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Bridging the GAP

How Shell brought finance and IT closer together

Evangelism is not a phrase you hear often in the finance world. But perhaps if your organization's connectivity went down and you were forced to come into the office on Friday at midnight—your child asleep in their car seat next to you—more of us would develop an impassioned perspective on improving work conditions.

And that is exactly what Michael High, FP&A and finance director for U.S. Gulf of Mexico Deep Water/Royal Dutch Shell, did. "This started my evangelism around: 'There has to be a different experience for our staff and for end users around how they engage with technology,'" he said.

Determined to find a solution to his team's frustrations, High went across the organization to Danny Meyer, IT director for Global Deep Water/Royal Dutch Shell. Together, they were able to bridge the gap between IT and finance, creating a "win-win-win" strategy that unlocked a value north of $100 million and eliminated 94% of spreadsheets used in the forecasting process.

Begin where there is pain

On the finance end, High was keenly aware of the pain in Shell's current processes. A seemingly simple and logical business request required a myriad of spreadsheets, technical and non-technical data, etc. Compounding the pain was the separation of this information across different lines of the organization, each with different systems and data structures.

This led to a cascade effect. "Working a couple of layers up the organization in terms of our organizational hierarchy means asking colleagues in other places around the world for their questions, who then have to ask questions of the other stakeholders deeper in their business, who may even have to ask questions of others," he said. "A simple request results in 50 or 60 or 70 or 100 people necessarily being involved."

On the other side of this gap was IT, which had its own pain points. The past few FP&A projects had gone over budget due to over-customization, leading to continually late deliverables, and one fiasco where a multimillion-dollar project was axed the week it launched. While Meyer was focused on getting market standard solutions, and High was centered on making the finance function more efficient, both were connected through a goal of making their respective processes easier. With that common ground established, they were then able to ascertain the business problem that they wanted to solve together, Meyer explained.

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Win-win-win

It's no secret that finance and IT have a historically tense relationship. This in part due to the pervasive business bias that the gap between finance and IT cannot be brought together, each belonging to separate and enclosed silos that should not step on each other's toes. In reality, the gap between finance and IT constitutes a depth of positive partnership possibilities. In order to reach those possibilities, High and Meyer knew they needed to adopt a new organizational outlook and culture between their silos.

A crucial aspect to the Agile method is not only adopting the process, but also embracing the cultural mindset that will allow the method to succeed. In order to foster this change, High and Meyer ditched the concept of collaboration and embraced the concept of co-dependence. "The difference is letting go and letting others step up into a space and play their position on the pitch, versus trying to play their position and someone else's at the same time," High said. For them, collaboration represented the old concept of simply working across the organization. A co-dependence framework allowed them to shed the dichotomy of "finance team" and "IT team" and begin thinking about individual players and the multiple capabilities individuals could bring to this experiment as one unit.

One of the most important lessons High and Meyer learned from incorporating the fast-paced Agile method was that "air traffic controllers" need to be assigned early in the project to establish a center of excellence (COE). A project can topple over in the early phases if not appropriately scaled, which is a crucial element for a global enterprise like Shell.

With the team set, High and Meyer began their experiment. It was intentionally designed to impact less than 10 people but

incorporate highly confidential data. The experiment featured characteristics that would allow for future opportunities. "We felt it would give us enough to be able to work with to then be able to figure out what kind of changes in our behaviors, in our controls, and in our technology would we have to put in place to actually be able to get comfortable as a company with putting sensitive data in the cloud," High said. "These were elements of that experiment that we injected into it to be able to have these proof points that then unlock much, much bigger opportunities thereafter."

By creating room for malleability and future opportunities, High and Meyer were able to foster positive buy-in for their experiment. At the end of one of their four-week sprints, they had a minimum viable product (MVP) to present to the Upstream CFO. Despite the boldness of a raw deliverable, the positives outweighed the negatives; higher-ups were able to inject their perspective and feel part of the process. By bringing executives something unfinished, High and Meyer were able to open leadership's eyes to what goes on in the trenches of the day-to-day work.

Involving senior leadership in this way was the third win in High and Meyer's strategy. The first two were what IT and finance wanted independently, and the third was the business value generated for the organization. By incorporating multiple other opportunities to unlock later, they demonstrated that their experiment held an even greater organizational value outside of IT and finance. These possibilities encompassed numerous stakeholders needs, increasing executive buy-in and building a solid foundation of support.

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World-changing results

High and Meyer's risky experiment paid off in over $100 million in value brought to Shell. Since the completion, the two have their eyes set on expanding connected planning, as well as exploring how even more departments can work cross-functionally to generate more value. As far as evangelism goes, High succeeded in his efforts to positively shape the lives of his employees and those around them. One end-user of the project described the results as world-changing. "We are working much fewer hours," she said. "We have data at our fingertips instead of running reports that require so many people, who then come back to give you data that still may be faulty because it doesn't all fit together. We've solved those problems. We did our first user survey. We were at 93% positive feedback on a better user experience and better work/life balance. It was just an incredible success."

Interestingly, as the experiment moved into its later phases, High and Meyer noted that their mishaps came from them drifting away from their core co-dependence mentality. "The root cause has been where we actually have lost sight of still playing this team sport and started playing it individually," he said.

Perhaps that is the most illuminating lesson from High and Meyer—great success does not come from going it alone. Instead, great success happens when people decide the prerequisite of their success is the requirement for the development of advancement of others.

Don't miss Michael High's session at FinNext, The Power of a Diverse FP&A Team. Learn more at: finnext.afponline.org