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Advanced Cross-Culture Leadership

K-LEAD

Advanced Cross-Culture Leadership Program

Mikael Munck

Advanced Cross-Culture Leadership concepts (part 1)

Mikael Munck
CIO of Saxobank and Deputy Chief Executive in Danish Bankers Association
The session will focus on **“Learning of the Leaders**” with real-life examples in advanced leadership and how led the transformation of a fast-growing cross-culture fortune 500 organizations. Presented by Mikael Munck - a international

recognized and award winning executive (Executive of the year).
Mikael will take us inside the mind of a great leader and illustrate through his charismatic style the advance cross-culture leadership concepts. Exploring
• Global leader and cross-cultural mindset
• Achieve the balance of strategic- and operational leadership
• How to led and structure clear accountabilities for implementation, operation, and benefits realization (performance) in a cross culture organization

Mikael Munck

Proff. Cariere

CEO, CIO, Entrepreneur

SUNGARD

VITEC

initto
in it together

SAXO BANK

2021.AI

Board Member

LEADING PRACTICE
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SEIER CAPITAL

BAFFIN BAY NETWORKS

Chairman

COPENHAGEN FINTECH

PROVARGO
bar management system

Awards

CIO of the Year 2012

Frontrunner Award 2014

Proff. Cariere

initto
in it together

Entrepreneur, Founder and CEO Tech. Company 2004
Exit, sold to Saxo Bank in 2009

BPM Handbook

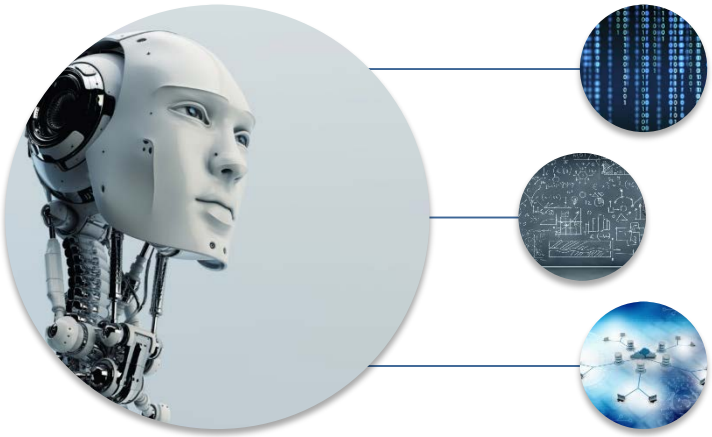
Personal facts

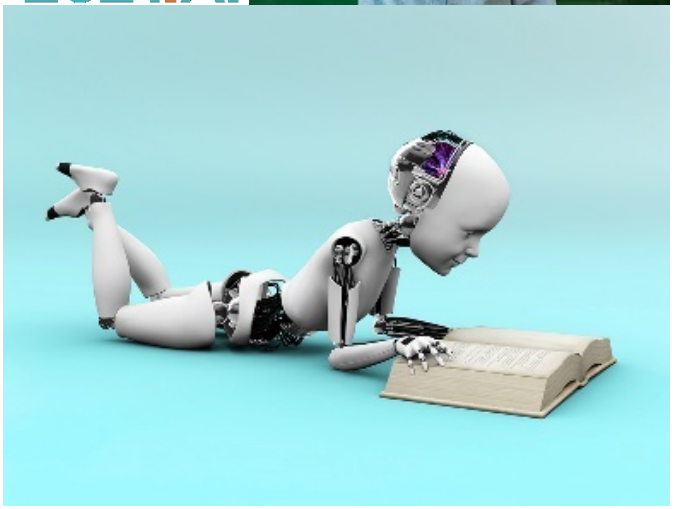
52 years, 3 children
Worked and lived in Copenhagen, Luxembourg, N.Y. London and Delhi.

Started and run businesses in Denmark, Ukraine, Poland, Russia and Indian.

New venture 2021.AI

Why move into AI now ?





SunGard and Copenhagen FinTech.

Global leader and cross-cultural mindset

The SunGard story ”How one this US company implemented a new leadership style to engage in Europe”

Copenhagen FinTech story – “How to ensure alignment and maximum efficiently in a consensus driven organization”

These stories reflects that culture is a multi dimensional factor which needs to be take serious and carefully accounted for in all organizations.

Global leader and cross-cultural mindset

• Achieving the balance of strategic- and operational leadership in a global organization

• How to lead and structure clear accountabilities for implementation, operation, and benefits realization (performance) in a cross culture organization

What I want to address with the short stories

LEAD and Drive: How to Lead strategy execution across cultures

- LEAD & Drive: How to Lead strategy execution
- Organize & Control: How to create alignment (Horizontal and Vertical)
- Communicate & Guide: Promote innovation & transformation
- Develop & Manage: Empowerment of leaders

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Global leader and cross-cultural mindset

SUNGARD®

The SunGard story ”How most US companies spend decades learning how to engage in Europe”

This is more than culture in one dimension. Even within a very small cultural area, alignment is difficult across a wide variety of organizations and priorities

The SunGard story

SunGard was an American multinational company, which provided software and services to education, financial services, and public sector organizations. It was formed in 1983, as a spin-off of the computer services division of Sun Oil Company.

In August 2005 the company was acquired by August 11, 2005 the company was acquired by a consortium of seven private equity investment firms in a transaction valued at $11.3 billion.

The partners in the acquisition were Silver Lake Partners, Bain Capital, Blackstone Group, Goldman Sachs Capital Partners, Kohlberg Kravis Roberts, Providence Equity Partners, and TPG Capital.

In August 2015, FIS announced that it had signed a definitive agreement to acquire SunGard in a transaction valued at $9.1 billion

The SunGard story

SunGard successfully acquired more than 110 companies based on a aggressive acquisition strategy mostly based increasing Corporate P/E.

SUNGARD®

World-class:

- Execution power based on strong processes for everything
- Global outlook and openness towards a multi cultural works – Human perspective
- Result focus

Not world-class:

- Company culture(s)
- Understanding and outlook towards non US standards infrastructure, regulation etc.
- Integration of the Company's core assets - technology systems and solutions
- Understanding of how compensation schemas and packages (Earn-out and option programs) works at larger scale

The SunGard story

After some disappointing years in Europe without much success getting into the local markets, SunGard had to try something new. The newly appointed Chilean COO (the first non US Executive), allowed (within one division) granted 4 young executives, just turned 30', a wide responsibility to execute within each of their region of Europe (DACH, South Europe, GB and Nordics & Baltics

SUNGARD®

'As long as you deliver results, let me deal with the bureaucracy in US and HQ'

'*Give us direction and get out of our way'*

Already after the first year this resulted in tremendous success in results and ability to build local 'World-class teams' including solving the the problem of attract the best talent to the local operations.

New way of decision making. Local execution, including wole new pricing autonomy for the first time in the companies history, you don't have to ask anyone, but: *'what you think you can get' ……*and we give you up to 10% of what you get ☺

New way of engaging with clients. Include developers and architects closer to clients. Travel budget exploded, but the understanding of n markets increased and got priority and the clients loved it.

The SunGard story

The new way of working was extremely challenging for the 4 European managers, to operate ‘outside the traditional organization’ made the less popular among colleagues.

A new way of execution as a team emerged. The 4 European managers meet on a monthly basis to share experiences, resources and their successes and failures

The 4 European manager all made it to the top 1% of all Executives in SunGard in 5 consecutive years.

In addition to the successes in results the managers and the offices in London, Copenhagen, Milan and Zurich became there after local offices representing all of SunGard.

SUNGARD®

SunGard take away's

- LEAD & Drive: How to Lead strategy execution
  – *'Give direction and get out of my way'* is sometimes a option
- Organize & Control: How to create alignment (Horizontal and Vertical)
  – You need structure, no matter how loose this is
- Communicate & Guide: Promote innovation & transformation
  – Get your smart people out of the back-office / development closet. Involve and engage across the organization
- Develop & Manage: Empowerment of leaders
  – Extremely efficient in this case
  – And the 4 managers used this lesson in their future management roles

AND…..Dont be cheap on the Corporate travel account

The Copenhagen Fintech story

"How ensure alignment maximum efficiently in a must be consensus driven organization"

Bridging a very broad range of priorities. Even within a very specific area, alignment is difficult across a wide variety of priorities

COPENHAGEN FINTECH

The Copenhagen FinTech. story

CFIR was established in 2011 to support the Financial technology innovation and development in Denmark via a organization supported by the Danish stat, Copenhagen Commune and the labor organization and organization supporting a consensus driven20+ pages strategy plan developed by carefully taking all relevant input form all stakeholders priorities.

The budget was more than sufficient, and a 15 persons organization where establish to execute on the CFIR goals and ambitions.

After 5 years of operation, the there where no real visible results except for a yearly conference and quarterly activities at the CFIR office for the organizations members. CFIR spend most of their time aligning the members strategic visions, and ensuring that the sponsors continued paying.

The organization where closed down due 2016 due to the lack of visible results and impact.

Copenhagen FinTech where born in November 2016 from the same group of sponsors, but with a new Board and Chairman of the Board.

The Copenhagen FinTech. story

Copenhagen FinTech has a simple strategic vision (1 page !) which is not yet fully completed as a new way and thinking has been embedded. Copenhagen FinTech it self is run as a start-up, which means:

- You don’t
- Strategy will always be work-in-progress as this has to adapt to the faster and faster changes in the world around us
- C
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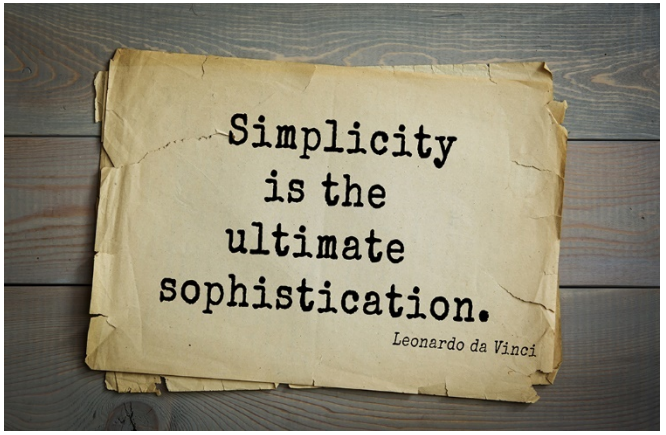
COPENHAGEN FINTECH



The Copenhagen FinTech. story

As of August 2017 Copenhagen FinTech. have:

- 6 employees
- 30+ fintech start up in it's own office building in central copenhagen
- 10+ international alliances with other FinTech hubs
- A well established Investor community representing Business Angles, Venture and other funds
- Budget to run

COPENHAGEN FINTECH

The difference was defining the strategic direction at the very beginning and respecting the priorities from a wide range of State, Commune, Business Labor or

Copenhagen FinTech.

- LEAD & Drive: How to Lead strategy execution

  - Definition of the core strategic imperative can change everything

  - The more sensitive culture and political environments tends to suffer from to much consensus thinking leading to inefficiency

COPENHAGEN FINTECH

- Organize & Control: How to create alignment (Horizontal and Vertical)

  – Difficult in more political environments

  – Keep it very simple in the begining and then add more when trust builds

  – Make sure you have room to maneuver and execute

- Communicate & Guide: Promote innovation & transformation

  – If it doesn't work, close it down, don’t waste to much time. Fail fast culture can be dangerous, but necessary in many case

- Develop & Manage: Empowerment of leaders

  – Give direction and support

  – Make sure your leaders always are focused on the visible results

The Saxo Bank story

Cross cultural / cross organizational prioritization and execution of all projects

Situation - Optimize delivery efficiency and innovation

- Complications
- Leading Question
- Answer and solutions
- What we did and how we apply it
  - Detailed example within Software test
- Lessons Learned

Conclusions and Take Aways

Saxo Bank Business Model

Saxo Bank – Asset Classes

STOCKS

- 30 exchanges
- 14,997+ stocks
- Real-time access
- NEW: Equity Research

Stock trading on the SaxoTrader provides real-time access to the most well-known, liquid and dynamic market movers worldwide. Clients may access advanced research and screening tools usually reserved for professional clients.

CFDs

CFDs enable traders to sell short and go long on the underlying security – providing for diversification and hedging strategies for active traders and investors.

FX

- 160+ crosses (Majors, Minors, Exotics)
- Spot (plus spot gold and silver)
- Forward outrights
- Streaming FX options
- NEW: FX Options Board

Aggregated liquidity from tier 1 providers means consistent and stable pricing through market movements and toward the close of business on Fridays. Real-time charting and data enables FX trading at the edge of the market.

FX Options Board is an innovative Saxo Bank innovation changing the way FX Options are traded, providing direct streaming prices in multiple expiries and strike prices – all in one screen.

FUTURES

- 24 exchanges
- 190+ base contracts
- Online and offline commodities trading

The platform provides a broad suite of the most popular financial, energy and precious metals futures contracts. More than 170 base contracts are tradable online with volume-discounted pricing. The platform offers commodities for diversified futures strategies.

ETFs & ETCs

- 1600+ ETFs and ETCs

Easy Access to ETFs by Region, Sector, Theme, Money Markets & ETCs (ETFs on Commodities)

Situation – High level

Saxo Bank –>

How to bridge global Business requirements to ensure operational efficiency across the value chain and maximum output from production (IT)

- Global organization, 14 offices around the world
- 57 nationalities represented in HQ
- Little to no structure

-"*Gun slinger"* culture

- Difficult Leadership style

Situation – How do we optimize delivery efficiency and innovation

Nurture the uniqueness of Saxo Bank –> the dynamics between IT and Business which generates world class digital products and services

- Not enough that IT had implemented a world class agile project model
- IT needed to take responsibility for a bank wide execution model, across the banks value chain

((o))LEADing Practice versus Best Practice

Source: www.LEADFrameworks.com

Leading Question

In essences:

How do I connect the dots, thriving towards a Leading practice framework, rather than just controlling and managing the chaos !

Answer – what we did and how we applied it

Check with the Company dna

– Connecting our people to:

- Company values
- Agile Manifesto (IT)

Establish Frameworks and Principles (*order in chaos*)

- Way we are organized
- Way of thinking
- **Way of modeling and working**
- Way of executing and prioritizing

Continuously Delivery (mindset)

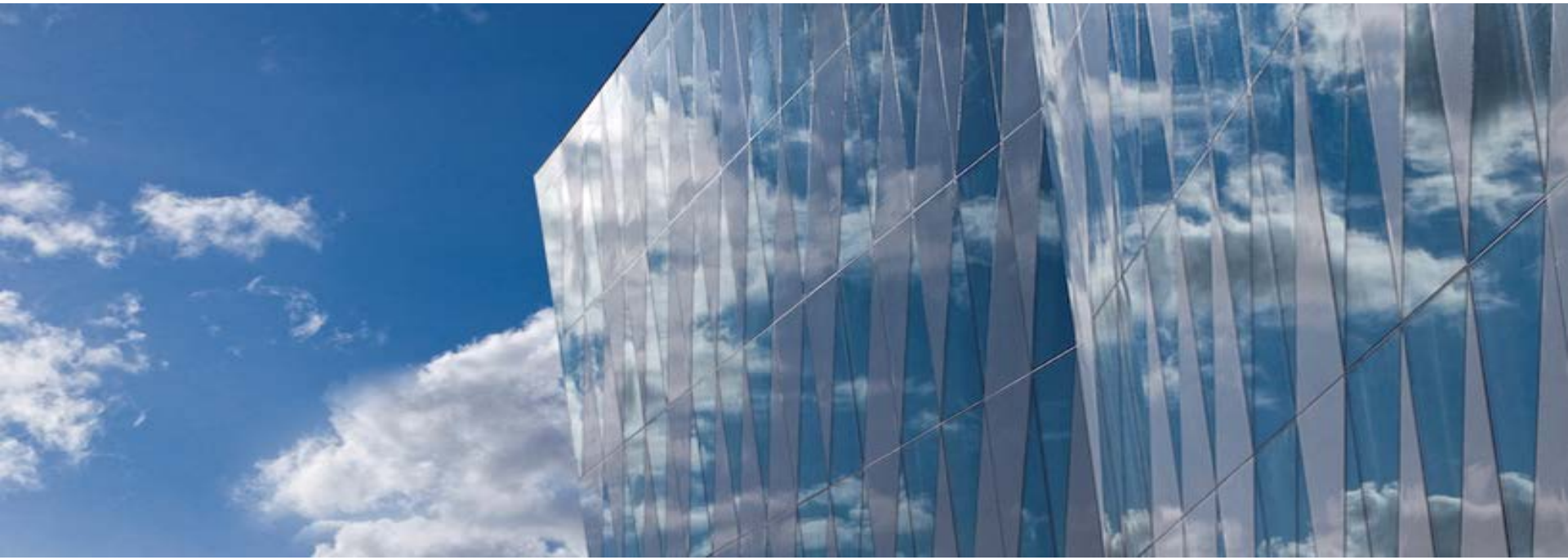
- Less focus on the model initially – most found it a daunting task !

Minimum Viable Product

- Faster to market
- The minimum required changes, which proves a hypothesis (a claim) to validate further investments in refining idea / product

We have defined a new term

Agile on a Enterprise level



The first step - Product Delivery Model

Core Principles:

1. Support Saxo Banks investment strategy by capturing and qualifying ideas;
2. Execute the ideas efficiently across the value chain;
3. Do so without interfering with the running business.

Product Delivery Model: Do not interfere with the running business

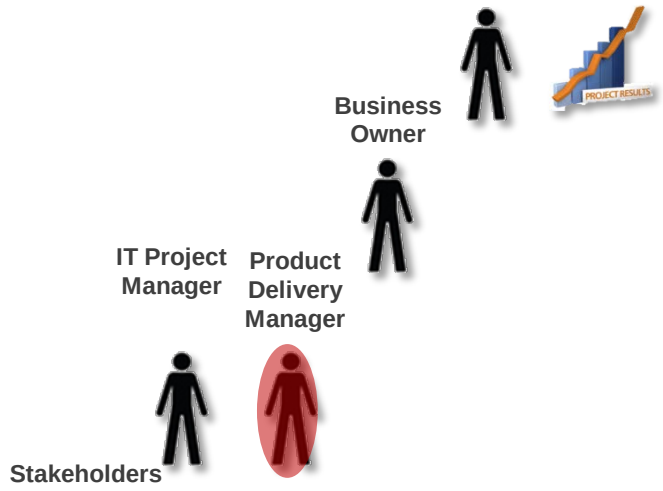
Run the Bank

- Deliver great service to ensure clients are happy and active;
- Ensure operational efficiency;
- Retain high availability.

Develop the Bank

- Capture ideas;
- Qualifying ideas;
- Executions across the value chain;
- Handover.

Product Delivery Model: Key Roles

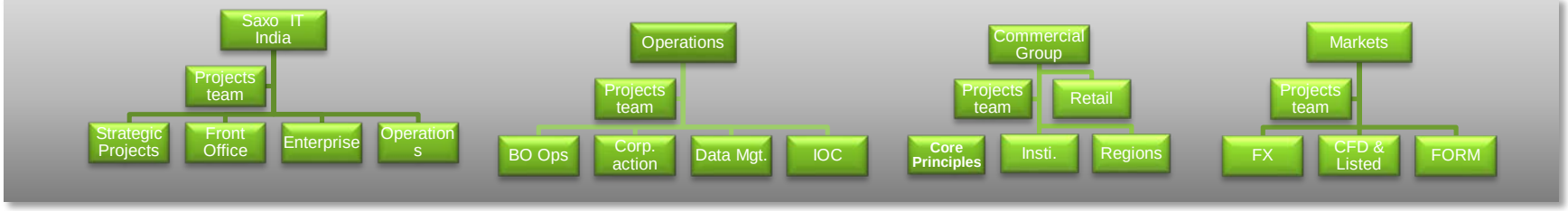


The EMG Sponsor has the overall responsibility for the project budget and is, ultimately, responsible for the project delivering on the business case.

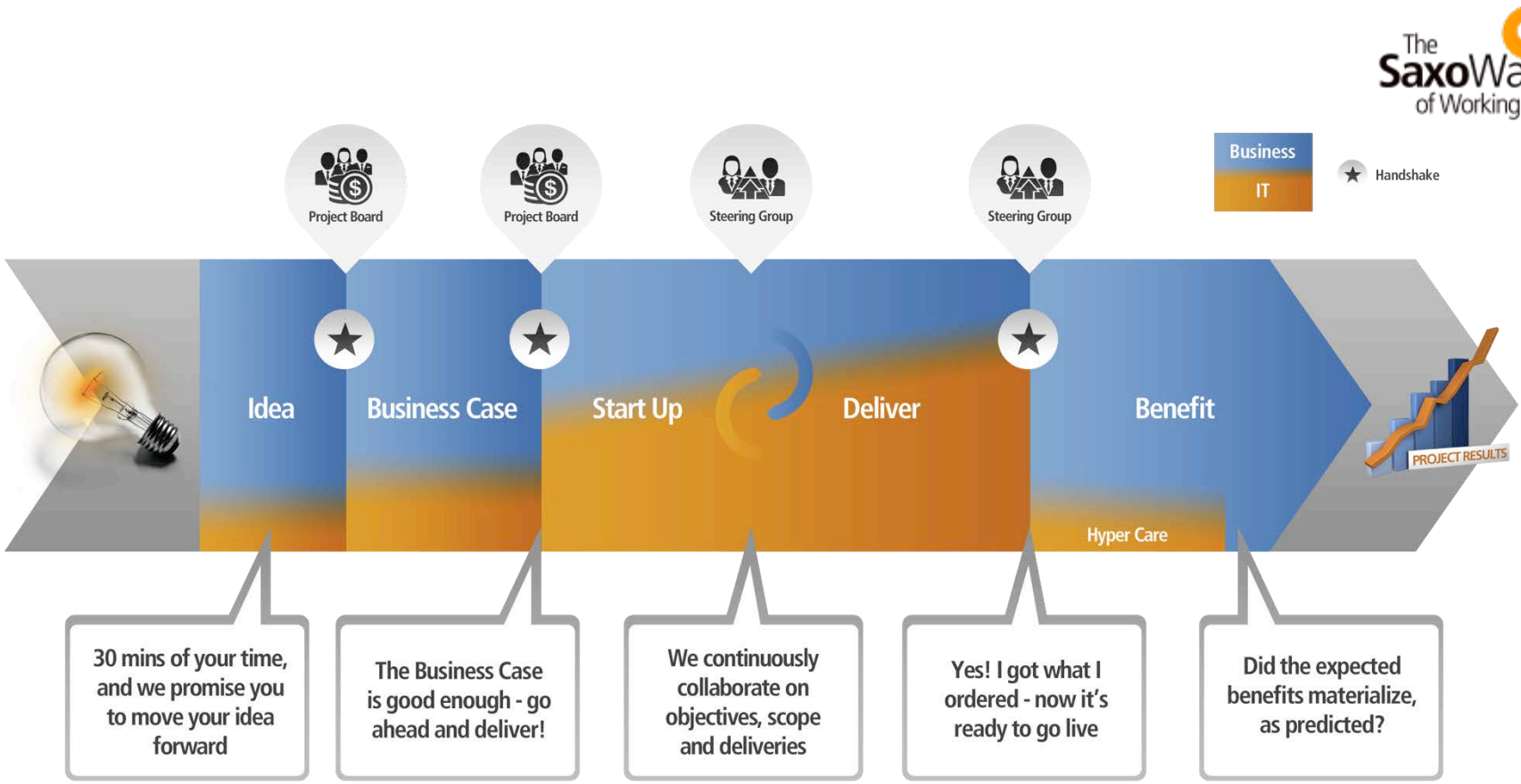
The Business Owner is responsible for the overall project delivery to all Stakeholders. This includes carrying out the vision to the organisation and ensuring that the organisation is prepared when the product is ready. This role typically resides in Client Office.

The Product Delivery Manager is responsible for aligning stakeholders, co-ordinating deliverables across the value chain and liaising between business and IT.
The IT Project Manager is responsible for all IT deliverables.
These two are each other's counterparts throughout the project.

Stakeholders are responsible for bringing experience from their respective departments and for representing their departments' requirements in the project.



Operating Model: Offset in the Saxo Way of Working



The Saxo Way of Working

The Saxo Way of Working

The Saxo Way of Working – a way for Business and IT to collaborate on projects

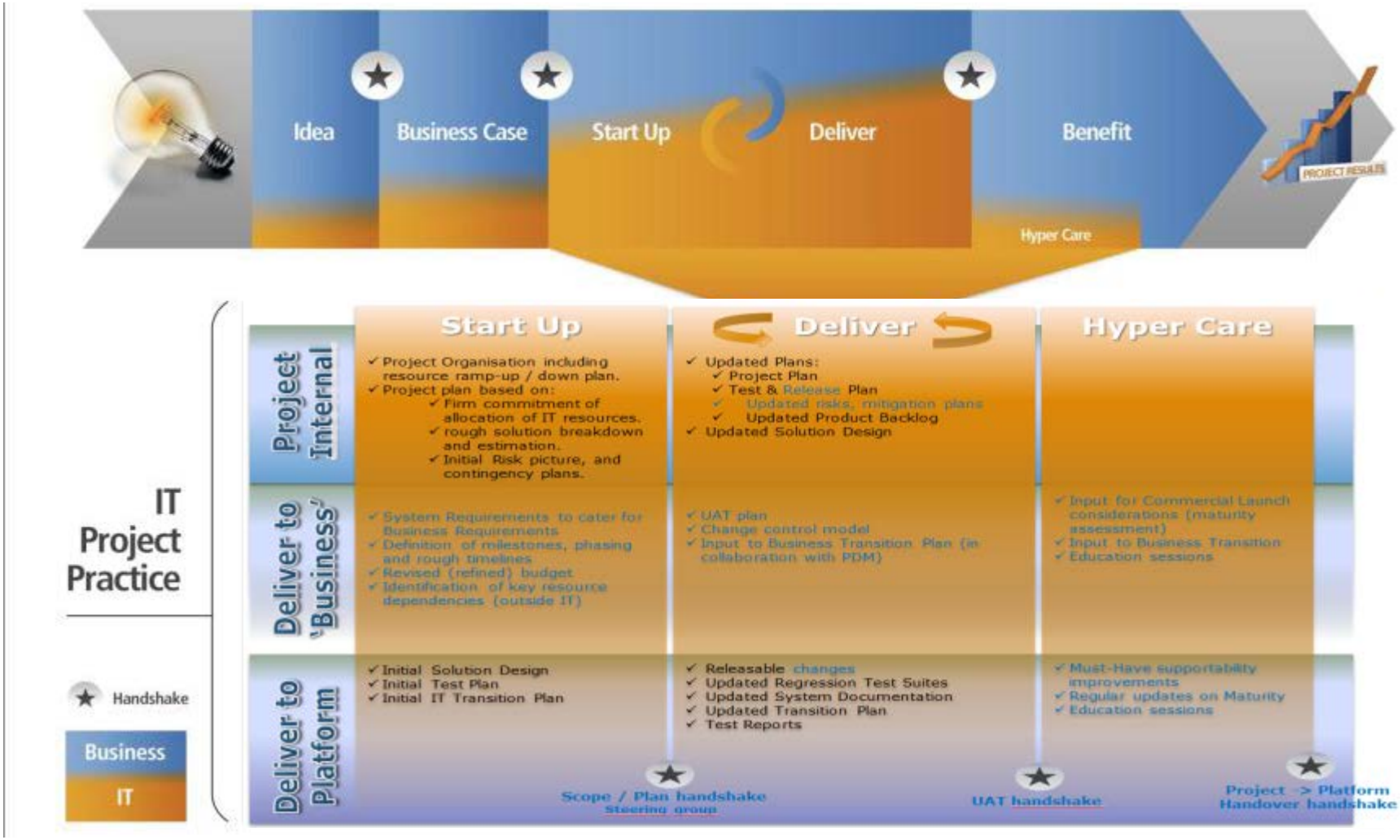
The Saxo Way of Working:

- Is a **collaboration** model
- Is a **service approach** – the underlying value is “We are here to help!”
- Is the **Business Analysts Tool Box** to help Business and IT in projects
- Is about **Handshakes**

Underlying 7 Principles of The Saxo Way of Working

1. Agile Mindset – *not Waterfall*
2. Collaboration model – *not a Governance model*
3. Handshakes – *not Gates*
4. Faster time to market – *not processes and tools*
5. Rationality – *not theoretical*
6. Clear Roles and Responsibilities
7. Designed for and by Saxo Bank

Model fit: Product Delivery- and Project Model integration



New way of working - Continously Delivery

Zappo Case

Saxo Bank – History:

- Traditional phone broker of FX
- Internet emerged
  - Test first webpage with no connectivity
  - Delivered services in a new way
  - Connectivity and automation grew – after the need and business case where confirmed
  - The worlds best trading platform

Architecture and Design matter

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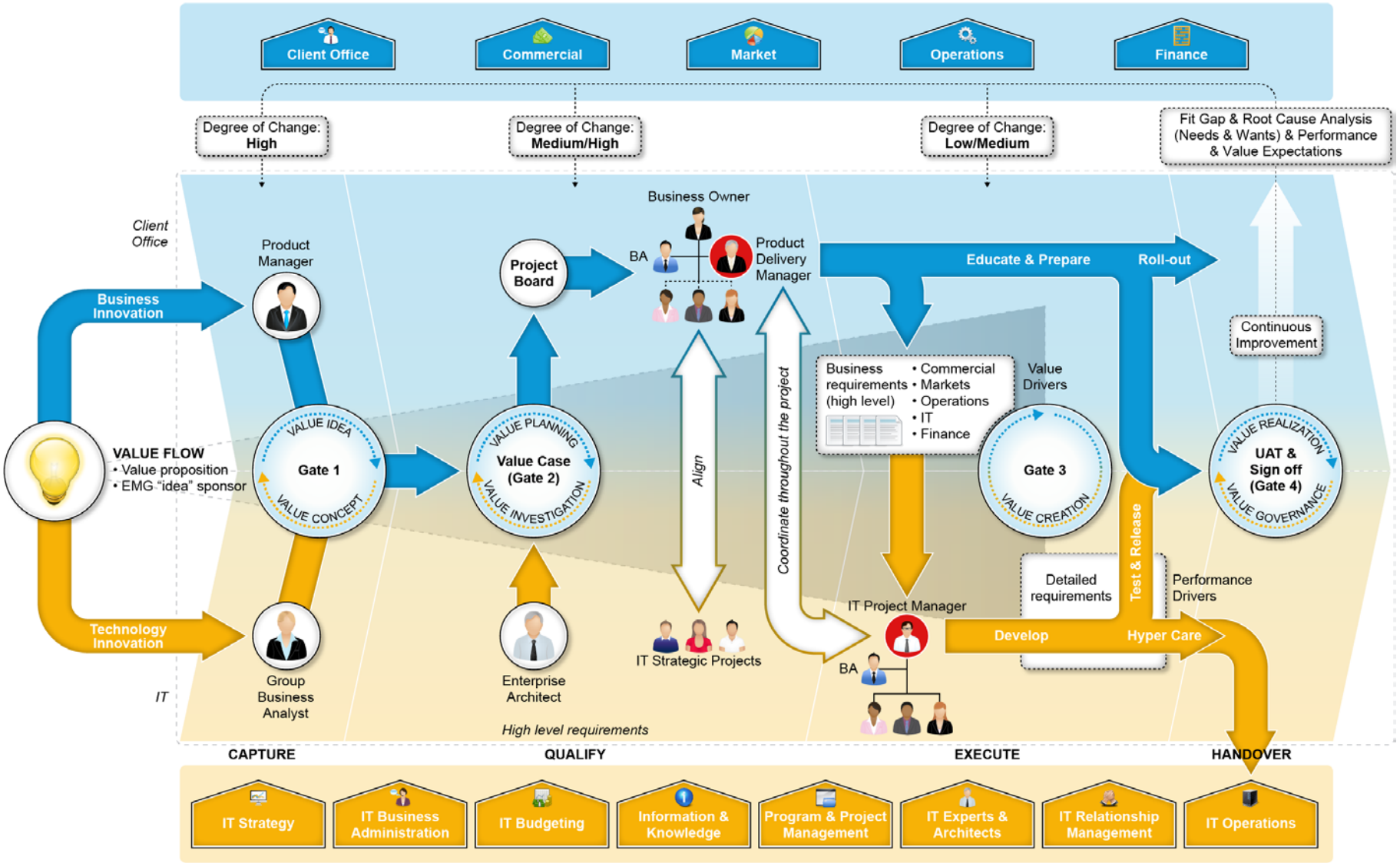
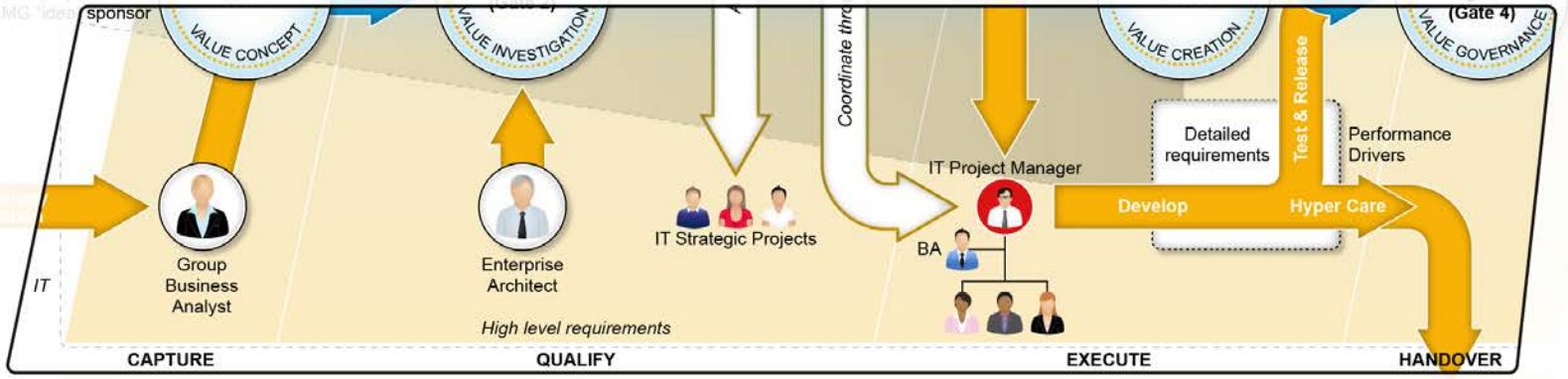


((©))LEADing Practice of the Business Model Reference Framework

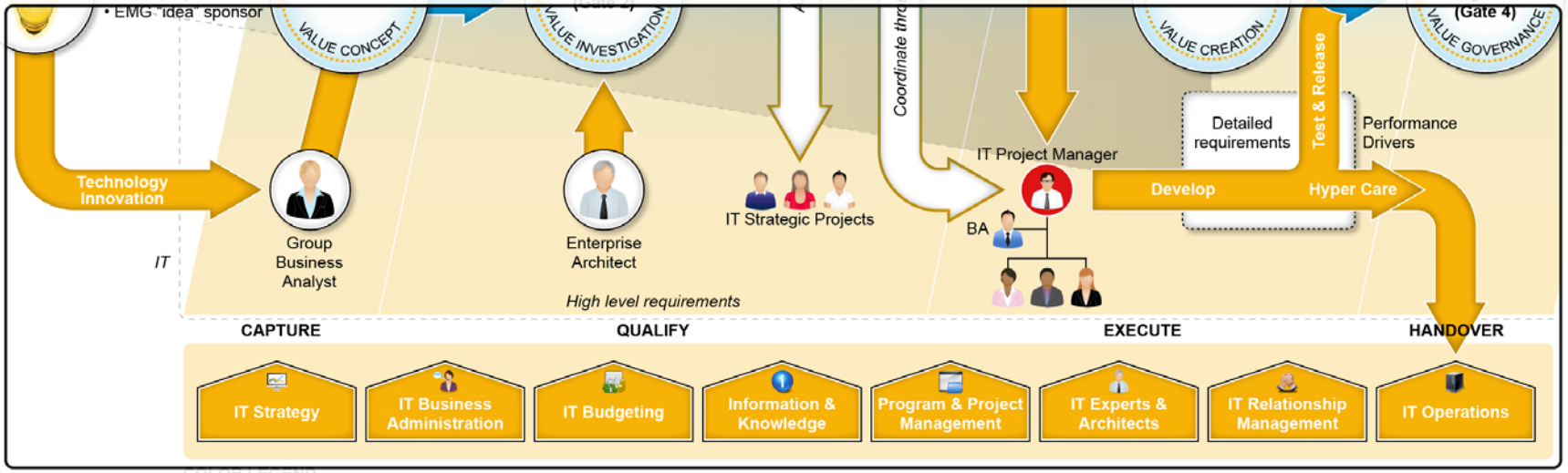
Source: www.LEADFrameworks.com

IT Project Excellence



IT STRATEGY

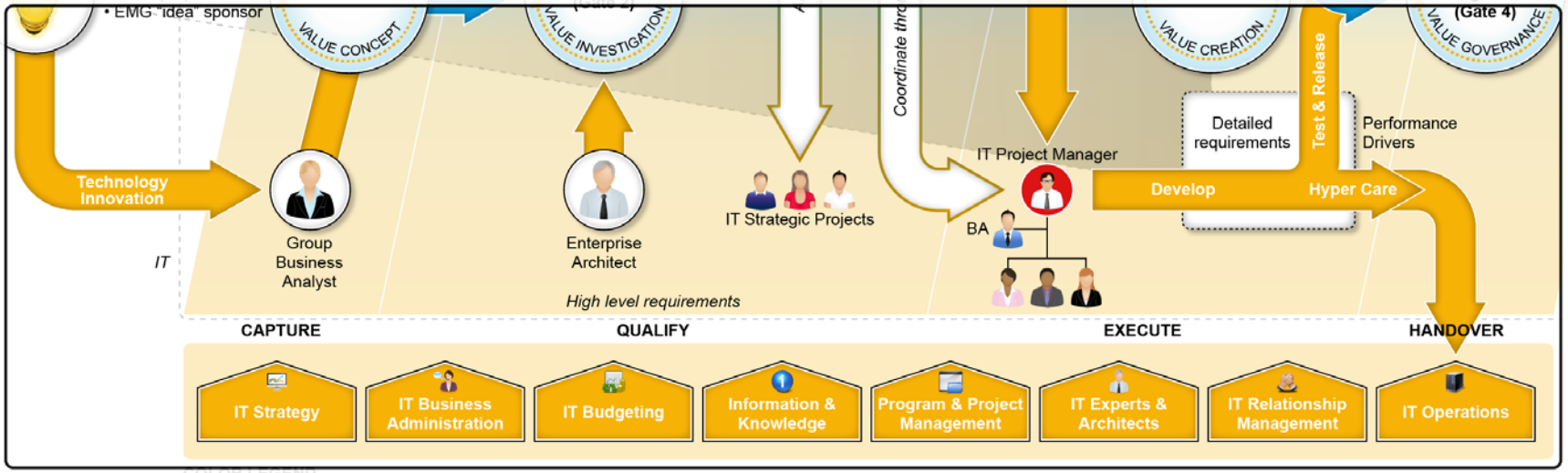
IT Operational Excellence



IT STRATEGY

- **Strategic Business Objectives (SBO)**

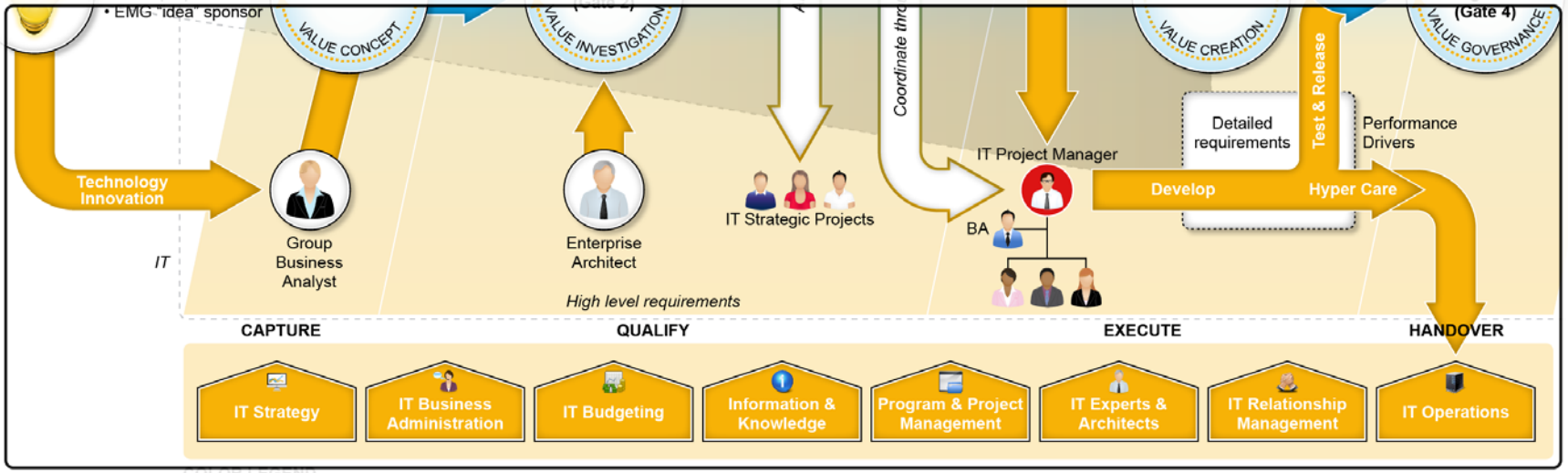
IT Operational Excellence



IT STRATEGY

- Strategic Business Objectives (SBO)
- Critical Success Factors (CSF)

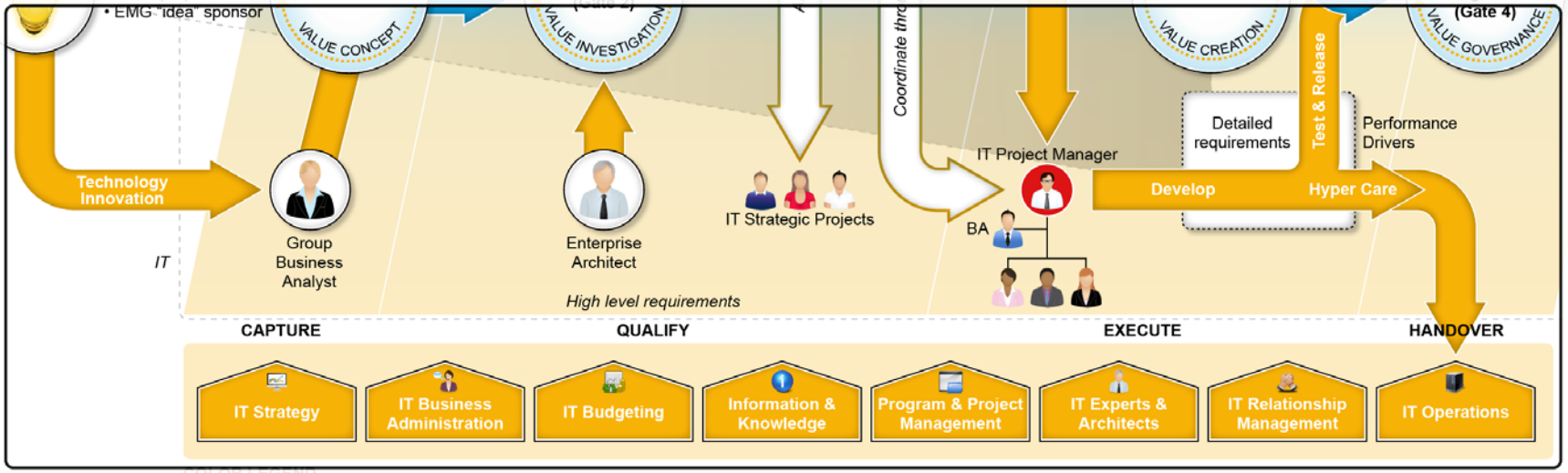
IT Operational Excellence



IT STRATEGY

IT Operational Excellence

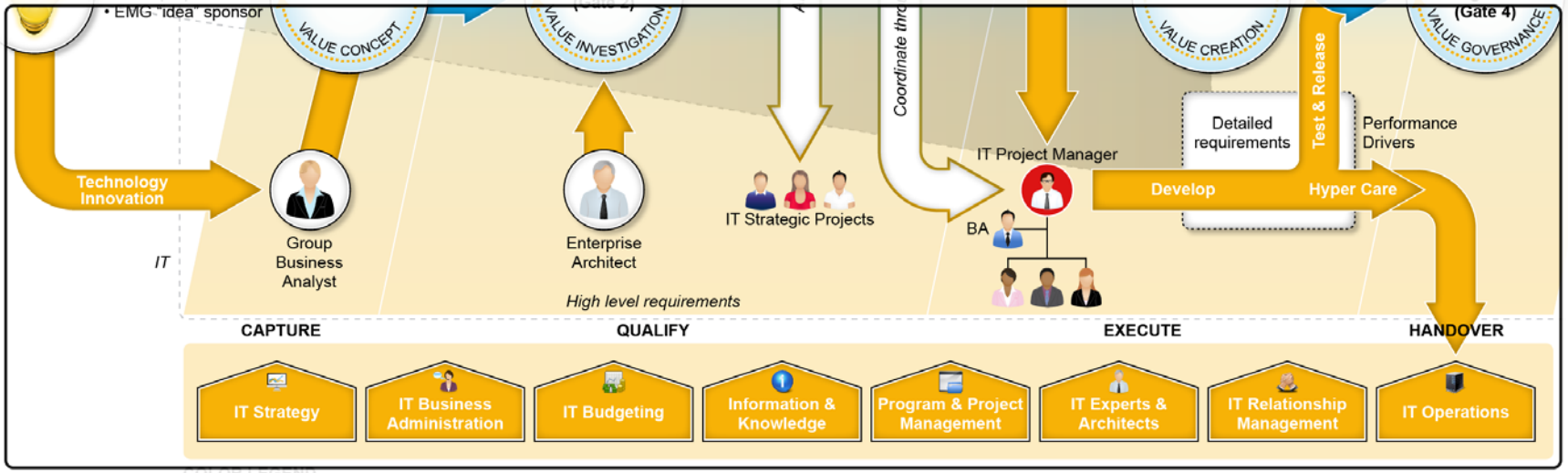
- ✓ One IT
- ✓ Scalability
- ✓ Operational Efficiency



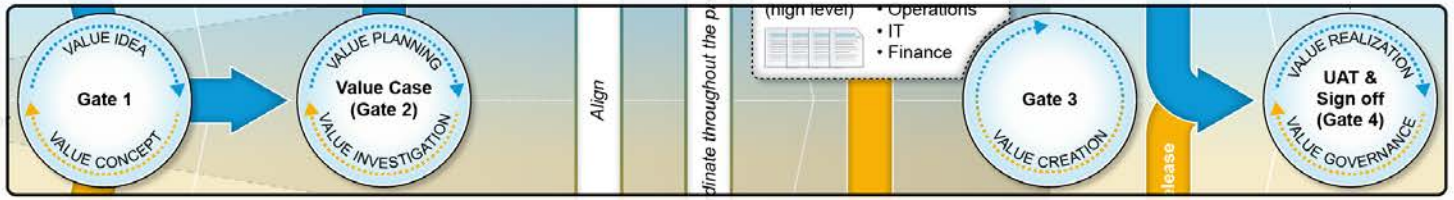
Saxo Bank Strategy

- Strategic Business Objectives (SBO)
- Critical Success Factors (CSF)

IT Operational Excellence



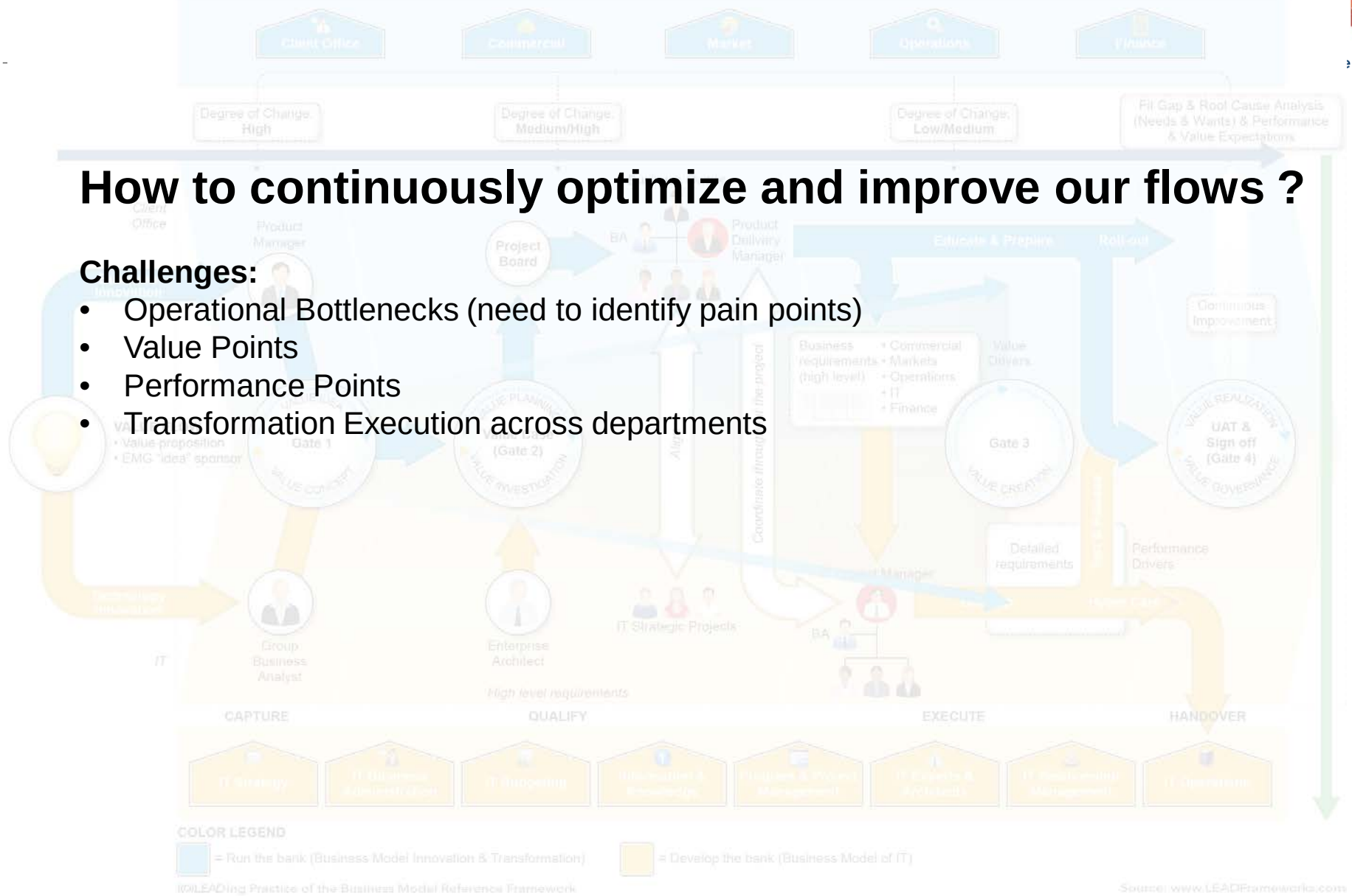
Value flow


VALUE IDEA
Gate 1
VALUE CONCEPT
VALUE PLANNING
Value Case
(Gate 2)
VALUE INVESTIGATION
Align
Coordinate throughout the project
(high level)
• Operations
• IT
• Finance
Gate 3
VALUE CREATION
Release
VALUE REALIZATION
UAT &
Sign off
(Gate 4)
VALUE GOVERNANCE

How to continuously optimize and improve our flows ?

Challenges:

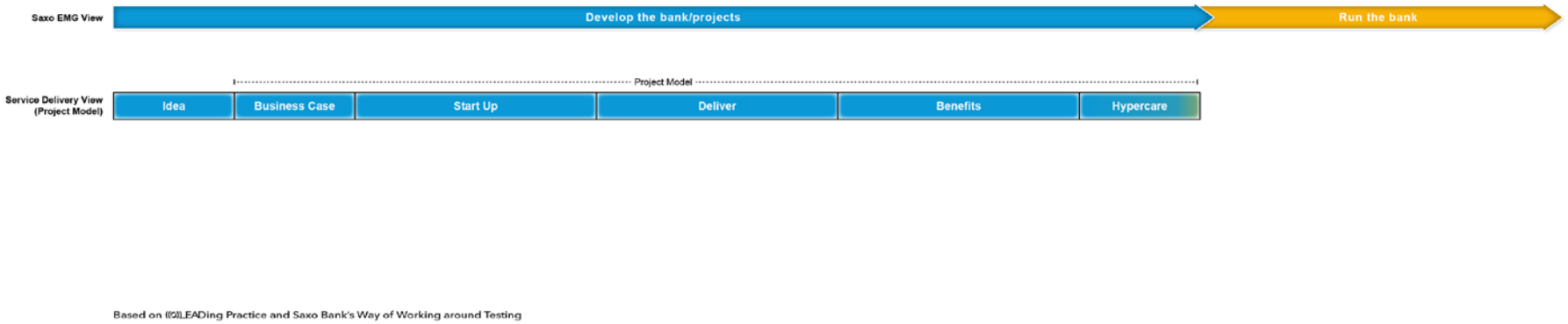
- Operational Bottlenecks (need to identify pain points)
- Value Points
- Performance Points
- Transformation Execution across departments



The different important views
1) Saxo Bank EMG View

Based on ((o))LEADing Practice and Saxo Bank's Way of Working around Testing

The different important views
2) Saxo Bank Service Delivery View - Project Model



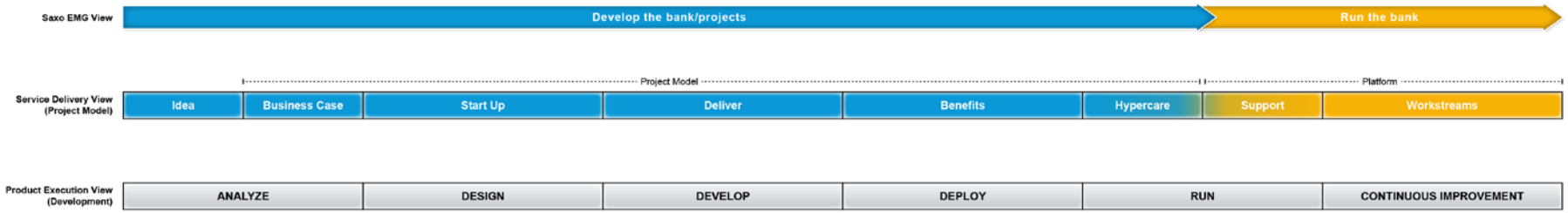
Based on ((o))LEADing Practice and Saxo Bank's Way of Working around Testing

The different important views
2) Saxo Bank Service Delivery View - Workstreams

Based on ((o))LEADing Practice and Saxo Bank's Way of Working around Testing

The different important views

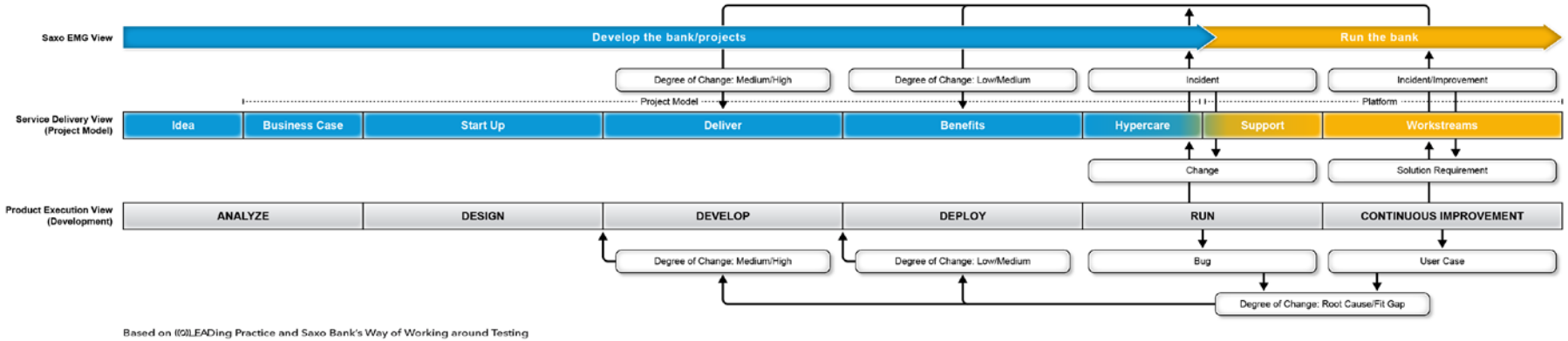
3) Saxo Bank Product Execution View for Testing



Based on ((o))LEADing Practice and Saxo Bank's Way of Working around Testing

The different important views

4) Change Management and Continuous Improvement

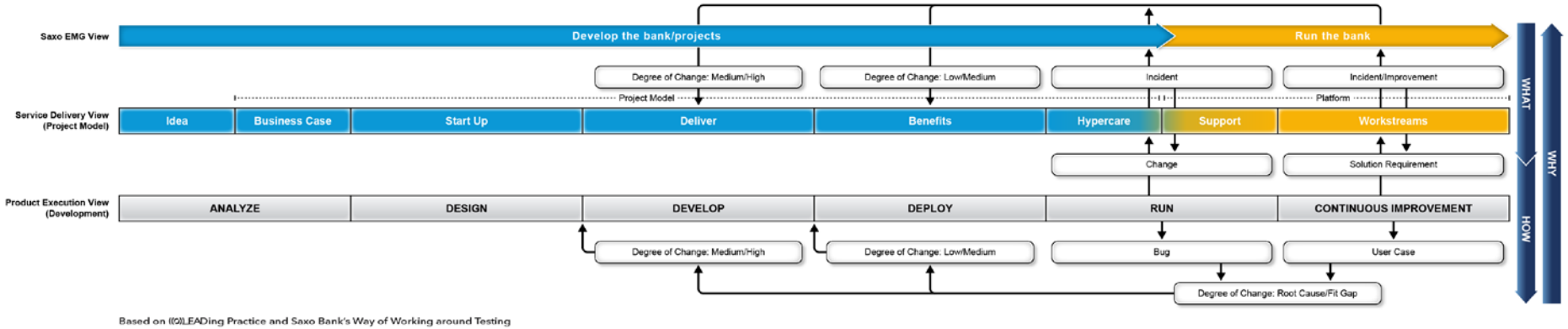


Based on ((o))LEADing Practice and Saxo Bank's Way of Working around Testing

Saxo Bank Product Execution View

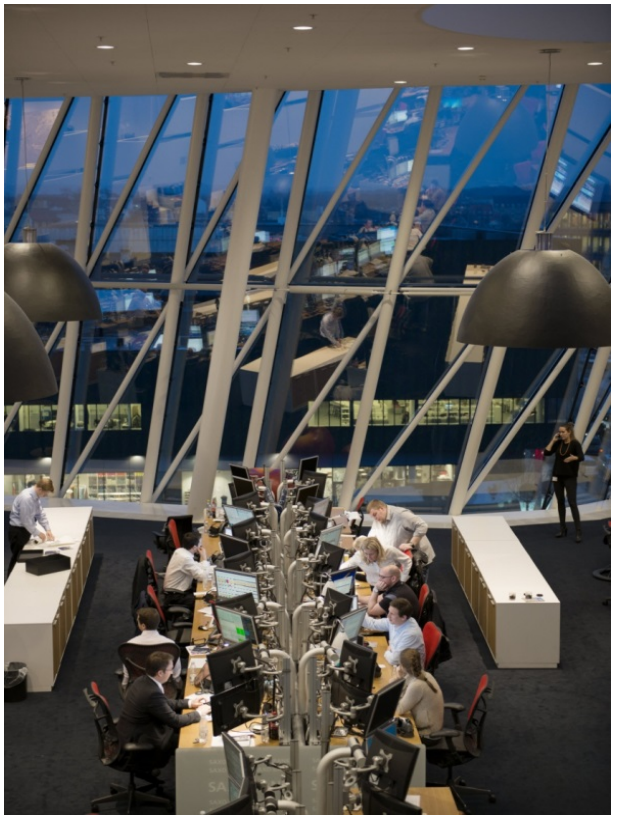
WHAT, HOW & WHY

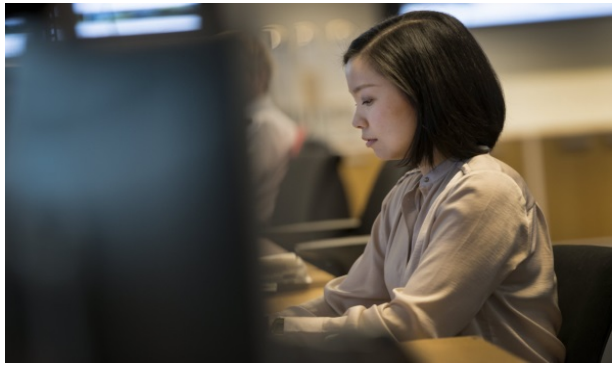
((o))LEADing Practice



Based on ((o))LEADing Practice and Saxo Bank's Way of Working around Testing

Detailed view - Software testing





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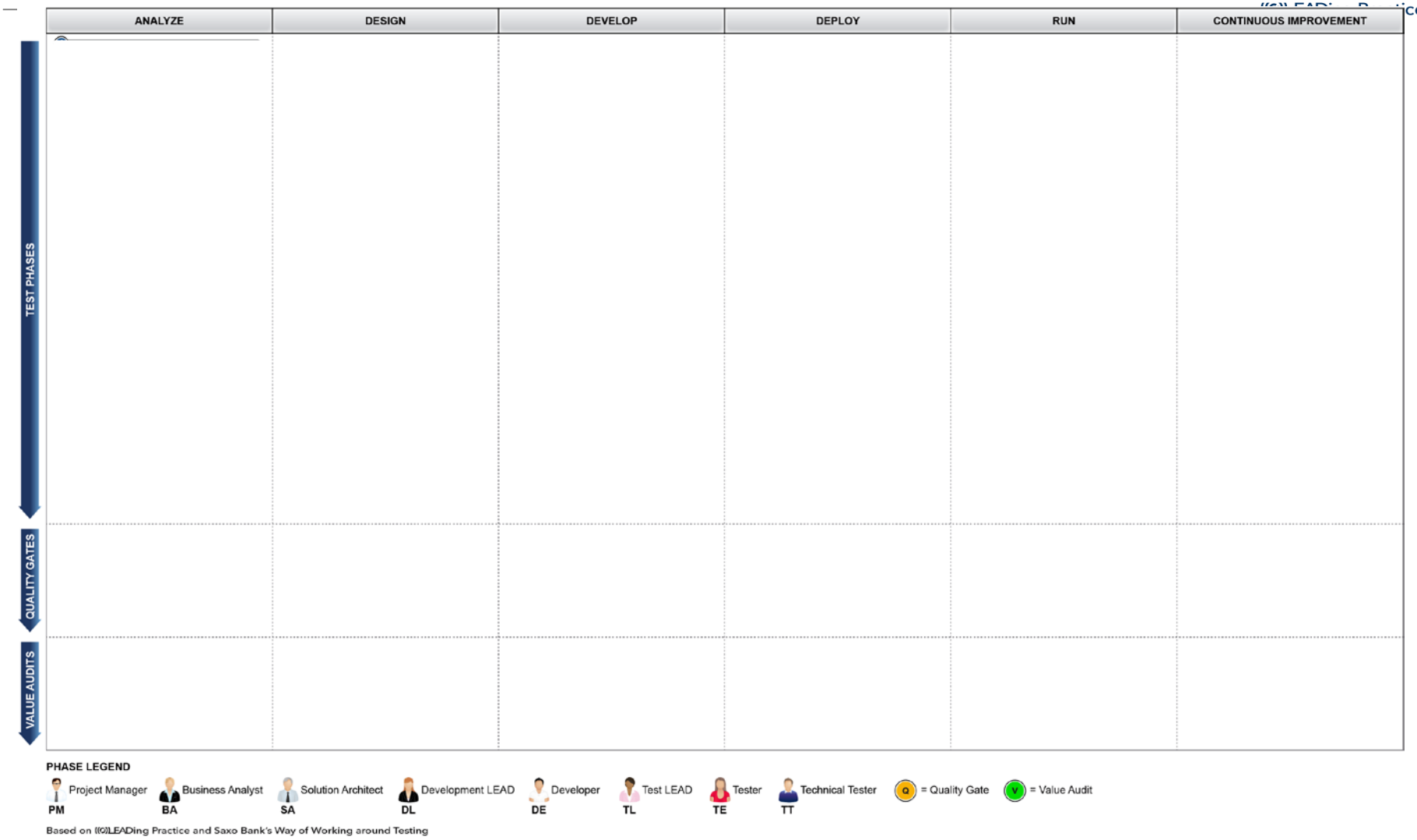
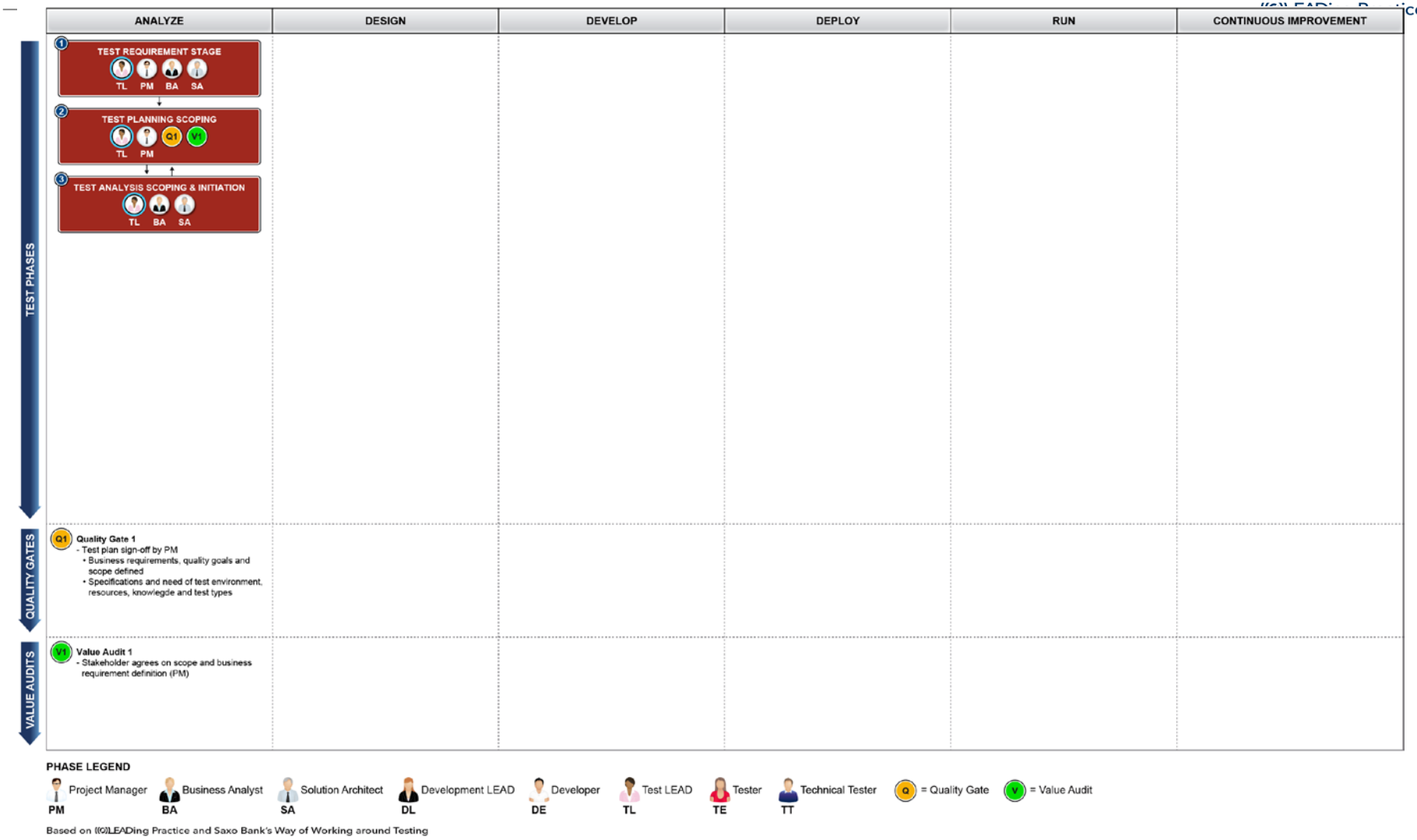
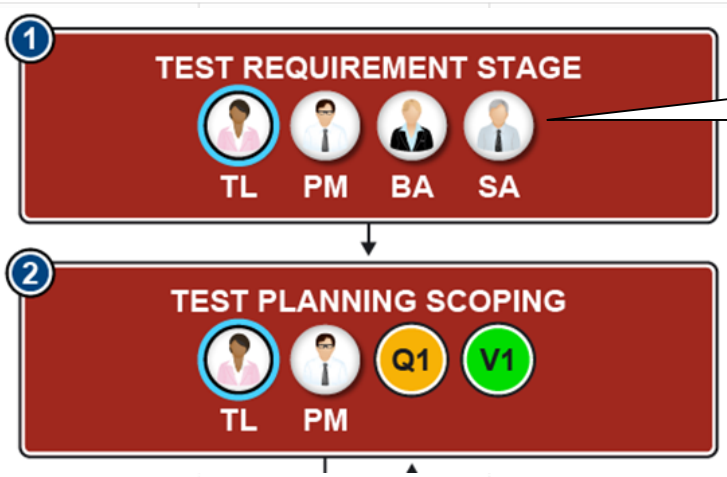
Test Tasks with Quality Gates & Value Audits



Test Scoping & Initiation



Test Scoping & Initiation



The roles that typically contribute to a specific phase.

Q1 Quality Gate 1

- Test plan sign-off by PM
  - Business requirements, quality goals and scope defined
  - Specifications and need of test environment, resources, knowlegde and test types

Are we done?

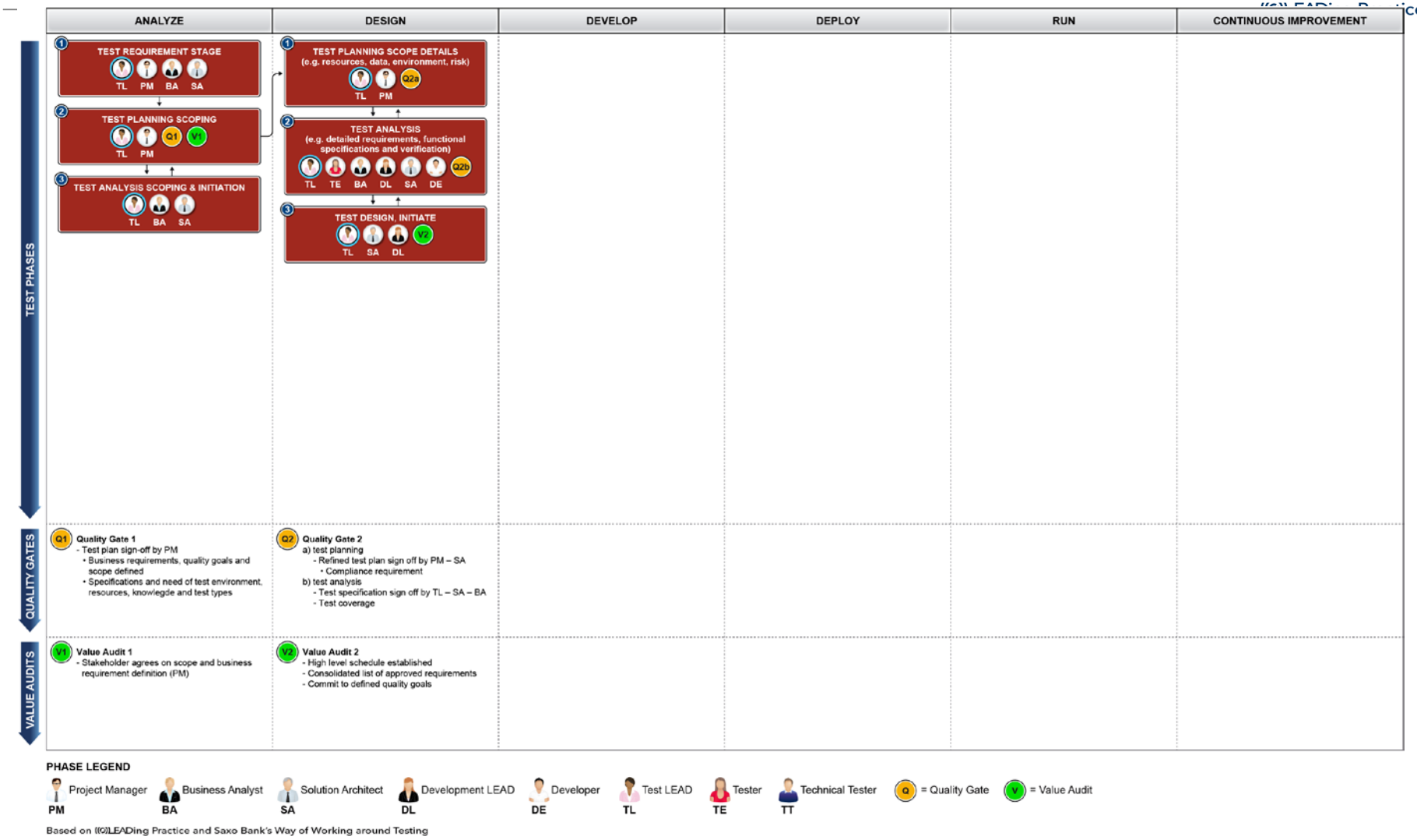
V1 Value Audit 1

- Stakeholder agrees on scope and business requirement definition (PM)

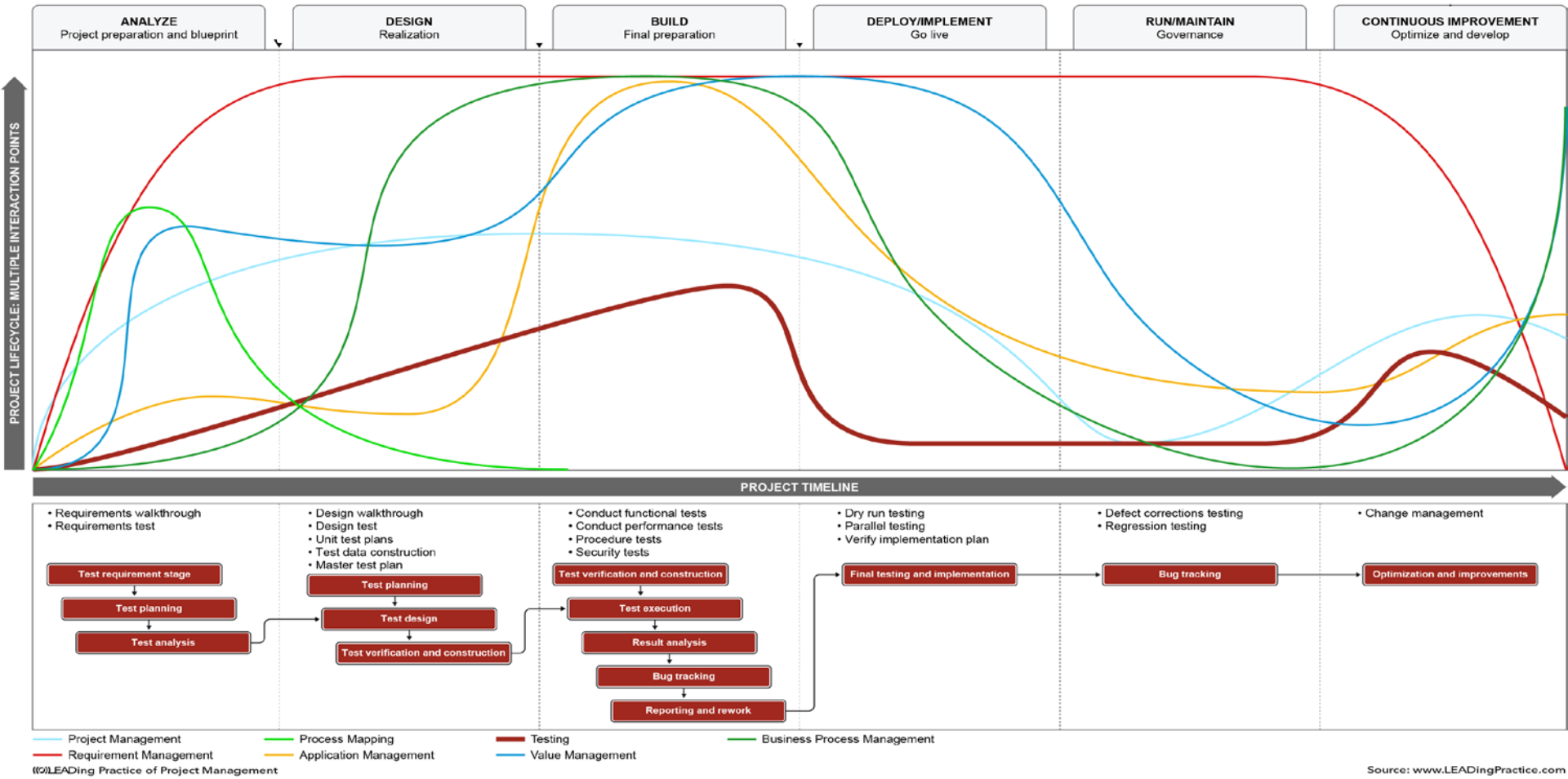
Has the desired value been created?

Saxo Bank Product Execution View

Test Analysis and initial Design



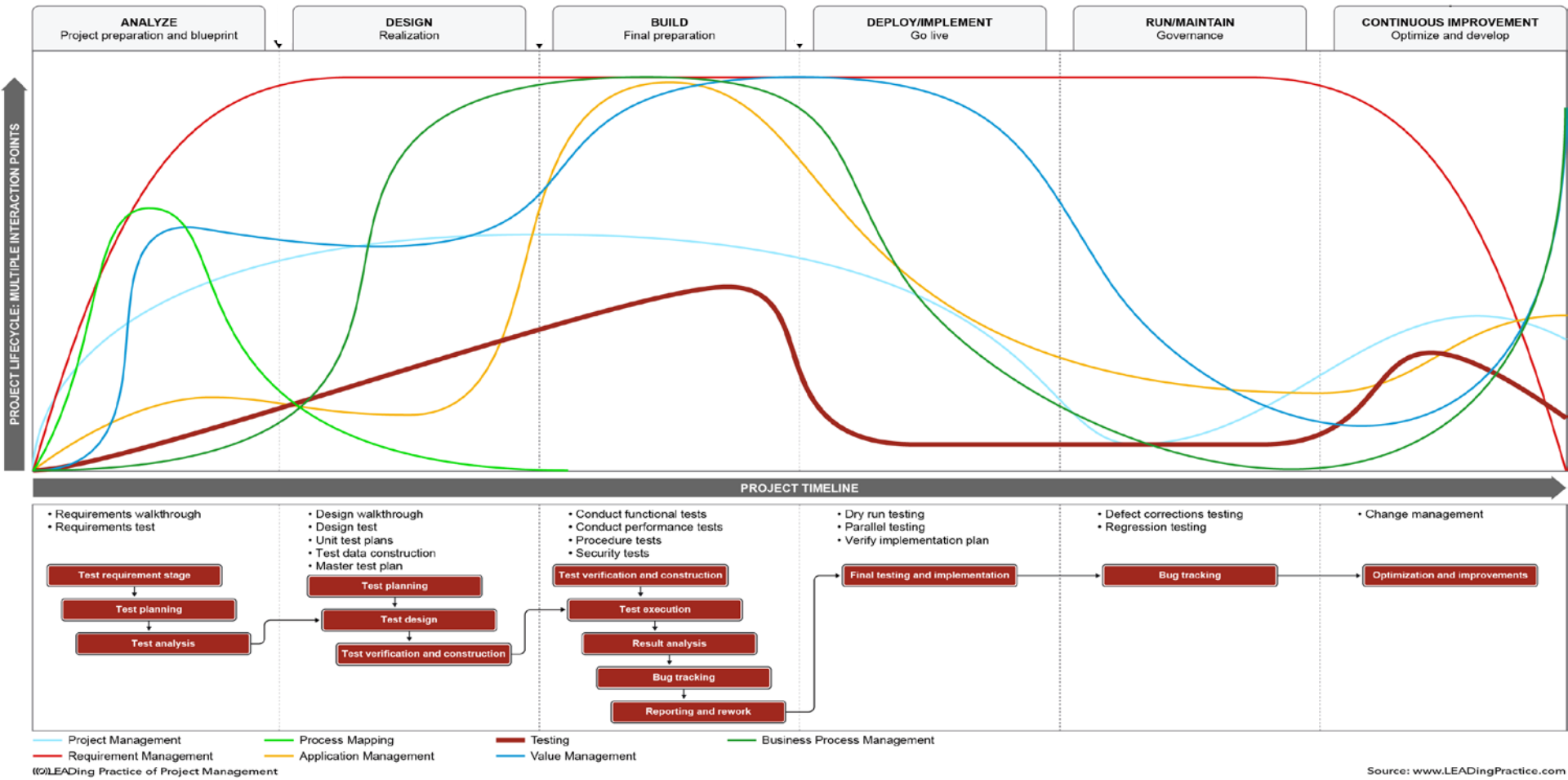
All Phases with Testing



((o))LEADing Practice of Project Management

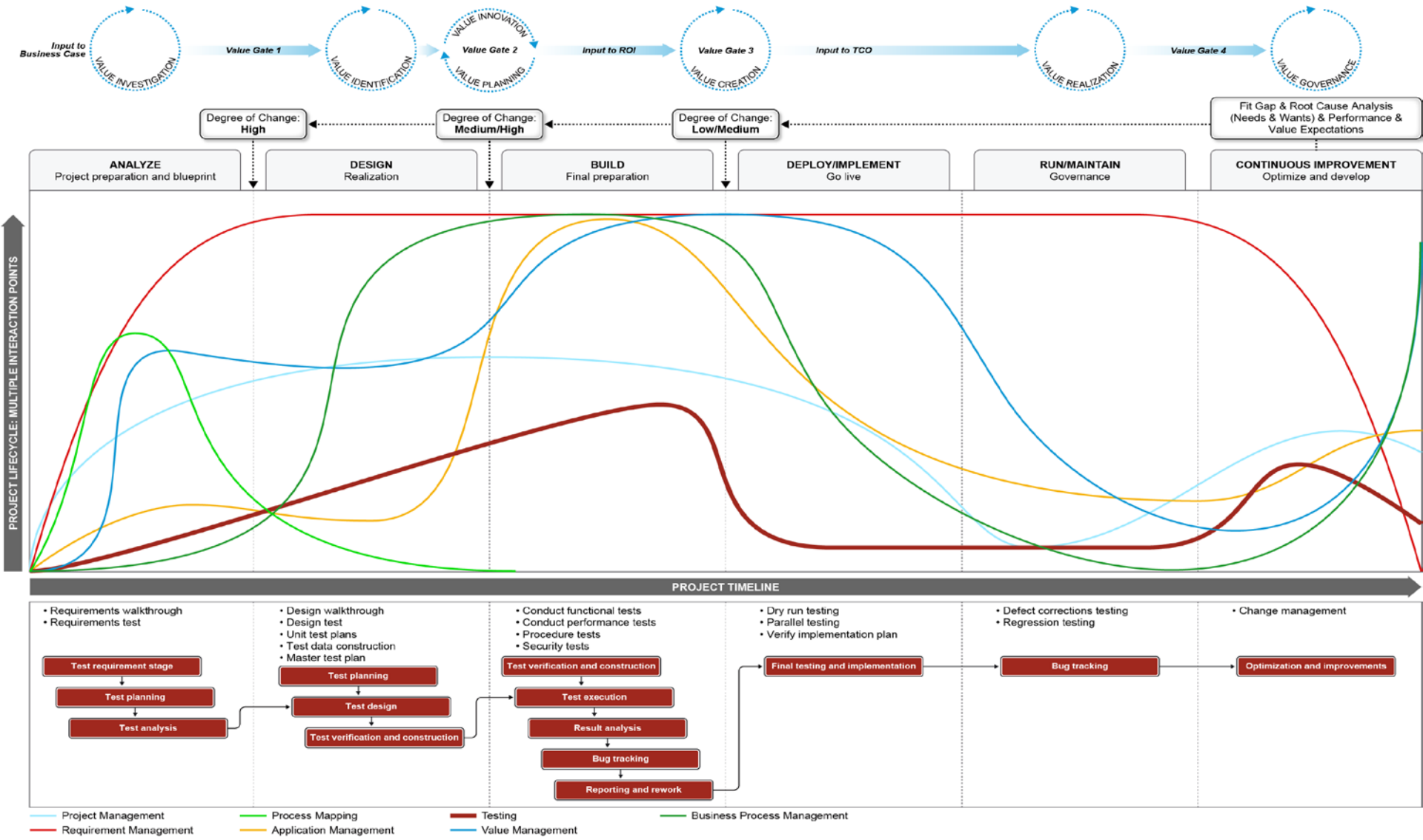
Source: www.LEADingPractice.com

All Phases with Testing



All Phases with Testing

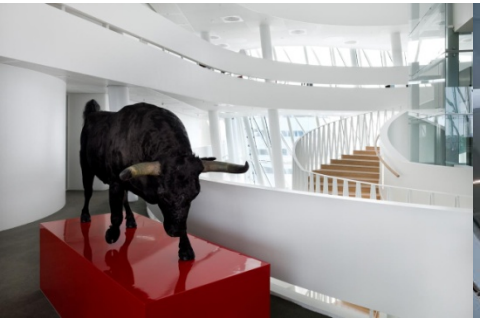
((o))LEADing Practice



((o))LEADing Practice of Project Management

Source: www.LEADingPractice.com

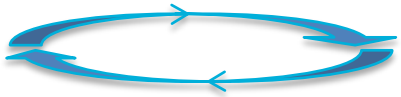
Connecting the dots



Lean agile enterprise – full perspective

Minimum Viable Product

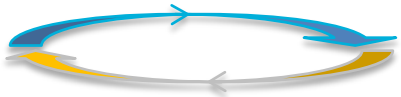
The minimum required changes, which proves a hypothesis (a claim) so validate further investments in refining idea / product



Product Delivery Model

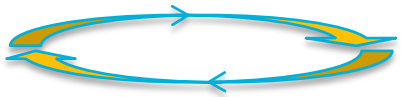
Efficient feature driven execution in small batches and metrics

Feature Feature Feature



Continous Delivery

Minimize cycle time from a feature is committed until it is released in production – through ruthless automation



Lean/agile enterprise principles

- Work in small batches/iterate
- Build measure learn
- Continously improve
- Quantifiable learning
- Reduce waste
- Minimize cycle times

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Conclusions and Take Aways

Transformation has to happen inside the organization

Carefully consider the Company dna

Frameworks and Principles (*order in chaos*)

- Way we are organized
- Way of thinking
- **Way of modeling and working**
- Way of executing and prioritizing

Think in business models

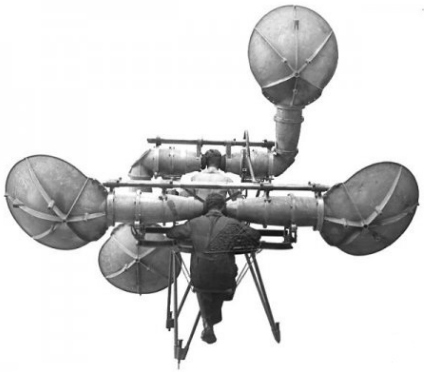
- Little Process, but Structure
- Architecture and Design matter
- Value chain thinking

Better before cheaper — compete on differentiators other than price (know where to apply leading practices)

Revenue before cost — prioritize increasing revenue over reducing costs. (kno where to apply best practices)

Don’t reinvent the wheel – apply reference contend

Pilot projects to prove the case !



Questions?

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For more information:

Thank You

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