



Architecting the Cloud, part of the On Cloud Podcast

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Title: Digital transformation: reduce fear to produce success

Description: When digital transformation initiatives struggle, the blame often gets assigned to the technology implementation. However, in many cases, it's actually more of a people than a technology issue. Fear of change often plays a critical role in project failures. In this episode of the podcast, Mike Kavis and guests, Jeffrey Fredrick and Douglas Squirrel, discuss barriers to digital transformation success and how fear of change can hobble success and set the project team—and company—up for failure. Their solution is to reduce fear—and promote collaboration—by understanding what motivates people, embracing differences, building trust, and modeling behavior that produces positive changes.

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Operator:

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Mike Kavis:

Hey, everyone. Welcome back to the Architecting the Cloud Podcast where we get real about cloud technology. We discuss cloud with people in the field who do the work every day. I'm your host Mike Kavis, Chief Cloud Architect over at Deloitte, and today I am joined by Jeffrey Fredrick and Douglas Squirrel, authors of the new book, "Agile Conversations, Transform Your Conversations, Transform Your Culture." Guys, welcome to the show. First, congratulations on the book. I know how much work that is. And, Jeff, we'll start with you. Introduce yourselves and tell us what inspired you to write this book.

Jeffrey Fredrick:

Okay, great. So thanks, Mike. Good to be here. I'm Jeff Frederick. I am managing director of a fintech company in London and I also do CTO and executive coaching. And I was very excited about writing the book because of all the people out there who I find who are trying really hard to do the right thing. They're putting the time and effort, trying to change the way they're doing things, trying to get these improvements that they've heard about, but they keep

getting stuck and they end up frustrated. And when I say that they're frustrated, very often they're frustrated with other people in their organization, and I find this happening at every level.

You have executives who are frustrated with the development team, with the product teams, with marketing, and likewise in those marketing teams they're frustrated with the CEO, and everyone's frustrated with everyone else. And we want to provide tools that will help people to get past that, people who help them unstuck and start getting kind of the benefits that they're making this transformation for. That was my motivation, allowing people to get the benefit of the better way of doing things that they've heard about but haven't been able to achieve.

Douglas Squirrel:

I'm Squirrel. I'm consulting CTO – yes, my name actually is Squirrel, and the easy way to understand why I do that is because there are lots of people named Douglas and not many people named Squirrel, so it's easier to call me that. So as I say, I'm a consulting CTO. I've been doing that in around 80 organizations in the last five years, so I get through a lot of different companies and see a lot of different things, and 15 years as an employed CTO before that in a series of startups. And the reason that I wanted to write a book is very similar to Jeffrey's, but a little more edge to it. I was really angry, and the time when I was angry, kind of the thing that really got me going was when I read, "Five Dysfunctions of a Team," by Lencioni.

And this is a wonderful book with fantastic stories of this company and how they have problems and how they overcome them and analysis of all the problems, and I was just reading through thinking, "Ah, this is going to be super. I'm going to find out what I can do about these problems now that I know about the problems. I recognize all of them." And I got to the end of the book and the book said, "And the way to build trust is to go on a ropes course and tell stories to each other about your history." And I threw the book across the room. I was really just so frustrated. And it's unfair to pick on Lencioni because he's not the only one. Loads of books tell you about how to diagnose problems and then say, "It would be a good idea to solve these. It would be great if you had more trust. It would be super if you could reduce fear. Really people should understand why they're doing what they're doing."

But they don't tell you what to do! And the thing that really got my goat was that Jeffrey and I had been studying these techniques, which have 45 years of social science behind them. They're kind of buried in very complex, hard to read, very dense books, but they have amazing suggestions, very, very concrete things that you can do that involve nothing more than a piece of paper and a pen and a lot of blood, sweat, and tears, a willingness to improve. But you can actually follow the steps and get better at these things and improve them, and I was just very frustrated that no one else had written that book and I really wanted the book. And now I'm so pleased that when I don't know what to do about improving trust I can go to a book and read it because we wrote it. That's the best thing about having written it.

Mike Kavis:

Yeah, and having been through the book over the last few days, it's pretty enlightening. I really appreciate the book. I'll say it again on this podcast and my listeners will groan, but I always say that technology's easy and people are hard, right? And I focus a lot on cloud, and the hardest part about cloud adoption is those people and process barriers, and your book touches on that a lot. So let's get into that. The book kind of opens with challenging the famous quote, "Start with the why." Talk about that. We'll start with you, Squirrel, and we'll go Jeff after that.

Douglas Squirrel:

Okay. Yeah, so there's another book that – and of course the famous Ted Talk with a gazillion views on YouTube where Sinek talks about the three circles and how you should always start with the inner circle and it wasn't the, "I have a plan," speech; it was the, "I Have a Dream," speech. That was what was really inspiring to Martin Luther King and how he inspired millions of people to change their lives – all absolutely correct. But the thing that's missing from that is the notion that you have to have some foundation before any of that will work. Simply walking into a group of people who have all kinds of pre-set ideas, a culture that existed before you and that you may have helped to create, and walking into them as their leader and saying, "Here's where we're headed; this is what we're doing," doesn't work.

And so we really wanted to challenge, not the idea that it's good to share an inspiring why, but that you need to build a foundation first of trust and reduced fear, and that's what the first two chapters are about that. And then you need to involve the people and the organization in figuring out why. For example, if you're going to switch to a cloud platform because it's going to save money, you might want to talk to the people who are involved in your current platform, because they may have some ideas about how to save money that are even better and that they could contribute to your strategy for going to the cloud in order to save money. And they might also be able to get some other ideas in there as well. So we give very specific techniques for how to do that joint design so that the people in your organization come along and are excited and enthused just like the followers of Dr. King were to follow, "I Have a Dream." If you just march in and say, "Here's why," you're not going to get very far. You need that involvement and you need the foundation.

Mike Kavis:

Yeah, and one of the things I'll add to that – I'm a big fan of John Kotter's Organizational Change books, and he talks about the WIIFM, "What's in it for me?" It's not only what, but it's the what for each person, right? So someone who's at the keyboard doing stuff, the why are we changing is a little different than the finance controller who's thinking about CapEx and OpEx. And so it's not only why, but why for each person. Each person has their why. Jeff, your response to the challenging start with the why?

Jeffrey Fredrick:

Well, I think, Mike, your point is perfect – it actually fits exactly what I had in mind, which is the problem with starting with why – it's not that it never works, but when it fails, a lot of people don't understand why. Ironically there's a different kind of why here, right? They don't understand what about it failed. And I think your example is actually perfect. It fails because the leader in there trying to motivate people is talking about their why, the why that resonates with them, and they assume that what resonates with them will resonate with everyone else, and they forget about all the different views in the organization. And this is why we say that it's important to have a conversation where you're allowing everyone to bring their own why into it and to understand and interrogate the different angles of what it means.

And very often you'll have a plan that the leader brings in or someone else – maybe someone else brings it in. They say, "This is why we should make this change." And people, when they're presented with that why, it doesn't resonate with them. They want to push it away. If we actually take the time to hear everyone's point of view, what matters to them, if you can hear what's important to them, then you can say, "Oh, and here's what this move to cloud, say, would mean for each of you." And it turns out in the end, oh, actually this meets all of our whys. So I think that mistake of starting with a single why is – also

it's a predictable mistake. The book is really built around the model of how humans suffer cognitive biases and make predictable mistakes in their conversations. And this is just a great example. One of the predictable mistakes is we come in assuming that people have the same view of the world that we do, when in fact the value of teamwork comes from the fact that people actually have different views of the world.

Douglas Squirrel:

And what's even better is that if you ask people how they should make decisions – we always ask this in all of our workshops and all the things that we do. We say – and we might ask Mike, "Mike, if we were going to make a decision about what cloud service to adopt, should we go AWS, Google Cloud, something else, how would you recommend we do that if we were to do that as a group of three here? How would we go about doing it?"

Mike Kavis:

Well, I would start with what goal are you trying to accomplish? What problem are you trying to solve with cloud? And we kind of can start there.

Douglas Squirrel:

Yep. So you would be curious about what our different goals would be, and maybe we'd find out they were different. And would you share your own goal? Would you describe and would you be transparent about what you want to get out of our shift to cloud?

Mike Kavis:

If I had skin in the game, yeah.

Douglas Squirrel:

There you go. So congratulations. You're a perfectly operating human, and you know what the best way is to make a decision. It's to get everybody's point of view, to get all the information on the table so that if one of us knows that Google Cloud platform is going to go under tomorrow we can operate on that and we don't consider it. Don't worry; it's not going to. But if one of us knew that, we could make use of that information. And it's to be transparent because we want to include your view and we want to understand how you look at it. And so people know how to do that. The problem is when it matters they don't operate that way, and that's –

Jeffrey Fredrick:

Well, to be clear, Squirrel, you said that they know to do that, but what they don't know is how to do that.

Douglas Squirrel:

Very good point.

Jeffrey Fredrick:

And that's exactly the gap that the book is trying to fill.

Douglas Squirrel:

By giving you specific steps that you can follow to make that happen.

Mike Kavis:

So one of the other points – you talk about barriers and one of the biggest barriers is fear, and I totally agree with that. So start with that first. Put fear in context because that means a lot of things to a lot of people. But why is that, and then how do you fix that? Reading your book, it has a lot to do with having these truthful conversations, but I'll let you guys run with that one.

Douglas Squirrel:

Sounds good. Should I tell the story, Jeffrey?

Jeffrey Fredrick:

Certainly.

Douglas Squirrel:

Okay. So we have a story that's a made-up bit of evolutionary biology but there's every reason to believe that it's what actually happens, which is that long, long ago our ancestors had to exist in a very dangerous environment, and they had to make choices. So we tell the story of two cave people who had to go out and hunt and they heard a loud noise, and they reacted very differently to this loud noise. One of them said, "Hey, maybe that's a deer we can eat for weeks! This will be great. I'll be a hero of the tribe!" and ran over to where the noise was. And the other one said, "Oh, my God, that could be a bear," and went up the nearest tree. And the most important thing about that story is that all of us are descended from the one who went up the tree, because the other one might've found 20 deer, but the 21st time that person found a bear, and that wasn't such a good outcome.

So we have this very natural reaction. It's the default feeling that you have, to be fearful, and it was good. It was adaptive. It was really, really helpful and I'm really glad that my ancestor ran up the tree and didn't run toward the noise, because I wouldn't be here. But the problem is it's maladaptive in knowledge work, specifically, but more or less in modern organizations where mostly we're becoming software, no matter what kind of industry we're in. Software is eating the world. We're becoming much more software-focused and knowledge-work focused, and so there are many, many, many more deer than there are bears, and most of the time the bear isn't going to eat you. If you pick the wrong cloud provider you're unlikely to be shot at dawn. You might lose some money, you might cause an outage, but the consequences are much, much less than in that survival situation in the story. So that's where the fear comes from.

Jeffrey Fredrick:

And as Squirrel said, there's many more opportunities now, and if we go back to that idea of the conversation, you're having a group discussion, you're in a meeting, you're trying to make a decision. The deer here is the example that we can get of collaborative teamwork and that we can get some conflict, some productive conflict between our ideas. If we all come in with different knowledge and different perspectives, that's a good thing. Differences are a strength.

They're opportunities to strengthen our ideas and get better results than any one of us would've come up with. That's the deer. However, because of our ancestry we interpret differences as threat, and rather than looking for the opportunities in our differences, we respond with defensive reasoning, and that closes us off, and it's what makes the collaboration unproductive.

So instead of having productive conflict between ideas, we end up with unproductive conflict between people, or we just end up with a game of being nice. This is where a lot of people are frustrated, because they have this conversation, they're having this meeting and they make a decision, and the real issues, what they feel are really important, doesn't get discussed because people are afraid to bring up in that group setting the really hard discussions, the things you really need to work through. And fear becomes a barrier to being able to make the progress that you all were there to make.

Mike Kavis:

So how do you get people to bring those up? That feels like it's a culture thing, or sometimes certain leaders just – you just can't bring stuff up in front of certain leaders. So how do you cultivate that, so people are being open and honest and bringing those things out and feeling safe about it?

Jeffrey Fredrick:

Well, the book is really about how you can do it yourself, and that's really the key. None of us are able that I've found to really control other people –

Douglas Squirrel:

If any listeners know how to control other people's behaviors, please get in touch. We'd like to write a book with you. That would be really interesting. That would sell really well. Unfortunately we haven't found anybody who can do that.

Jeffrey Fredrick:

That's right. There's one person whose behavior you can kind of sort of control - it's not just our experience, but as Squirrel mentioned there's a very long history about this, that if we change our behavior in very regular, predictable ways, if we are more transparent and more curious, then other people will suddenly behave differently. So this is what we're teaching people in the book, is how you can be transparent, how you can be curious about other people's mindsets. You can even be asking them about their fears, surfacing these issues, and make a – to the point that we start having productive conversations. A lot of the times people end up with what we call self-sealing behaviors. They have made an assessment of the room, of different people involved – and, Mike, you had a statement which fits perfectly. You said, "Well, there are some people you just can't bring this up in front of." Now how do you know that? That's your ancestor who was up the tree speaking.

Mike Kavis:

Right.

Jeffrey Fredrick:

And so what we talk about in the book is how to productively bring up your differences of opinion in a way that actually generates trust and allows other people to start contributing as well. Now we want to say – there's one thing really important about this. When we have these conversations that are productive, it doesn't mean at the end of them we agree. As we said, there is no way that we can force other people's behavior, so we can't guarantee at the end of a good conversation that you have agreement, but what you should have is mutual understanding. If we talk something through, I should be able to understand your point of view and you should be able to understand mine. Now we might still differ, but that's okay. This is a much better place to be because at least we have some mutual comprehensibility.

And this is far better than what we see where so often people are not talking through their issues. They end up frustrated because they really don't understand how these other people can't see the problems the way they do, and that's what we can get to, is we can start to have mutual understanding, mutual learning about what each other's experiences and points of view have been. Now very often, in fact most of the time, in the process people do in fact come to some sort of agreement. And as I said, in the best case it's agreement on a new direction that none of them had before they came in the room. But at least you can leave with mutual understanding and that's I think something that people should be aiming for and can concurrently get to, if they can get past the fear.

Mike Kavis:

Yeah, I did a podcast a couple weeks ago with Matt Stratton. We were talking about a lot of what we're talking about are the concepts of DevOps. He says, "The problem is we tell people what they need to do; we don't tell people how to change," and that's kind of the point here. The next point you talk about in the book, and I'm just going to mention the word and let you guys dive into it, but we talk about accountability. So we'll stick with you since you're in front of me on camera there. What's the message on accountability? And is there accountability at all different levels here?

Jeffrey Fredrick:

Absolutely. So for us the accountability we have in mind is a bit different than how people usually use it. For us accountability is a very positive thing and it's kind of literally rendering an account of what you're planning to do and what's happened. And –

Douglas Squirrel:

Whereas quite frequently you'll hear somebody saying, "How can I hold somebody accountable for this failure?" and you probably have never heard anybody say, "Who can I hold accountable for this great success, all this money we made from this choice we made? Who's accountable?" That's not very common but that's how we think about it. We think about rendering an account for what happened, whether it's positive or negative.

Jeffrey Fredrick:

And as we describe in the book, there's a very important part of accountability at all levels, and it's a sort of bidirectional element. The people who are in leadership positions need to be able to render appropriate briefing. They need to be telling people the constraints of what they're doing and the objectives. This goes back to part of the agreeing on why, but beyond that there's whatever constraints people have to operate in. And this is actually something that we're discussing with one of our readers who's in the military and talking about the Army doctrine of mission command, that there's an overriding principle, but within there, now that we've agreed on the what, it's up to the people who are implementing to say how. And part of that accountability is coming back with your plan and saying, "Okay, here's what I intend to be doing," and then continuing on, "Here's what's actually happening." And that step of, "here's

what I intend," is a chance for both sides to be able to make sure they're in alignment. It's a very important sort of error-checking stage to make sure you actually have a shared understanding of what you're trying to accomplish.

Mike Kavis:

Last question: I was just watching a presentation online about how COVID has changed a lot of things and what they were saying on there was that a lot of things are getting done that couldn't get done before, right? So like a lot of companies have been trying to go remote but now they did. There were examples of companies that had a product in an industry to move things online and they'd been in business for a few years and their business quadrupled in two weeks because all of a sudden everyone found it necessary to come online. My takeaway from that is change needs an event, right? So whether you're moving into the cloud or adopting agile, a lot of times people don't get motivated unless there's an event that's driving it. And my point – I had a tweet that came out of that – is you shouldn't wait for an event to come; you should create your event. Create that – go back to Kotter, that sense of urgency. Step one create the sense of urgency. Where have you seen companies have success by creating their own events to kind of drive the change?

Douglas Squirrel:

That's going to require thinking for a minute. That's a tough one.

Mike Kavis:

They didn't write about this one.

Douglas Squirrel:

No, we didn't, but I've worked with enough organizations that I'm sure I've seen that. I just have to think for a second about which ones. The one that strikes me the most is actually the one that led us to invent the fear conversation, the fear chart method that's in the fear conversation chapter, so it's one of the techniques. And the company was – there was kind of a slow-moving event that was going on that was going to kill the company pretty soon, which was they couldn't sell anything. And the reason they couldn't sell anything was because they weren't releasing anything. The product wasn't moving. And the product wasn't moving because – and I'll obscure what type of company it was, but they have a heavy compliance component. It's a company in which human safety is pretty important and, therefore for very good reasons, they were very cautious about what they did. But they were so cautious that nothing was coming out and the salespeople would go out and find out ten new things that could be with the product and nothing happened. Months and months and months went by.

The prospect bought from somebody else, and then the developers would say, "Oh, great, we got it done." No, sorry, we don't need it anymore. And that was a slow-moving catastrophe. So the CEO had enough foresight to say, "We need to do something about this," brought us in, and, specifically, what we did is we brought about a very difficult crisis. It almost led to the departure of one of the more senior technical people, because a couple of the folks weren't very effective. We kind of moved them aside and said, "Look, we need to work with these two in the organization. These are the ones who can really make a change happen so that this organization begins to deliver differently. But, CEO, executive in charge of the organization, you need to do something different."

And it was one of those cases where people don't always like to hear that it's their fault. They want to read the book and then give the book to somebody else and then those people do things differently. The message is you need to get out a piece of paper, fold it in half, and change what you're doing. And I was very proud of that CEO because he said, "Yep, I will do things differently. I will have a difficult conversation with these two leaders, and they will learn how dire it is how close we are to going out of business." And those two really had a shock. They went home and were pretty out of it. I think there was some drinking involved. But they came back the next day. That's what I was so proud of, because the CEO had created the crisis and said, "Look, you need to know. You've been shielded by the other folks we've moved out of the way."

You need to know that this is going wrong." And they came back the next day and said, "Right, this is what we're doing." That company delivers new products every two weeks now, and that was as a result of the CEO, creating that crisis in response to a slow-moving crisis. But he said, "We need to have this difficult conversation, we need to have it right now, I need to have it with you two, and you're not going to like it very much." And they didn't, and he didn't, but that was the foundation of trust that then led to the reduction of the fear they had: "We might kill somebody as a result of our product." They found a good way to work around that that didn't kill anybody and allowed them to release every two weeks. But it was because they had that difficult conversation that they were able to do that.

Jeffrey Fredrick:

And that really tells you the different types of leaders. There's the types of leaders who are reactive, and they need an external crisis to make change, but then there's the ones who are, to use Squirrel's phrase, forthright. And we talk about teams at Amazon. We're now going to all interact through APIs, external APIs. He induced an event that transformed the way they worked, and that's really I think the role of leadership, is to be – and leadership can come from different levels in an organization. But essentially that is what leaders are, are the people who can make the events that transform the way people work.

Mike Kavis:

Yeah, I totally agree. I can't mention company names, but there's a particular company in the banking industry that basically said, "We're going to become a software company and we're going to blow away our competition." And that was their event. So I totally agree. When leaders are proactive and create those positive events, those actually have the more moral impact than negative events, but either positive or negative, those get people fired up to get work done, because there's consequences if you don't. So, gentlemen, great conversation. Where can we find, obviously we can find your book on Amazon or whatever, but where can we find – I know you're writing and speaking and doing stuff. Do you have blogs out there? Where can we find you? Where can we find you guys on Twitter?

Douglas Squirrel:

Yep. So the easiest thing to do is to look for ConversationalTransformation.com. AgileConversations.com also works. It just sends you to the same place. But if you look for ConversationalTransformation.com you'll find our events, you can join our newsletter, you can get free videos. I do office hours for free, livestream so you can come along to those and ask me some questions. You can join our Slack instance and bug us with your puzzles. That's what that

gentleman in the military was doing, was coming to us with questions and puzzles that he has, and we're very happy to interact with readers that way. So ConversationalTransformation.com, that's the place to start.

Mike Kavis:

Any Twitter handles from you guys?

Jeffrey Fredrick:

Mine is @JTF. I'm very happy to have a three-letter Twitter handle, which someone tells me that's a certain level of bragging rights, so I'll take it. So it's @JTF on Twitter.

Douglas Squirrel:

It certainly is, and I'm very boring. I'm just @DouglasSquirrel. You have to remember there are two Ss in the middle.

Mike Kavis:

Okay, great talking to you. Congratulations on the book, wish you both success on that. So that's our show for today on Architecting the Cloud. To learn more about Deloitte or read today's show notes head over to www.DeloitteCloudPodcast.com. You can find podcasts by me and my colleague Dave Linthicum just by searching for Deloitte On Cloud Podcast on iTunes or wherever you get your podcasts. I'm your host Mike Kavis. You can reach me directly at MKavis@Deloitte.com or always on Twitter, @MadGreek65. Thanks for listening. We'll see you next time at Architecting the Cloud. Thanks, guys.

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