like ‘The IT people are difficult to deal with’ instead of ‘My IT colleague has some open questions.’”

## 3. Increase your own presence

Digital communication has a “big catch”. The efficiency of digital media emphasizes factual information and causes the invisible messenger to remain in the background. This also applies to the project manager. As a leader, he is at risk of literally disappearing from the scene, as he ceases to be personally present. “Especially in the digital world of work, project managers have to find new ways of maintaining their presence as leaders,” explains professor Muehlfelder. In addition to personal visits, video conferencing and social media in particular help to improve presence in the team.

## 4. Think about your own style of leadership

In today’s digital world of work, employees can coordinate themselves faster than ever. Many teams organise their work independently and without the intervention of the project manager. They agree on their goals and plan solutions, work packages and appointments. Many project managers appreciate this independence. “Nowadays, few project managers can control all details of their project, distribute tasks and control results,” reports professor Muehlfelder. The project manager transforms from a project executioner to a teamwork facilitator and team coach. He clarifies objectives, sets the guidelines and supports his team to ensure smooth and productive cooperations. Especially elderly project managers have to adapt to this new role model. Not only does this mean delegating responsibility and letting go but project managers also have to adopt completely new leadership styles, like advising employees intensively, conducting extensive feedback discussions and sensitively resolving conflicts.

## 5. Rediscover experimentation

The digital workplace comprises more than emails, document servers and planning software. Projects can draw from a richly filled technology toolbox. Internal social media platforms, for instance, allow employees to interact with the team, showcase their work and exchange information about private matters. “This way, social media can create connections and increase cohesion, especially in spatially distributed teams that do not work next door,” explains professor Muehlfelder. However, many elderly project managers find it difficult to use these new media tools. Out expert recommends a dialogue with young employees employing “reverse mentoring”: The project manager coaches younger colleagues using his experience. In turn, the “digital natives” explain social media to him.

# Clear away Whatever Impedes Innovation

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## Strategies to Detox your Organisation

**IT projects at a software company had increasingly gotten out of hand, particularly regarding finances and schedules. New, agile methods for project management should have provided a remedy for angry customers. However, the company was too bureaucratic, too slow and too inflexible for working with agile methods. This resulted in the projects being stuck in the hierarchy of the company. According to the CEO, it was only after a “health treatment” that the company managed to break free from rigid structures: “We put our organisation and working methods under close scrutiny and removed anything hampering innovative working methods, which almost felt like a detoxification.”**

Many companies are trying to reclaim lost land by applying new methods, like agile project management. Such methods, however, are of little use if the organisation alongside its culture does not change. Katharina Heger, Senior Consultant at next level consulting and expert for agile organisational development, explains that “successful companies have orientated themselves towards future trends.” This means they are looking for new ways for dealing with responsibility and partners, are changing their corporate culture and doing away with anything getting in the way of flexibility and innovation. Katharina Heger describes how companies use the effects of such “health treatments” for rejuvenation:

### Defining the organisation’s intent and purpose

Successful organisations are aware of their goals. Katharina Heger explains a fundamental aspect: “If executives and staff members know their organisation’s intent and purpose, they can work better and make decisions more easily.” Our expert illustrates this necessity by referring to an organic bakery, which finds their intent and purpose in selling healthy, sustainably produced bread. The intent and purpose are the compass for decision-making processes, for instance regarding the purchase of ingredients or the design of production processes. If intent and purpose are formulated convincingly, the staff members’ motivation increases considerably, especially if they identify with and support the company’s orientation.

### “Who are my partners?”

Many employees are used to thinking solely within their departmental borders. The adjacent department is often thought of as “organisational foreign country”. A similar self-centred view is observed with many executives who assume that a single person reaches better decisions than a group of people. However, scientific research refutes this belief and proves that people judge and take decisions more effectively in groups. This is referred to as “crowd intelligence”. This shows that executives should deal with partners within and outside the company, including freelancers, cooperation partners, suppliers, and, above all, employees and customers. “Explore your partners and their view of the collaboration, products, needs, and markets.” Katharina Heger suggests fathoming your partners’ perspectives and motives.



## Re-thinking partnerships

Innovations often result from companies re-thinking their partnerships. For example, for a long time, hotel guests had been regarded merely as consumers until a service provider turned this image upside down. In case hotel guests choose to spend the night at another place, they can rent their accommodation during their stay to other guests. By doing so, the service provider assigned a new role to his partners: The guest turned into a landlord, the consumer changed into a supplier. Similarly, an online book store transformed its customers into authors, who distributed their work by the online store. Other companies do likewise by inviting their employees, suppliers and customers to become co-investors and participating partners using crowdfunding. As a result, they found an innovative start-up together or realize new product ideas. "Ultimately, it is about identifying the partners' full potential and developing it further together." Katharina Heger adds that such innovations are most often backed by intense networking. Visionary executives are, therefore, used to spend a lot of time on developing relationships and networks.

## Re-designing work and responsibility

Flexible and innovative organisations have started delegating responsibilities to teams; work groups may take decisions which are usually reserved for the management. As a result, such organisations are adventuresome, highly flexible and, most significantly, fast. Additionally, innovative working methods bring a new spirit to the organisation, for instance Makeathons (a timely restricted, interdisciplinary and competition-like search for solutions), Barcamps (an open format for exchanging experiences and ideas beyond hierarchical structures) or Design Thinking (innovation workshops focusing on customers and the creation of benefits).

## Changing the company's culture

Independent and autonomous work, cooperating in networks and new working methods require a stable cultural basis in a company, to which transparency is the key, according to Katharina Heger. "Transparency is what creates reciprocal trust and unreserved collaborations." This encompasses, for instance, that all employees have access to all information they require, employees are involved in decision-making processes, experiments are allowed, knowledge is shared, and diversity of opinions is encouraged. Katharina Heger underlines that „companies need to create a culture of errors. If you fear consequences of your errors, you will never be able to work independently and make decisions." Our expert breaks it down to openness, participation, networking and agility.

## Thoroughly detoxifying

In case a company succeeds in making a turnaround towards the future, it can start eliminating obsolete ideas like rigid norms, bureaucratic processes and obstructive position thinking. Some companies are even considering levelling conservative hierarchical structures to empower independent and autonomous work as well as individual responsibility. Two basic questions assist in the clear-out: 1) Do the processes, positions or rules serve the intent and purpose of our actions? 2) Do they support our collaboration with partners? If not, clearing out might pay off in the long run. Katharina Heger states that "after such a health treatment is initiated, the spirit of optimism, even a start-up spirit, spreads." Such a fresh impetus has already helped companies to a successful future.

# Design Thinking - From problem to prototype

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## Thinking Out of the Box Made Easy! The High Art of Accepting Question Marks

**Do you like question marks? If so, you will do well with Design Thinking. With Design Thinking you will find particularly creative solutions for pioneering innovations, for example. You will yield insights that would otherwise have never crossed your thoughts during classic brainstorming.**

**Yet, fruitful Design Thinking presupposes patience to leave questions unanswered and to work closely with customers and users. It also requires not be content with the first set of ideas. Design Thinking might be compared to archery: With the right technique, you first put tension on the bow before you release the arrow. So, can you stand question marks and deal with this tension? All right! Then let us take a look at Design Thinking.**

More than a hundred years ago, a car pioneer asked his customers about their needs for mobility. The customers replied unequivocally that they wanted faster horses. But the pioneer was skeptical and explored the needs further. Gradually, he realized that basically, customers did not want faster horses but faster means for travel. This brainstorming process brought the car into existence and fostered its mass product. The pioneer won the race by inventing affordable cars which met the initial needs of his customers. His insights had leverage that wrote automotive history.

Such insights with leverage can be revealed with Design Thinking. “Before thinking about solutions, analyse the deeper needs of your customers,” advises Christina Hiller, managing director of next level consulting South Africa. Design Thinking

asks for patience and close interactions with customers. This ensures finding the right solutions for your customers’ needs and wishes. Christina Hiller and her colleague Gunter Gruhser are convinced that Design Thinking is an effective tool for generating the best ideas for problem solutions, innovation and agile working methods with multidisciplinary teams. “We use Design Thinking methods when collaborating closely with our customers, when looking for solutions to deadlocked problems or when bringing real innovation on the way,” says Gunter Gruhser, senior consultant at next level consulting. His clients report back to him and are highly satisfied with solutions and new ideas that put the customers and their needs first. This is the right way to write real success stories.

Despite its usefulness, “Design Thinking is not a universal tool,” clarifies Tina Hiller. It is insufficient to just learn the method and use it as a checklist. Design Thinking must be compatible with the mission and culture of a company and the leadership style. Anyone working with this method needs to be open to new ways of thinking and new problem-solving processes. Many companies have already gained experience with Design Thinking and its required mindset. Step by step, we will introduce further customer to the benefits of Design Thinking. The automobile pioneer was even a greater visionary than initially assumed: He knew that owning a car was one thing. Learning how to drive was a whole new issue.

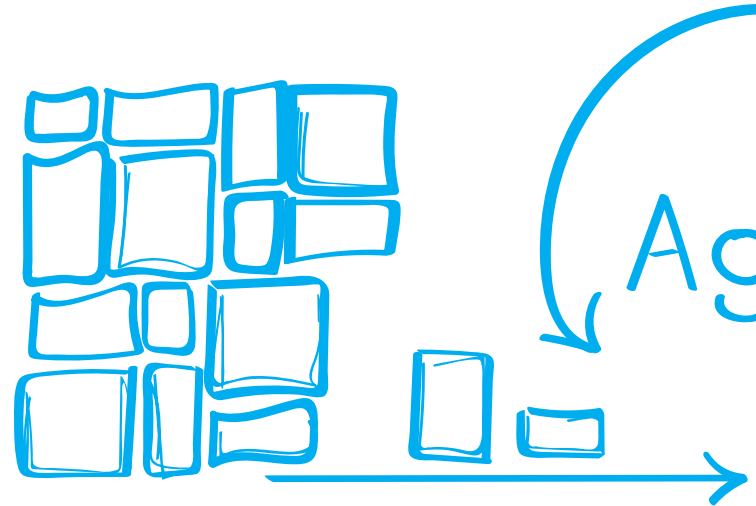
Interested in Design Thinking? Get to know the method in our training “Design Thinking in Projects” or get started with Agile consulting for creative solutions and successful innovations.





# 5 Criteria to Find out if an Organisation Profits from Implementing Agility

## Agile Management is Changing the World of Project Management



The executive management team of a medium-sized mechanical engineering company mandated an organisational change project. The project team faced the challenge that the new structure would only emerge as the project unfolded. Executive management wanted to specify their requirements as the project took shape. Essentially, the project manager was asked to square the circle. How could he plan his project professionally without knowing the project's exact deliverables? "Let us try using an agile approach", he proposed. This method, as opposed to classic project management, requires no detailed planning in advance. Instead, work is kicked off right away and presented to as well as coordinated with the client at short intervals. The project team agreed on this approach and tested different newly developed processes in small "trial teams". The results were discussed with the CEO. "Based on the feedback from staff and executive management, we work our way towards the best possible deliverable little by little," explained the project manager.

Agile has become a mega trend in project management. Teams work in short development sprints. They work towards the project outcome in a hands-on, iterative process coordinating each step with the client: Is each iteration leading

towards fulfilling client expectations?

Can the team proceed based on the previous iteration? How does the previous iteration need to be adapted to continue with the next sprint?

"In classic project management, thorough planning of the project is essential," explains Verena Evers, project management expert at next level consulting. Taking several weeks and painstaking attention to detail, project managers determine objectives and deliverables, calculate time lines and budgets, weigh risks, and identify staff requirements. For this to succeed, the project manager needs to know the client's wishes from the beginning. Such a tightly planned project offers little room for changes. "Agile approaches offer an elegant solution to this problem,"

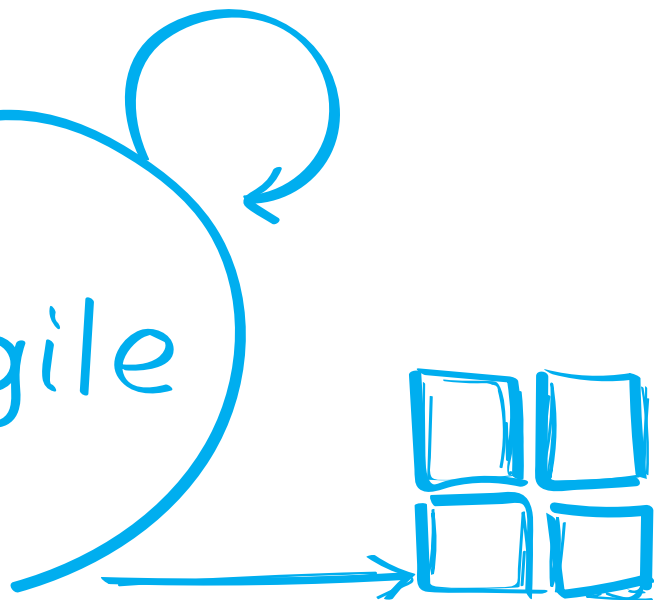
explains Verena Evers. However, new approaches in project management not only demand changes in the way we work in a project but also in an organisation. "If companies can hand-

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**"Based on the feedback from staff and executive management we work our way towards the best possible structure step by step."**

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le these changes, an agile approach often works more advantageously than classic project management approaches," says Verena Evers. Introducing an agile approach often results in an increase of productivity by 200% and more. Verena Evers has repeatedly experienced this positive outcome in working with her clients. The following five criteria can help organisations determine if they might profit from introducing an agile approach:



### First Criterion: Dynamic Projects

If clients cannot formulate their wishes and requirements at the outset of a project, Agility offers the only successful way forward. “This is often true for highly innovative projects, which venture into new territories and need a creative approach,” explains Verena Evers. It is also applicable to complex projects that require repeated adaptations. The rule of thumb is the more changes are to be expected after the project kicks off, the more useful agile methods are.

### Second Criterion: Openness to Transparency

There is nowhere to hide within an agile project. The current status of the project, technical difficulties, blocks to progress, and delays – all these details are known to the whole team. Experts note that agile projects are “fully illuminated”, there are no dark corners. Who or what is holding back the team becomes quickly evident. Organisations building on or aiming for an open culture welcome this amount of transparency. “The better a company deals with transparency, the more successful an agile approach becomes,” explains Verena Evers.

### Third Criterion: Breaking up Silos

In classic project management, a project is often handed from department to department, for example from software development to software testing to production. This is different with agile ways of doing this. This cumbersome handing-over of projects has become outdated. Agile Management breaks with customary organisational logic, with departments and silo-thinking. “Development engineers, test specialists and production experts do not work on a project one after the other, but together as one team,” explains Verena Evers. This means that companies with an affinity for cross-functional team work are well prepared.

### Fourth Criterion: Responsibility in Teams

What is striking about agile projects is the small number of planning documents and reports. This does not mean that teams are unsupervised; team management simply functions differently – not by plans and KPIs but regular meetings with the clients, in which results are presented and discussed. This exclusive focus on results gives very short reign to the teams. Each iteration presented to the client must be self-contained, functional, tested, and documented, like a functional software module or a stand-alone mechanical prototype. This results in managers facing the following challenge: They cannot control a project’s progress with their tried and trusted tools. Writing reports, gathering data and comparing actual data with plans is no longer possible. In other words, organisations comfortable with trying new ways of managing and leading will benefit from Agile.

### Fifth Criterion: Willingness to Change

Agile project management necessitates new ways of working. Teams work independently, they decide for themselves how to move forward and how to organise themselves. They do not need a classic project manager, who steers the project like a captain steers a ship. Accordingly, tasks and responsibilities change for other “players”, too. They discover new roles for themselves. Here is the exemplary agile project manager: He is the face of the project to all contacts outside the team, takes care of relationship management with clients and partners, acts as coach, advises and facilitates organizing roles within the team, and mediates in cases of conflict. “If organisations are open to these changes and ready to adapt their mindset, chances are high for a successful introduction of agile management,” argues Verena Evers.





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