




CLOUD REALITIES

CR003

The role of leadership in
cloud value creation with
Alastair Kidd



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The role of leadership in cloud value creation with Alastair Kidd

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[00:00:00] Look that one up, but it's a good one. You're going to have to look up at least two of the three words in his job title.

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 this week we'll be hearing about why styles and intentional leadership choices and ways of working are critical to really drive new value.

From the use of the cloud and joining us this week is Alastair Kidd systemic leadership, Sherpa and friend of mine, but also alumni of my previous podcast called cloud busting. I want to give a quick shout out to the cloud busting team. So Dan [00:01:00] producer, man. Ben, the ultrasound guy and Holly, the live show maven.

And of course, Jeff, my co host missing you guys.

Alastair, great to see you. How are you? I'm really good. Thank you. It's brilliant to see you again and your new colleagues. Sjoukje, Alastair and I know each other from previously. We've worked together a little bit. Haven't we, Alastair, over the course of the last couple of years? We've worked together quite a bit for yeah.

We certainly had lots of coffees and beers and stuff together as well. That's why the real work's done, of course. Exactly. Yeah. Also, virtually any person? Both? We actually have. Yeah. Yeah. Yeah. And we've done some of these kind of things. We have indeed, we have a history, we have a history on this and actually one of the things that's interesting about today's subject is that Alastair completely introduced me to this notion that we're going to talk about today, which connects to how leadership can drive value out of cloud transformations.

And it [00:02:00] started out in a program of mine way back, probably in around, I'm going to say 2015, 16, something along those lines. And Alastair was working with me and my leadership team at the time and we were sat in a difficult meeting. It's fair to say, and it's, I think it's the sort of meeting that most people who have done cloud transformations and complex transformations generally will recognize, which is you are being asked to do too much.

You don't have the time to do it. And you don't have the empowerment sometimes to do what needs to get done. And you don't have the budget to do what you need to get done. So we were having a, frankly, a false ranking portfolio conversation is probably the best way I can put it. And we were looking at trying to.

Answer a lot of demand that was coming in for our platform development at the same time as, moving that forward in the development steps that we thought we needed to take as well as [00:03:00] what our market, if you like, was telling us and the room was getting increasingly fractious, I think it's fair to say.

It was a difficult conversation and I turned to Alastair at the time and asked him if he had any advice because as a team, we weren't really making progress. We were making whiteboard progress in the sense of we'd relisted things out in a different order, but we hadn't actually made progress in terms of resolving some of the car issues that I think.

were visible in the conversation that we were missing. And Alastair said to me I think you're looking for a complicated solution to a complex problem, which, caught my imagination, but also it spurred on, I think, a line of inquiry into that question that I've been wrestling with actually ever since in a lot of ways.

So let's actually start with your perspective, Alastair. What were you observing and where



were you going with that? It's in, I do, I really, I remember that, that point, that moment in time and actually the other one that I remember is when I was [00:04:00] having a conversation with you and some of your folks.

Around whether we would work together or not. And one of them said, ah, so you're going to be our saviour then. And the joke I made at the time was, because it was round about Easter time in the UK, and I said the last chap that had that title didn't fare very well. No, I'm not up for that role.

No, wise. But it was a sort of reflection of a mentality of it of let's bring in more traditional expertise to fix things. And even the framing of the question that you turned to me with, Dave, is have you got any advice? And I had set myself up as I'm not going to try and understand all this detail.

I'm just going to sense into what's going on in this. So that comment I made wasn't pre prepared. It was, there's a whole load of noise around here. How is this landing with me? These folks are in complexity. I can, maybe this is what's going on. You've got this traditional expert [00:05:00] consulting, whatever you want to call it, mentality of everything in the world is complicated.

So I'll take a complicated approach to it. And actually you're dealing in complexity. So I'm not saying that to beef myself up, but it is a point or two. I guess what we'll get onto maybe is some of the traits to work in complexity that are very different to the ones that you need to work well in, in a complicated domain.

Let's perhaps set out some of these definitions and I'm really looking forward to hearing some of your points of view on this being relatively fresh to at least our version of this conversation. So I believe that the definitions came from something called the CuneFin Framework. Yeah, so this is a framework created by David Snowden, there's an H.

Harvard Business Review paper, it goes into way much more detail and depth of expertise than I have, but I think the beautiful thing about it is it's a fairly intuitive framework. And it's distinguishing [00:06:00] ways of making decisions, ways of navigating in the world and saying that there are essentially these four domains.

One is the obvious or controlled Structured, you could view things work in a fairly predictable fashion day after day, and if something goes wrong, tips into the next domain, which is complicated, then you actually know what to do and you fix it and you bring it back to control. So everything is known in that domain.

And then there's the domain of complicated where things are unknown, but we know what the unknowns are. And this is like home base for technical experts, whether they're in IT, finance, accounting, consulting, and it's about a place of good practice. And so you bring in expertise and you fix things. And because this is home base for so many people, it's the lens with which we can have choose to look at most things.

It's the world of predicting plan. [00:07:00] It's the world of traditional project management. If you like, problem is so much of what we're doing in the world now. Is to do with complexity, either because it's enforced from outside, or we're working internally in an area of complexity or what we're about is complex.

And so a lot of what you talk about Dave is about transformation and transformation to the cloud. And that's inherently complex and you can't predict and plan in that world. You have to move to something that's more emergent, move to kind of sense and respond, and your world is full of unknown unknowns, and there's a fourth domain beyond that where the



world is chaotic, and it's just unknowable.

But most of the time, what you and I have been talking about is that shift or recognizing you're not in a complicated world, you're in a complex world. What is the best way to lead and navigate in that domain? [00:08:00] Shalkia, I'm fascinated to hear how that resonates with you and, being somebody who's so deep into cloud technologies and gone through, as you described on one of the last shows, a journey yourself to get to, working in cloud.

Does complexity resonate with you? Yeah, it does. Yeah. And I also recognize that leadership is trying to solve that in ways that they are used to do it in the old ways. And that it is extremely difficult for them to make that change to approaches from a different angle. So I'm also very curious, how did you do that during your sessions together?

What was the change or what was the advice that you gave them Alastair? So one of the things that we started to do because this is where a lot of the complexity was coming from, were, was twofold. One was about an understanding of the complexity of the system that they were in and some of the hidden dynamics of the system, the forces that were in effect unconsciously or in hidden ways [00:09:00] working against what they were trying to do.

They were trying to make a fundamental shift in the system and systems were try and stay the same. They'll look for stability. And so they were fighting against the system in a way that they didn't really understand. And the other thing was about an appreciation of the human dynamics. Because an organization and people are inherently complex, especially when you're trying to bring in substantial change to the ways that they, the ways that they work and what their roles look like and what some of the senses of identity and success factors might be.

So we, one of the things we did, we spent a lot of time mapping the system and using some techniques called constellations, but are essentially a way of mapping the system and getting a somatic, a bodily sense of Where are we in the system? What do these forces look like? I remember one occasion we did a tabletop thing and we did it with some little plastic triggers and I don't know, probably bits of plasticine and plasticine [00:10:00] things.

And one of the key, maybe the most key stakeholders in this mapping that they created was standing way out on the edge. So a long way relatively from Dave and his team and from other stakeholders. And there was a realization among some of the team, they just looked at it, ah, we haven't engaged properly with that person, or that person has got an entirely different perspective on what we're trying to do from what we think.

And so there needed to be a different way of engaging with them. That is interesting. Yeah. And how did you experience that, Dave? So for me, the first thing I probably would observe is that, to Alice's point, I was living in the world of the complicated. And I was doing that unconsciously. And everything that I was responding to, and a lot of the things that were pushing my buttons, and my responses to those were from 20 years of training in complicated [00:11:00] techniques.

And by that, waterfall methodologies and the way that hierarchies function in organizations and the way that governance operates in those large organizations, we're all driving a certain set of approaches and. So my first response was to actually become conscious of that. Just Oh, hang on a second.

There is another way to do this. It's a little bit like, when Neo comes out with the matrix, it was like you recognizing that you're functioning in one reality, but actually the situation requires a wholly different. Framing and a wholly different perspective on what's going on.



So I think that was the first thing. There was like a, it kicked off a real personal learning journey. I think that I almost feel like I'm still on, like one of the reasons I keep returning to this as a subject is I'm endlessly fascinated by it. Because once you have it as a framing mechanism, when you're talking to Like customers or colleagues or whoever it might be, you can see very quickly using it as a [00:12:00] framing mechanism.

Why things might be working. I might not be working. Second element for me then was starting to use it on a different approach to leadership and decision making, which then helps you drive to value. For example, Instead of a sort of frankly, slightly meaninglessly force ranking a list of things and making judgments in that room about whether we do, number one, number six or number nine, it was more about actually, let's test that.

So it's using the sort of the market test and then response and then iterate. model that exists in the complex domain and then working out mechanisms to do that. What could that look like for our program and how do we do that? Now, of course you may be ahead of me, but that lends itself very naturally to agile.

And we were doing agile if you like, but we were doing it in the way that most people do, which is, there was the odd [00:13:00] standup and, that was about it. Really. The rest of it was probably all. Being managed in more like a waterfall way, or if I'm being kind, like a wadjow type of way, Mary Bannon You still had some project managers and budget and upfront.

Rob Mayzes Exactly. And they were owning all the decision making, so the decision making hadn't been put down into the teams and we hadn't let them. Properly iterate and make decisions themselves. So we started to take steps into doing that. And then, of course, it didn't solve every problem.

There's still like a million problems to deal with on a daily basis, but you're dealing with them then in a way that's much more live. So as they're coming in from project teams and development teams and DevOps teams, you're dealing with them. In much more of a stand up fashion, like you're dealing with them quickly.

Like what's the issues. Okay. Let's go. You guys do that. Yeah. You guys do that. And the wheels of the thing start to just free up a little bit and it starts to turn a little bit. I think when you look at organizations sometimes that are struggling. With a cloud transformation,[00:14:00] a lot of these seem same sort of issues are visible.

Do you see any of these issues in some of the projects you work on? Yeah, I see these issues as well. I see agile projects that are not really agile, right? Yeah, exactly. And being or doing through agile projects is extremely hard because you do have a budget. you do have restrictions.

So what is the right balance in that? And I think most organizations are still struggling with that or are still looking into ways to solve these types of issues. Yeah. So many organizations maybe sense that they're in complexity. They decide that they do agile because that's going to be a solution to working complexity and then they go back and do agile in a complicated way and they focus on and they focus on the doing bits, the tools and I think what you were talking about in your first example day [00:15:00] was actually you and your direct reports primarily began to see their roles as different.

They adopted a different stance in the world and that I think is one of the biggest things. I remember talking to one of them who was saying that they're in real trouble just getting a task delegated to somebody else. They just never do it the way that they wanted and get it



done.

And I asked him just to talk through and he was talking about how he had written it even up on the whiteboard. This is how I want it done and I just said, have you tried giving the whiteboard marker to that person? And you could just see his face. This is a whole new paradigm of how I might function as a leader, that rather than I have the pen and I draw, I hand the pen over.

And so one of the ways I think about this is thinking, being, and doing. And so much of what we do is in the doing world. So much of people's approaches to agile is in the doing world. [00:16:00] What you've spoken about, Dave, is actually you began to be differently. You saw that the world could be different, that there might be different lenses on them, you didn't know what they all were, that didn't matter, and so you began to think differently.

And that ends up showing up in a different level of doing and a more effective way of doing. It really frames the reality that you're looking at and the decisions that you then take and the steps that you then take forward are surprisingly different. I think that's one of the things that blows me away a little bit.

It's just how. different some of these could be. And then all, sorry, go on. I'm just going to say it's beautiful. And it's it becomes more elegant. It requires less effort. Can I tell you a story about an example from this week? Please. Yeah. So I'm working with this team this week, and first session, and just an opening exercise, we use this thing called the helium stick.

Which you may have [00:17:00] seen before or not. If anyone hasn't, I've now spoiled it for all future facilitators that use this. I'm giving away what it's about. But essentially you've got a very long, very light stick. Like a fold up tent pole. And you get the team to stand opposite each other, fingers out, and in a kind of zip fashion.

So you've got alternate index fingers. And you place the stick on top. Of the fingers and tell them that the task is to lower it to the ground and they have to keep it level and they have to keep touching the stick. And of course, what happens is the stick actually rises. Because everyone's trying to make sure they keep in contact with the stick, so the stick goes up when they're trying to lower the stick.

So we start off, and the leader says, I know how to do this. And he did know how to do it. And because he said that, everyone paid attention to him. And he gave instructions. Down. And he did it quite quickly. That's a complicated world. [00:18:00] It's command and control. So I said to them, okay, do it again, but you're not allowed to talk.

And the leadership moved to two people that were in the middle, because everyone could see them. And they nodded, and it was beautiful to watch. And what they reported afterwards was they sensed when to drop. They sensed where the stick was, rather than watching the leader. And for me, that was a great metaphor of, how might you do things in a complicated world?

How might you do it in a complex? And the different form of leadership from the single command and control, I know how to do it. I did to the, let's democratize the leadership a bit and let's sense where we need to go. What I love about that is it also has a lovely sort of Self organizing nature, a non hierarchical nature, everybody playing their part and intuiting their part [00:19:00] rather than I'm only going to do the five bullet points that are on my job description.

Yes. As if they're right. Yes. And it was truly beautiful to see it and there was an elegance to it. And that I think is the kind of leadership and not from the one person that might be



named leader. The leadership that we need when we're dealing with complexity. Leadership from the whole group.

Yes. Trust in your own intuition and your senses. Yeah. Yes. I totally agree on that. Yeah. And I think when you think about the world that some of these transformations are existing in now, it's only layering, isn't it? Like complexity on complexity. Yeah, I talk about complexity cubed. Because we have a world that is, is highly complex and then our experience of that complexity is changing by the day.

A lot of the stuff you're talking about and a lot of big organizational [00:20:00] initiatives are about transformation and true transformation is really complex. So real transformation, not trying to make the caterpillar faster, but the caterpillar becoming a butterfly, that's transformation, that's complex.

And there are times in that process when actually you don't know what you've got, that thing in the chrysalis, what is that? And then we're doing it with people, we're doing it in organizations, human relational systems. and they are inherently complex. So yeah it's, layers upon layers, multiplying factors.

And within that, it feels I don't know whether it's just like you get to a certain age and the world feels hard and you feel like, increasingly less every day. So I don't know whether it's, a personal age factor playing into this, but certainly the last, what, five or six years just seems to have been one kind of world event after another that's had.

sort of seismic kind of ripple effects on to organizations and the people in those [00:21:00] organizations. So what advice have you got for leaders that are trying to weigh up all of these things? Breathe, I really mean breathe, slow down, because often what's happening is what Jennifer Garvey Berger calls the complexity paradox.

We can work with complexity when we can stand off from it, but actually when we're in it and when we waken up one day and find ourselves in it today and we weren't in it yesterday. Just look at See what's going on in the uk with our all the radical changes in our political and economic system The world literally is different for us one day to the next and so I say we can work with complexity maybe when we can stand off from when we're in It activates this whole reptilian brain stuff and we get into this fight or flight reaction.

We're looking for an enemy and maybe there isn't an enemy, or if there isn't one to be found. And I think one step for leaders is to get into their [00:22:00] bodies. To notice what's happening in their bodies, because that's a signal to how they're reacting. To slow themselves down, slow down the automatic reactions.

And a great way of doing that is simply breathe, and take time, and be able to navigate their own emotions. So that they can be more genuinely present in complexity and not susceptible to that kind of reptilian, ancient fight or flight reaction. Because if otherwise, a chief executive showing up or a CFO, let's say, showing up after we've just had a mini budget and the whole, value of assets and reserves shifts, they're liable to show up looking for a fight.

Because there's an enemy and I've got to find them and kill them. And it might just happen to be the next person that walks into their office. That's what will happen if they're not in command of themselves. And I think she reflects in her article that the paradox [00:23:00] is that complexity itself requires creativity and patience and thoughtfulness and a certain approach to solving through those problems which is the very opposite.

Of the kind of feeling that you've just described right and it's very opposite of the reaction then that feeling gives you. And I fully recognize that and I know that I have felt, I think the



example that we started the conversation with was me basically on the verge of a flight or fight type of response.

I think that was visible in all the various different people around the table. And we weren't making, we weren't making progress because we weren't espousing some of those other values. Yeah. So that, my biggest tip would be breathe, really just learn to breathe, to take time to breathe, to get to know your body and your emotions and find ways of calming yourself and coming back to really being in the now, the very moment [00:24:00] of the now and being present in it.

I don't, I wanted to end the conversation by looking at some like really practical examples of this and maybe align it To some of some cloud or some other world events, the one I want to start with is one I use often when I'm talking about this, which is amazon. com, amazon. com, everybody talks a lot about they do, X hundred releases a day, and they've got this huge pipeline of releases and they're one of the most innovative companies in the world.

Now, all of that is, is absolutely true. They've got mechanisms and use of process and use of method and governance and. Culture and the tech, of course, to be able to perpetuate a massive release cycle and therefore a high rate of innovation. But I think what some people miss in that is they don't leave all of those things out there.

Often they pull those releases back in again, look at those releases and then cobble some of them together and then put something out again. And then they keep tracking that. And then they might [00:25:00] tweak that. So services like Prime, for example, were developed in that way. Now that, to me, is a nigh on textbook example of complexity working and sense and respond to your, provoke, sense and respond to your market.

Yeah, it's experimenting. It's test and learn. Not be wedded to it, put out a probe. Is this going to work? What can we learn from it? What's people's reaction going to be to it? Tweak it. Or, maybe tweak it, maybe pull it back. Yeah. And of course, one of the mistakes people make sometimes when they're firing shots at, say, the Agile methodology is it sometimes can get described as this sort of endless, open ended, we're just going to keep throwing money at this until it's finished.

But actually, no, there's a huge amount of discipline in what they're doing. They're constantly seeking value. They're constantly appraising for value. And then they're making those iterative decisions based on And next value based steps are for me, where complexity gets really important when we talk about digital working [00:26:00] and cloud driven transformation is, yes, it gives you all of the framing and different ways of seeing the world, but if you think deeply about it, it informs the way you work during the transformation and at the end of the transformation in a constant pursuit of value.

Yeah. And the mindset of, the differentiating between I either succeed or I fail. in the complicated world to I will experiment and learn. And that's a difference in mindset that people involved in the day to day activities need to have. But it's also a mindset that leadership need to have, If you've got leaders that are measuring everything by either success or fail, you're not going to do very well at complexity.

You're not going to do very well in agile. And if you translate that to the technical part, if you automate Everything that you can automate, it gives you the room to take a step back and to breathe and to experiment. Yeah, I love that. Yeah. Beautiful.[00:27:00]

So Sjoukje, what's your research found for us this week? This week is also about cloud. So every week I do some research on the recent tech innovations and pink one that I find



interesting to share. This week's tech innovation is about Google. They're going to build new cloud regions in six different countries.

So during Google Next, the annual cloud computing conference that Google organizes, they announced to build new geographic cloud regions in Austria, Czech Republic, Greece, Norway, South Africa, and Sweden. And this six new Google cloud regions will bring the company's global network to 49 live and pending regions.

So if we compare that to the other two big hyperscalers. AWS now has 27 regions and Microsoft has over 60 regions at this moment. So what's going on there, do you think? Is it just a pursuit of volume or is there [00:28:00] something, more interesting from a function point of view that they're doing? I'm not entirely sure, but I did some research around the geographic locations that there are now announcing.

And there is a lot of stuff going on in the European region where also the discussions around silver and cloud. Are getting more and more important at the moment. And let's just take a second to define that. What is, what's Sovereign Cloud? Oh, I think you can define it in multiple ways, but for me, it is about storing data in certain geographic locations or boundaries.

And it's regulated right in a way that it's not just storing it, but it means you can't store it in certain geographies if you're a particular type of organization, right? Yes. So I think Sovereign is just going to give those types of organizations who are more restricted by regulation the opportunity to, leverage the cloud in a bigger way of course, which is really what's going on [00:29:00] here.

It's yes, it's helping those organizations, but it's also making the cloud just more leverageable in different ways with different architectures. And is any of it to do with access to talent and I'm thinking about energy costs and the variability of energy costs around the world? The locations that there are now announcing.

Yeah, that could be also one of the reasons, but I'm not sure if it is. What do you think, Dave? I think probably less these facilities are probably quite, giant automated facilities. So it's not like they're creating, if you like a, an organizational presence in these regions, they're just putting in compute power within geographic boundary.

So I think it's a volume play in the sense of it then opens up. The cloud to organizations that couldn't possibly have used it when it was, say, on continental America. My read of it is it's probably more to do with that because I think the reality is if you were given a [00:30:00] choice about creating the physical infrastructure, you would be more consolidated.

You would choose a few locations in on each continent and then you'd build mega data centers in those regions. There's no reason to have it necessarily distributed but the political climate, the geopolitical climate I think is driving it. That's my read on it. Although on the other hand, sustainability is also on top of the agenda of all the big high hyperscalers.

That is absolutely true. As it should be. As it should be. What's interesting is that yes, that if they're opening them, hopefully they're, they are building new facilities that are either sort of carbon neutral or net zero with new technologies that are driving the power of those data centers. So there could well be opportunity in this, I think, to refresh infrastructure.

Yes. And the bigger opportunity for companies to store their data closer to where they're actually located. That's true. Which is also good for sustainability. Yeah. Fair point. Fair point. Fair point. [00:31:00] Brilliant. Thanks Shell. You're welcome. And Alastair, thank you so much. It's always a pleasure and it's always an education talking to you.



So thanks so much for making the time today. My pleasure. No I learned as much from it. Fantastic. Thank you. And we always like to end the show by asking our guests what they're excited about doing next. That could be a next big project or a next movie that you want to see. But I'm not sure I'm excited, but as Dave maybe knows, I've got 16, 17 purebred chickens in the back garden and we're now into another of what's called flock down.

So from Monday the chickens have to be housed or netted. So this weekend I'm putting up a structure to put some netting up to keep the chickens in. That's a rock and roll lifestyle over there in Wales. It's really in good luck with that. I hope the weather holds out. Yeah, me too. Yeah. Thank you so much for being on the show, Alastair, and [00:32:00] I hope you enjoy your weekend.

Thanks to our producer Marcel, 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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