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CLOUD REALITIES

CR037

Building adaptable organisations with Patrick Oestreich chief commercial officer Hellman Worldwide Logistics 1

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[00:00:00] A few weeks ago, I nicked Confluent Technology, which I really like, but Straticution, that's going on the list as well, I like that. Yeah, there's no copyright on that one. Only by the end of today.

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

And this week we're going to be talking about how to reshape your organizations.

It's how to make them more adaptable in this ever changing world. But before that, Rob, what's confusing you this week?

It's the internet, Dave. It is. I mean, that's, that's a, that's a generalistic one, [00:01:00] mate. I'll tell you why. Have you actually thought about how the internet works, right? It's a massive chaotic network of different organizations and people and systems and networks run all over the world with no real governance.

Why doesn't it just collapse in a heap every 10 seconds? I don't get it. If you actually think about how it operates and interoperates, I just, I just think that it's a good example of a totally chaotic system, just being able to work off the back of. People layering and layering and layering. And it does confuse because it's just like it look, it's so complex.

I don't understand how it actually works, but it does work really well. Isn't this the tension between like, say the likes of Tim Berners Lee, who often goes on about, you know, should be relatively deregulated versus people who constantly try and regulate the, the internet. Is that tension part of your confusion, like the regulation aspect of it, or is it the technical bit?

It's the, it's the, I don't understand how such a deeply chaotic thing can function. And it goes to that regulation point, which says you don't need to [00:02:00] regulate it because a completely unregulated thing has actually worked extremely well since its creation. So actually it's an argument for chaotic systems can work.

I just, but when I think about everything involved in getting web page to pop up from whatever website I go to or whatever shop I want to shop at. I'm just surprised it works every time I click it. I was just, it still amazes me, but it is a good example of how chaotic systems can actually do such a massive thing.

Brilliant. All right. Thanks, Rob. Thanks for that. Now. Joining us this week on the show, then, to talk about the changing world, some of the chaos that Rob's just been talking about, but actually also a lot of the post pandemic and constantly accelerating change challenges we've been talking about on the show, is Patrick Oestreich from Hellman Worldwide Logistics.

He's their chief commercial officer. Hey, Patrick, good to see you again, mate. Thank you so much for spending the time with us today. Why don't you introduce yourself and tell us a little bit about Hellman? Yes. Thank you, Dave. And good to be back on the show again. So yeah, we, we are basically a 152 year old [00:03:00] company.

So, and I'm, I have the great pleasure to be the. Our chief commercial officers are looking after our sales marketing activities around the globe. So very much being connected to our customers and to the markets we operate in roughly 65 countries around the globe with our own staff, our own offices, et cetera.

And what we basically do is we are the engine of global economy and global trade, right? So we basically move, physically move material from our customers and suppliers around the world by either air freight, ocean freight, sea freight. or we store in, in warehouses and

contract logistics operations. We also do a little bit of.

Rail transportation across the European continent. Um, and also have our own express unit, parcel express unit in, in the European continent. So that's what we do in a nutshell. So maybe Patrick, let's just kick things off by just taking a bit of a step back and looking at worldwide logistics generally. So maybe you could paint a bit of a picture from your chair about how you're seeing the industry at the moment as we sit in late [00:04:00] 2023.

Yeah, I think it's a great question to go through. And it's probably now what I'm saying is pretty much generalistic and doesn't apply everywhere around the globe. But in general, when you look at the state of state of the nation, so to say, of the logistics industry, I think everyone is waking up a little bit like with a hangover after a proper party you had, right?

So the last two years were the proper party, because even if you didn't. Really know how to earn money in logistics. You were almost forced to earn money because of the supply chain disruptions, the market ups and downs you had and all the, all the craziness with COVID lockdowns, supply chain interruptions and everything like that.

Right. So I think the logistics industry is not a big margin industry. Normally you have to be. really well equipped and you have to have a well trained organization to basically earn money. If you're good, you're probably in the range of 5 percent EBIT margin. Yeah. And if you're not so good, you're probably in the one to 2 percent [00:05:00] EBIT margin or quickly loss making.

So what I want to say with that is in the logistics world, it is really about this, the nitty gritty decisions you make on a day to day basis, which basically decide about your level of profitability. And in the last two years, Everyone basically made a profit. There were still some examples who were not able to make profits, but those companies will probably go bust very quickly now.

But I think what I said in the beginning is now everyone's waking up after that party, realizing the industry as such has not fundamentally changed yet. Everyone thought we had changed over the last two years because money was coming out, left, right, and center right now. Now you go back to what I consider a normal market circumstance again, where you have to fight hard, with your competitors.

'cause let's face it, in, in, in, in the commodity areas of our business, it is a commodity, right? So moving an ocean box container from one port to the another, I mean, the three of us or the four of us can decide this tomorrow and make it happen. You don't need to be a super [00:06:00] smart in doing it. , you just need the right connections, the right buying rates and everything.

And then you get, you get an, and of course the customers and then you can get going. So as the majority of, of, of the logistics business is, let's say, somewhat commoditized, um, and has been commoditized also by our customers in the past because they sliced down every activity. of the supply chain into very small steps.

So somebody moved the container from origin to the origin port. Then somebody moved the, the, the main move on the oceans. Somebody else picked it up. Somebody else did customs clearance. So they sliced everything up. And obviously nowadays you start to realize that this slicing down is, is not creating value enough.

It's too complicated as well. And of course everyone who has been in a particular slice of the activity realizes, Oh, I'm now a commodity, which can be easily replaced tomorrow. So the question is now, how do I basically escape that commodity trap for myself? And I think that's

where we are right now.

So the [00:07:00] industry is not this back to what I consider a normal state of the nation. So where we probably have been in 2019 paired with an economic down cycle in some economies, right? Because in covid also all customers basically stocked up and bought whatever they can buy because of the supply chain disruptions.

And now a lot of companies face a lot of stock they sit on, all stock they sit on, which they have to, which they have to somehow work with and paired with an economic slowdown, that's certainly not a good mix to have, right? So, um, we are back into what I consider a normal environment. What I found interesting in COVID is what the reaction of humans to what they wanted to stockpile, etc.

So toilet paper was a big one. , but there was like pasta and wheats and things like this. It's the went back to the staples and the control and that from a consumer perspective, that seemed to completely destroy supply chains for a while, along with antibacterial hand gel and things like that, which was a reaction to COVID [00:08:00] itself.

And then that just, it took ages for that, that. Earthquake that occurred in the middle from a logistics perspective to recover and then the ripple effect seemed to go on for ages and ages. So it feels to me like it was a very carefully balanced system. And then this disruption has, um, really created a, an issue.

Do you think the industry as itself of redesigned post COVID to sort of maybe better cope with those, or do you think that was a one off and it was just, you know, we'll just know better to deal with it if it comes around again. Yeah, I think what you described is, is it's still very fragile, you know, so you see, you still see that volatility to kick in at the moment, obviously with a, with a little bit of an economic downturn, I think these problems are still there.

So the system itself is still fragile, but it's a little bit overshadowed similar to COVID on the other end. With the economic downturn. So supply chains are quite easy at the moment, but what is happening now is because of the political landscape, obviously companies are reconsidering to near shore, French shore, all these terms you have heard of, which also [00:09:00] creates stress to the supply chains.

Yeah. Because if you have been used to shipping and manufacturing from China and brought it into Europe or to the U S. And now you have to rethink, okay, how do I new shore or source from countries in Europe or, or at least countries in Middle East, et cetera, to get stock and manufacturing closer to my home.

And also to countries which probably are closer to our set of values that will put some stress on supply chains as well because these, the infrastructure is not there, right? If tomorrow everyone decides to manufacture Mexico to supply the U S. The infrastructure, the labor, all the supply chains are not yet there from today to tomorrow.

So you need to also develop the infrastructure, which we all know, building highways, building terminals, building everything takes a couple of years to, to, to cope with the demand. And you alluded to it, I think in that response there, but how big is sustainability is a conversation for you guys at the moment?

And just give us a sense of what you're looking at to respond to, you know, some of the very real challenges that that [00:10:00] sets out. Yeah, sustainability in, I think post COVID has become, it has been on the, on the rate up, let's say pre COVID. Sure. Then it was a little bit overshadowed by COVID itself because nobody really thought about sustainability as such,

as long as things were moving.

It was a different existential threat. Yeah. And it was a different way of sustainability. Sustainability then was more about. How do I make sure I have a sustainable supply and sustainable labor in my, in my entire setup? Because we very often forget that sustainability is there's an ecological component, but there's also an economic and social component to sustainability.

So the focus was on a different area of sustainability during COVID. But now, when you talk to senior, senior executives from whatever company, every conversation is around sustainability, decarbonization, because at the end of the day, let's face it, transport, it has a huge footprint. If you look at air travel, air shipments, sea freight shipments, road transportation, et cetera, [00:11:00] logistics has a big role and a big footprint.

And as such, also a big responsibility. To help decarbonize our supply chains going forward. And, um, so it is in everyone's, in everyone's, let's say, book to talk about sustainability. I think the reality now is again, um, and this is what we talked a little bit about the stress to the supply chain. Now everyone wants to decarbonize fleets.

Everyone wants to take electric trucks or hydrogen trucks or something like that. But the, the, the ability to produce the amount which would be required Including infrastructure is simply not there. So if you decide today, even if the four of us decide today, let's buy some electric trucks. So real commercial, big trucks, right?

Not the small ones, real commercial, big trucks. You won't get any until 2526 because the production has already been sold unless. There is some real, let's say, investment and, and, and government money going into that area to help upramping production. [00:12:00] You will not get any until 25, 26. So that is already two to three years out to, to help decarbonize, but it's on everyone's mind.

It's on everyone's, let's say book. To talk about that. And also for us, we have basically clearly articulated in the strategy that by 2027, we want to be the most sustainable logistics service provider in the world, because at the end of the day, you don't need to talk about replacing one mode of transport with another one.

At the end of the day, you need to talk about how do I really Avoid transportation as much as I can. It sounds a little bit weird from somebody working in the logistics industry, but at the end of the day, everything you don't need to transport actually helps the environment to decarbonize. You're almost having to rethink the nature of the supply chain in quite a fundamental way.

So it sounds like then just to sort of summarize that little portrait of the industry, it's a complex industry anyway, with many global connections that runs on. Small margins, and even if you're very good, you've got an increment on [00:13:00] that small margin, but you're working hard to get that you've got this post covid resettling within like an economic downturn period.

And then there's the bigger challenge of sustainable supply chains and sustainable logistics that's happening in the background. So tell us about your transformation, Patrick. What are you doing within the organization to respond to such a demanding set of circumstances? I think what we, what we have done now is, is not only to rewrite the cultural framework for the organization, because at the end of the day, if you want to be future fit and in a complex, volatile environment, planning is difficult, right?

Because nobody can plan three, four, five years out. Right. And whoever tells me he can,

or she can, I want to talk to that person. Um, because that would probably be the best paid person on the planet, right? Or the luckiest person on the planet. It's like, I actually got a three year plan, right? Yeah. Yeah. And that is the paradox zone because you need to prepare the organization for this [00:14:00] uncertainty and the volatility.

And a lot of people actually intellectually respond with uncertainty to try and even plan more. But you have to say we have to plan less to become more resilient going into our future, right? So this is the paradox you have to work on from a capability perspective as an organization. Could you give us an insight into it?

Because that's such a profound shift and something that we talk about on the show, which we'll come to later, I think. Is a framework that tries to look at that and I wheel it out quite often because I profoundly agree with what you just said, but could you give us an insight if you wouldn't mind into the board and leadership conversations you were having around that shift?

Because obviously, you know, senior teams for the last 50 years have been planning their way through things in a relatively or rather a comparatively stable world. How is that shift being discussed around the leadership table? I mean, first of all, you have to make it a leadership priority to, to take, to also show the organization [00:15:00] that you are okay and fine with.

less planning and you're much more driven by impact being created rather than concrete outcome or output being created. Right? Um, so, so, and as such as a leadership team, we also experiment with different formats and we allow that experimentation to happen. Of the organization. Right. So initially, going back to what you just said on, you had a planning cycle, and then you had like an organizational design and, and all, and you, you exactly knew, okay, to reach that plan, you need to have these functions, these teams, and they deliver this piece and another team delivers that piece.

I, I think that is again, also no longer valid. So you need to create and assemble teams. Around different business problems you have without any organizational boundaries any longer. Right? So you need to say who's best equipped to solve that problem. If we encounter something on the way, you need to be very quickly and agile in the company to say who are the 5, 10 best people who can solve that problem regardless where they come [00:16:00] from.

They can sit anywhere in the organization. They can sit in the very, let's say, in the operational part somewhere in deep down in the country or branch organization. They could sit in management, but it could be assembly of, of, of both. So you need to train this as a, as an organization and to also allow that to happen, that there is no like prescriptive path on how you basically exactly do this in a company.

It's you have to create that framework of people getting together to solve problems rather quickly. And across companies silos and organizational structures, just on your point there around organizational boundaries. I'm assuming here that one of those first boundaries to go was the boundary between I.

T. and the business in inverted commas. So you had digital built into those response squads. I wonder if you give us a thought on that, because still there's quite a lot of organizations in the world that are still struggling with what that boundary means. Yeah. So, so we have a couple of projects where we experimented with that new way of working.

So where we assembled the best team around the problem to [00:17:00] solve and it showed the results were phenomenal against the traditional way of operating and working.

Right. So, and with that, you also give them people confidence. So one good example is we implemented. A global CRM in less than 15 months across the entire company where everyone said in the beginning, it's impossible to do that in that time, if you run a regular waterfall project approach, right?

So we said, okay, who's best equipped and who do we need on the team to make it happen? And then it actually happened after 14 months. So even the ambitious timeline was, was, was undercut by another month because you had the right people with the right mindset, the right skill set on the, on the problem to be sorted.

Yeah. And with these kinds of formats, you give. The organization, the confidence to experiment with that. And I want to finish with you cannot do that by saying we will do this. You have to anchor this as a cultural component in your company culture, right? So that's why we have been very explicit in writing down our [00:18:00] values and our, our leadership principles on what we expect.

And one of the leading leadership principles is we love to collaborate, which means We don't ask for permission to collaborate. We collaborate as an intrinsic thing to do as an individual within the company. For teams like that to work, they have to be autonomous and empowered, but know how to network with the rest of the organization.

So there's a lot of burden on the human to know who to talk to, et cetera. And many organizations struggle with giving people autonomy and authority to be able to execute, to get the job done. So you said there you're able to. Undercut timelines really quickly because the right people with the right capabilities are there.

Big part of that is giving them the authority to be able to undertake the changes that are needed from an organizational standpoint. As I said, many struggle. Was that an easy conversation to say, no, we need to let the team of experts be able to do what they need to do and get on with it. Or was it a simple thing to get done?

No, it was not simple because you, you also need to train and educate yourself, allowing that to happen. Right. So it's, it's also coming back to [00:19:00] myself. It's, I mean, I'm, I'm raised in what Dave described in the, in the system of planning. And this is the traditional way on how you operate a company. So you, you as, as, as a leader of, of, of a group or a function or whatever, you really have to take yourself out of that and give the freedom and the room to the team to develop.

Yeah. So we came even that far now. that they basically described and, and, and arrange their own roles, right? So, so we didn't say this is how it has to look and here's a role and here's a role and you have to fill this and you have to fill that. It has been the team basically deciding themselves what kind of roles do they need and who fits best to these roles.

But it is back to your question, Rob, is it is difficult to stay away from that conversation, right? And don't even touch it. The only thing you can do is, is give them, not only give them the freedom, but also give them perhaps people from the outside who can support. So we're not directly in a line management relationship or whatsoever.

So you really have to frame them with people or circle them with [00:20:00] people around them who can help them through that journey of identifying themselves. And arranging themselves and you really have to be somewhat hands off. And let them run. Of course, you from time to time, you want to check in, but more in terms of what else do you need in order to make it happen?

Not in terms of, Hey, have you actually delivered ABC? It's more about, Hey, what else can

we help you with to get to what you need to do? One of the things you talked about when you started to describe the changing culture and organization that you guys are going for is about measuring impact. Could you just say a little bit about that?

What have you done around that? Have you KPI'd it in some way? Cause it seems to me that impact itself might also be quite contextual and might be to do with the sorts of things that those teams that you talk about are discovering along the way. How are you guys sort of shaping that up? Yeah.

Interestingly enough, if you look at impact being created, it's a matter of when you look at individual roles of people in the team, [00:21:00] it's, it's a combination of performance. And trust, right? So if you think about those two axes, and I think as businesses, regardless which company you talk about, we have 101 million KPIs to measure performance, right?

So you can measure at concrete outcomes or milestones or number of tickets being solved in it or whatsoever. There's 1, 000, 000 KPIs you can measure in terms of performance related KPIs. The thing on trust where you actually, this is more a, and you have to allow this as an organization as well. In order to create that impact, you have to assume Or you have to be very, careful on selecting people based on their character that you think as a character I, I, I employ somebody who I can really trust with because the person is.

In itself inspired and, and, and, and basically get is a self starter as well. How do you measure that? It's almost factually measure that it's almost impossible to do that. So it comes also a little bit [00:22:00] back to your, to the, to the census you have to say, do I really see people taking these kinds of, these kinds of ownerships?

Are they really willing to, to, to go through painful experiences themselves, but also as a team. And you can only observe that, but you can't really measure it. Yeah. I mean, it's, it's like, it's like in your family context, if you, you can probably measure if your kids are cleaning up the room by looking into the rooms.

But how do you measure the willingness that they will do it if you ask them to do it? Right. So this is, and then your ability as father and mother to get these senses of, do I hear that somebody has the willingness and I often, I often have a very low impact in that scenario, Patrick, I'm not gonna lie, try.

I try, try my best, but I'm not always successful. Yeah. It's coming down to that. So, so yes, you can measure the outcome and results and everything. I mean, in a, in a project like I just described, of course you can look at. Has it been deployed full and in the timeframe and in the budget and everything? [00:23:00] And of course, then at the end of the, you could say yes, but on the way you were not always 100 percent sure we are going to be on that landing point, but you saw the appetite and the willingness of the team to really progress with the initiative.

And that's what you looked at, right? That's what I always looked at is like, is there, are they really functioning as a team is that the absolute willingness and appetite to get it done. But this is a subjective. Feeling and I think we have lost a lot as companies and individuals, this sensual thing as human beings to see if somebody is really willing and has the appetite to do something.

Have you seen Simon Sinek talking about high performance, high trust organizations? And for those who haven't, it's exactly what Patrick was setting out, which is performance on the Y axis, trust on the X axis. And then, of course, everybody. Once the high trust high performance person, so like upper right, but you would think that everybody's second choice

would be high [00:24:00] performance, low trust person, but they synnected some work with the Navy Seals, which I think he says, seen as one of the most performant organizations in the world and they said, no, our second choice would be.

Medium performance high trust our third choice would be comparative low performance high trust exactly to the point you're making which is going into adaptable organization becomes about how humans work together again. So if you take away a lot of governance harnesses that have kind of, you know, kind of dragged us through working, which can feel for the human can feel actually quite demotivating sometimes and I'm just working with a big system going to adaptable organization becomes much more human, doesn't it?

Yeah, I think, I think Simon Sinek example is a good one. You can also translate this into willingness and skill. Yes. So on the axis of performance and trust, so you could say has somebody the skill, um, and the willingness. So if somebody has no willingness, no skill, [00:25:00] this is the area you should spend the least time with.

Yeah. Just need to direct as a super, as a, as a leader and say like, I want you to do this. Yeah, Dave, you have to do X, Y and Z. Um, and I explain you how to get there actually. And then on the upper left corner, you would find people who are actually capable but not willing. Right? So they are the typical what you call procrastinators.

Um, and they find all these excuses and all the drama and all the, all the creativity. Why not? Why they don't, why they have not done anything. And actually, when you look at organizations, that's where they spend the majority of time. Yeah. But it's also not worth the time to spend a lot of energy and effort there, because if you will not move somebody really quickly, if somebody is not willing to do something right, because then you really need to motivate and lead with with vision and things like that.

But also Sometimes you just have to say, look, there's a consequence if you don't do it. Right. So you have to punish it through, but you want to focus actually your energy as a manager and as leader [00:26:00] of a team, you want to focus on the bottom, right? That's where you focus 60 percent of your time, which is the one who's willing, but not capable yet.

Like the rookie, right? So you could translate this into a rookie. So somebody has the willingness but not yet the skill to do something. That's why you want to invest your time because that person you can move up in terms of skill. So that's where you really focus your time. But also when you select people, that's where you put your focus on how do I get people who are willing, but perhaps not yet capable.

And then of course, the ideal scenario is you have somebody who's willing and capable, but Very often, you don't get that in one person. I like that model because it underpins why bringing kind of younger generations and diverse generations into your organization who are extremely willing to move. It demonstrates why that brings such a great surge of energy into an organization, but also also underpins to me that.

That technical skills can often be the easiest part to train. Yeah. But that's not how companies are doing it right [00:27:00] now. They're still looking into the skill set. But it's that a vocation is easy to train. Behavior is really hard to get right. So best behavior. And then you can always train somebody up in a skill, can't you, as you know.

It's absolutely the right way. But you're right. When we send out recruitment requests, we seem to want this list of skills, but limited focus on the right behavior. And there's little give sometimes in the system to take the right person and reshape their skills profile. There's a big learning in that, isn't there?

Yeah, I think I think the interesting pieces even when you look at recent research, I think it says the average skill of today is only worth or is only valid for two years. Because of all the changes and technology changes Yeah. Right. And, and, and, and volatility and disruptions in the market. Your skill you have today is only worth.

For another two years. And then it's basically has been, has been outdated already. So that's why I'm [00:28:00] talking about the paradox in the beginning as an organization, you spend an awful lot of time, but the skill sets and how to describe a role and whatsoever, whereas you say like, but I'm investing all this time.

And it's going to be obsolete in two years anyway. So I'd rather invest my time of finding people who are willing to also learn and understand, Hey, every two years I need to upgrade my skills because they might be outdated already. There's a fair chance that robots will have taken over by then Patrick anyway.

We only have to nurse this thing along for another couple of years. And just, and just a quick reminder to our robot overlords, I'm here and welcome you.

So going back to the adaptable organization, give us a sense of. where you're up to, what the journey has been like so far. So I want to go back, if you wouldn't mind back to the leadership table as you're seeing some of these initial experiments come in as you're making bold decisions about moving towards this type of organization.

How's that gone? Yeah, it's it's again, you just need to keep that [00:29:00] if you want to talk it as like a room, a room where you want to go into in terms of new ways of operating as an organization, you need to keep that room, you need to keep that door to that room always open with a lot of force and energy, right?

Because people tend, especially when pressure comes in. And as I said, in the beginning, the market is back to normal. Now pressure comes in, people want to go back to what they were used to, right? Planning three years, rather skillset based decisions, all these kinds of things. What needs to happen at the top table is really that you keep that door open with, with all the energy you have.

Yeah. And you don't allow that door to close again, because if it's closed, if it's closing. You know, it's going to be dead and it's going to be out of the window. And then when you in two to three years, you want to, you have to restart again. It's a thing which is impossible because then you have to also work with the argument of the organization.

Yeah, we have tried this already didn't work because he actually never walked through that door. Right. So I wouldn't say we are through the door yet. [00:30:00] And we're still, we're still holding it open because there's a lot of wind blowing from the other side with the, with the pressure and the demand from the market right now.

Um, but we have committed ourselves as a, as a, as an executive team to keep that door open as, as, as much as it takes to get people through that. So if we remind ourselves of the industry picture that we painted at the beginning, just complex organization, lots of demands post COVID, lots of demands strategically, like customer expectations and sustainability.

What's your vision for then how this new style of organization will respond to those demands. So is it speed of response that you're really pegging to? Is it more efficient response? Give us a sense of how the worlds come together. I talked a little bit about the, let's say that the slicing down of activities in the supply chain world.

And normally when you put a one and one and one together, it doesn't normally equal three

equals two, right? And customers are starting to realize the same, right? So they realized all the slicing down is probably [00:31:00] not working to their favor all the time. And what I see in conversations right now with the outside world, customers, markets, and partners is.

Everyone really talks about, we can only solve this if we think more in ecosystems and networks rather than, hey, I'm the customer, you're the supplier, or you do this piece only and not the other piece. So people are getting back to a holistic approach of how to run supply chains, right? And they also understood.

That what might be their business model today has to be, has to evolve over the next two to three years to something different, but there's something different. They don't know themselves on how to get there. So they need partners who help them shape that way. Right. And, and, and, and with that, they come into an agile way of thinking themselves.

So we see more and more conversations now happening around, around, Hey, how do we design resilient supply chains of the future, taking into account on how the global and political situation is establishing, how sustainability is shaping itself out. Right. Um, so there are much [00:32:00] more ecosystem conversations these days than they have been three years ago.

I mean forget covid Um, but before that it was about hey, I have an rfq. I I basically process a specific Action and I want you to respond to that specific action, but now it's much more conversational again on how can we actually create something which is in a partnership approach done and developed rather than I give you a piece of work and you give me a price for that.

So maybe just to bring our conversation today to a bit of a conclusion, I think to my mind, you described like really perfect case study of an organization in connection framework terms moving from a complicated world. It's like the world of planning and the world of reasonable predictability to a complex world.

As we were saying, a world of higher volatility where you need to be much clearer on what your market is doing, what your partners are doing, and how you then can quickly pivot and respond to that. That shift to me, I think, is it the essence [00:33:00] of how organizations are going to deal with the accelerated change and Rob, your favorite, the confluent technology of the coming next few years where we're moving into another race now that's driven by AI.

So I think lots of organizations are feeling the sort of pressures that you describe. I guess what advice would you give to other leaders that maybe aren't as far on as In their thinking or in their practical execution of things like adaptable organizations, where do you even start? I think it starts with, first of all, as always in life, it starts with a recognition that you have a problem, right?

And as long as you don't have that problem, clearly articulated for yourself or that you really are true to an honest to yourself that you have a problem and you won't survive if you don't fix that problem, then you're doomed anyway, right? So it starts with the ability to self reflect and basically say, look, we have a problem and we need to do something else.

How that else looks like, we don't know yet, but let's get on a path. And then, more practical [00:34:00] terms, you have to immerse yourself with people or surround yourself with people who have gone through that transformation or are on the way to help you understand there is no such thing as certainty. Right? You cannot go to the new path and you know there will be a certain outcome.

That's not possible. The outcome might look a little bit different than what you have ever

expected, um, but you need to immerse yourself with people who have gone through that process. If you think you can still be in control, you're definitely wrong.

Sjoukje, what have you been looking at this week?

So each week I do some research on related ideas and transformation and tech, and this week I thought we should take a look at five essential steps for building an adaptable business culture. And we already mentioned it. Flexibility has been a key trait that leaders have embraced over the last few years.

And building an organizational culture that's [00:35:00] adaptable to the needs of both employees and customers, as well as a constantly changing market, helps ensure that the organization is able to pivot quickly. And to build an adaptable business culture, leaders can focus on the following five essential steps.

Learn to accept change. Have a growth mindset. Create an environment for innovation. Be agile and think long term. So a question, these are just five steps. We mentioned a couple of them. There are many more, but do you think that these are valid steps? And do you think that there are crucial steps missing here?

And I think that's the most important one in this question. Are there crucial steps missing here? Hmm. That would require that we know

that's the voyage of discovery. There's nothing like hindsight to go, Oh, we should have added that to the list two years ago. Yeah. I actually think the one that stuck out to [00:36:00] me as, as a missing actually just came from the little bit of off mic chat we just had about courage. in leaders, encouraging leadership.

So Patrick, how does that show up for you? Because you, you're making some good points off Mike. So maybe you want to tell us about that. Yeah, I think it's, it's, I mean, you touched on it already, right? It's about the courage. I think the steps are like more, you just described, um, is more practical steps on what, what should be an ability or what people should bring, but you cannot train courage or or or boldness to people, right?

Either you have it or you don't have it. I think you can be, everyone can be bold to a certain extent, but not everyone would be go as crazy as as some people do on some bold ideas they had. Right. And it's also about, I think when you talk to people who are really bold, they never have a plan B because they always know plan A will work, perhaps not as they initially thought it will, but it always somehow worked out at the end of the day and [00:37:00] they go passionately after their dreams.

Even if the way until there is like stony and hot and ugly, um, but they will go in as long as it takes to get to where they want to be. And I think that's what, what, what is, what is, what is certainly what I would say could be added to the list, um, of things you, you have to mix into your leadership team as well.that you have a couple of people who have these bold ideas. The whole leadership team being that bold, right? Because if you have 10 people with bold ideas, then probably nothing gets done because nobody will work on the execution piece. You really need to one or two people who have this boldness. And then you need to also have the framework as an organization to allow these bold ideas to flourish within the company and not that somebody says like, Oh, now comes the two idiots again with their ideas.

You need to have also other people who are more on the execution side and have much more strength and executing. They need to think like, wow, okay, they have, they have this great idea and I will help them to make it happen. Right? So, so this collaborative idea [00:38:00]

of somebody has a certain strength and run with that and then it needs to be complimented with somebody else's strength.

Um, to actually get it done. So a good combination was always, I think nobody of us knows them personally, but I think from what, what you could read, it was always the pair of Steve jobs and Tim cook. Yeah. So it stopped jobs was the one with the crazy ideas and cook was the one who made it happen. So now you see cook is in charge and no crazy ideas come any longer.

It's a highly profitable machine, but there's no real innovation taking place that all came through jobs. Ability to think really big and bold and then cook was the one picking it up and basically making it happen. And that's the point, isn't it? Innovation is idea plus execution. So underpinning that is who's the visionary that can create a purpose that everybody can get behind.

And then you need somebody to be able to drive the mechanisms in the organization in the way that you've discussed through this pod to get the job done in an [00:39:00] efficient, effective and happy and autonomous style. I think that vision point is so critical to generate the purpose to get the change engine moving with a, you know, enthusiasm and also recognizing as a company because very often If you talk about the stereotype of roles and everything, people, people have a lot of positive for, for visionary people, right?

Because they think like, oh, wow, somebody is really visionary, can create that, but a visionary without execution is worth nothing, right? So you need to also as an organization value the roles who are really on the execution part and say, yes, we might have these one or two crazy people who have all these ideas, but we equally value the people who make it happen, right?

So we don't overvalue the visionary people. Um, we also value the execution people the same way we do the visionary people, because we know the one is not happening without the other. No, I think that's true. And I think that, and I don't know whether you caught it in your five steps, Shauk, but it seems to me like the, the learning culture aspect [00:40:00] of adaptable organization is.

Is pretty key, like a lot of those first responses from organizations that were deeply waterfall to agile, the methodologies in this case were like, well, it's just a free for all, you know, costs are going to go through the roof. We're never going to deliver anything. It's going to be a complete chaos. But actually, the reality of the situation is that within adaptable systems and within agile systems, the telemetry and data and monitoring actually has to be Way more tight and forensic, because that's how you're going to do the learning cycle.

You know, if you're, if you're not constantly looking at telemetry and seeing how things are going and seeing whether things are going well, seeing whether it's meeting the market. Then you're not responding to your market. You might, you might as well just then do a 12 month plan or whatever, you know? So that, that to me feels like something that's, that's pretty keen.

That's a muscle you have to build, I think, to be able to be that strong in that space. So with that being said, I think that brings us the end of today's conversation [00:41:00] and what a cracker. Thank you very much indeed, Patrick, for your time today. Now, we end every episode of this podcast by asking our guests what they're excited about doing next.

And that can be anything from, I've got a great restaurant booked at the weekend with my family, or I've got something exciting coming up in my professional life. So Patrick, what are

you excited about doing next? I probably have two excitements to share. One, I got a new, a new electric car delivered yesterday.

So I'm going to take it out tomorrow for the first ride. Because I'm, how do you say this today? And because you can't say any longer petrol head, it's now, what is it now, an electro head? That sounds weird. It's got a wider connotation than just cars. So it's probably an e head. Yeah, that's something also very different.

So probably we have to still find a terminology for that one. Yeah. So that's what I'm looking on a personal note. And then, um, obviously, as, as, as I said, in the beginning of the conversation, There are a couple of things lined up, [00:42:00] um, based on the strategy, stratification part. So moving from strategy to execution now, which are going to kick off next week.

So that's going to be exciting to basically take take people along on that journey now and make them equally happy and equally enthusiastic about the future. We're going to take without knowing what the future exactly will look like. Um, so that's what I'm looking forward to in a more professional context next week.

Well, we wish you All the best with both of those things and particularly we're going to be watching very closely just to see how, you know, I think your industry leading transformation is going to pan out and very much look forward to some updates on that. Thank you. So a huge thanks to our guest this week.

Patrick, thank you so much for being on the show. Thank to our producer Marcel and our sound and editing wizards, Ben and Louis, and of course, to all of our listeners.

We're on LinkedIn and X, Dave Chapman, Rob Kernahan, and Sjoukje Zaal. Feel free to follow or connect with us and please get in touch if you have any comments or ideas for the show. And of course, if you haven't already done that, rate and subscribe to our podcast.

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