KFW
Bank aus Verantwortung

SECTOR
Banking and financial institutions

PERIOD 03/2020 – 12/2020

LOCATION Frankfurt, Germany

COMPANY
KfW Development Bank

WEBSITE
www.kfw-entwicklungsbank.de

BASELINE SITUATION
For more than 50 years, KfW Development Bank has been awarding grants earmarked for the funding of development cooperation projects on behalf of the German Federal Government. However, the projects' increasing complexity and the number of interfaces meant that proven working methods were reaching their limits. Furthermore, the "front-to-end" efficiency program brought about decisions to broaden the project teams' expertise by creating additional roles, and to transfer decision-making power to them.

SOLUTION
With a view to improving cooperation and providing orientation within the project teams, the "front-to-end" (FRED) implementation team developed a cooperation model (Zusammenarbeitsmodell, ZAM) based on four transparently communicated principles. borisgloger consulting supported KfW Development Bank in the translation of these principles into day-to-day routines, trained teams and individuals in agile methods, and offered practical assistance for the project teams.

RESULT
About 500 out of 800 employees attended at least one training module over a period of nine months. 40 team coaching sessions were provided, and around 10 "Communities of Practice" meetings were held. To identify ZAM's obstacles and work on the transformation's direction, FRED, the external consultants, and the new department for innovation, digitalization, and communication formed a transformation team together with those responsible for promoting agile methods within the KfW banking group.

The future is remote: how KfW Development Bank implemented a new cooperation model in the midst of the pandemic

There is a substantial difference between building a school and building a smart city: the latter is much more complex. This translates into more stakeholders, more project participants, and more interfaces. Today, KfW Development Bank relies on agile ways of working to master such increasing complexity in international development cooperation.

Source: KfW archive/Joachim E. Roettgers

KfW Development Bank has been establishing financial cooperation with developing and emerging countries on behalf of the German Federal Government for more than 50 years. It is part of the KfW banking group and awards earmarked grants to projects in Africa, Asia, Eastern Europe, and Latin America. To that end, it often collaborates with external partners such as the German international cooperation service provider GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit). Internally, KfW Development Bank is structured according to geographic regions and the sectors to which grants are awarded, such as drinking water supply, renewable energy, education, and health. This structure has proven useful for "simple" projects, but has been pushed to its limits with an increasing number of complex projects. Marion Kneesch, FRED's team leader, has described these complex projects as follows: "Usually, a project becomes particularly complex as soon as the opinions of various experts are not independent of one another, but influence each other."

A simplified example: If a forest area is to be cleared to build a school, thus jeopardizing the habitat of endangered species, an environmental expert would be critical of the project and might even veto it. The expert can either wait until she is presented with a better solution, or help to create a solution that takes both environmental protection issues and the developmental mission into consideration. KfW Development Bank's 2025 Strategy clearly focuses on the second option: working together towards a common goal is more important than focusing on one's own expertise. The same holds true for external interfaces: colleagues from departments outside of KfW Development Bank, such as legal or compliance, are to be more strongly integrated in the project teams than to date.

The employees were used to accommodating several perspectives within complicated projects, but they often lacked experience in dealing with complexity. As a result, cooperation across these numerous interfaces was perceived as inefficient. A new working model was therefore needed which, without changing the organizational structures, would create the necessary flexibility to meet the requirements of the market, contracting entities, and partners in development and emerging countries more rapidly, more efficiently, and with a stronger focus on clients. This is why the FRED project team was tasked with developing and establishing a new, agile cooperation model: the ZAM (Zusammenarbeitsmodell).

ZAM is based on four principles:

1. **Client focus**: The interests of clients, i.e., contracting entities (such as the Federal Ministry for Economic Cooperation and Development in particular) and partners are to be involved to a larger degree and at an earlier stage, subject to internal standards and requirements.
2. **Cross-functional cooperation**: All projects have cross-functional teams, made up of employees from different departments. At the same time, each and every employee is usually involved in other projects. To improve cross-departmental cooperation, the cross-functional teams use a common objective-management system and an agile working model (ZAM) in which they are trained.

3. **Iterative processes:** Employees use iterative processes for complex projects, allowing them to better depict changes. Wherever possible, strictly defined process steps are replaced by guidelines.
4. **Needs-based roles**: The team members should feel committed to the objective of the project, not a formal role. This is why the teams are free to assign team-internal roles based on their needs.

NEW UNDERSTANDING OF LEADERSHIP AND OBJECTIVES

During leadership workshops, borisgloger consulting supported KfW Development Bank in deriving both a common target image and its implementation within the organization from the principles and solutions developed. As it had already been decided that decision-making power would be transferred to the operational level, the next stage involved living by the value of self-organization and conveying an agile mindset and agile methods that would allow the teams to manage complexity on their own. "The leaders are supposed to enable the project teams' self-organization, promote cross-functional approaches by providing a relevant system of objectives, and provide more strategic orientation than ever." This is how Marion Kneesch summarizes the understanding of leadership that leaders agreed upon during the development of ZAM.
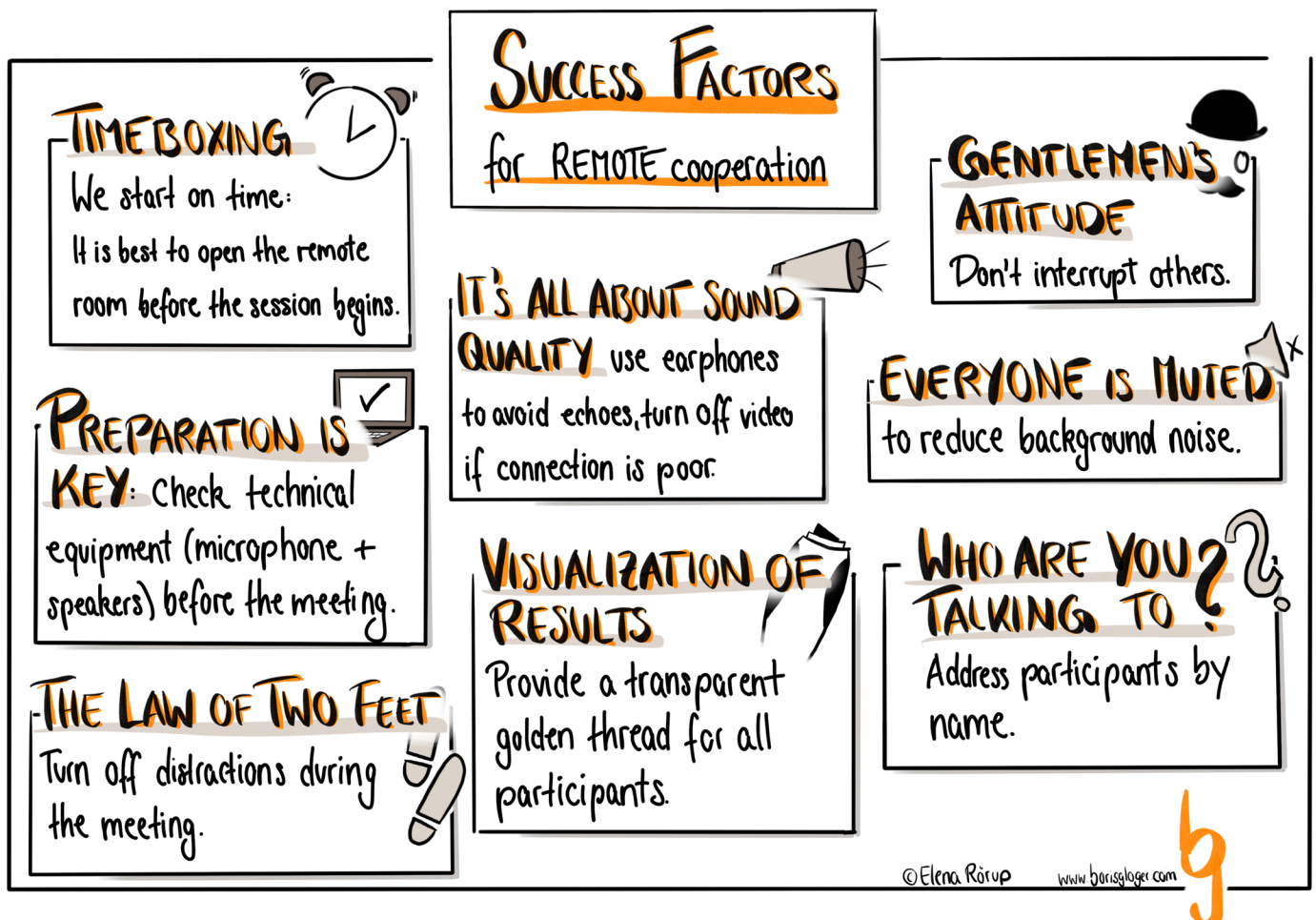
The leader therefore makes sure that the team can focus entirely on their project. From now on, a leader's most important question is: "where and how can I support you?" Furthermore, the leader communicates the entire organization's objectives so transparently that the team members are always aware of their contribution to them. In return, the team assumes responsibility for the success of the project, thus providing flexibility for the leader. The result: less micro management and more team responsibility. Certain aspects that had always been self-evident for some leaders became mandatory for everyone with ZAM, as they had agreed to them in the workshops.

TEAM RESPONSIBILITY INSTEAD OF ISOLATED ROLES

In keeping with the principle of self-organization, existing roles were interpreted in a new way: the team members are expected to make arrangements to assume and change roles flexibly, but also to contribute to the objective of the project beyond the scope of their roles. Besides their professional roles, this includes tasks such as the facilitation of the next retrospective or discussion of new project approaches with the contracting entity. Roles can even shift between the project team based in Frankfurt and the employees in the regional offices. The project teams are supported by around 50 ZAM ambassadors who were appointed by the respective departments and serve as points of contact for ZAM's implementation.

COVID-RELATED REMOTE WORK

The implementation of ZAM started almost at the same time as the first anti-Covid measures were introduced in Germany. All training sessions, workshops, and practical assistance sessions were therefore held remotely. This had one disadvantage: there were almost no opportunities for a conversation in passing with external consultants or a spontaneous one-on-one discussion with colleagues. As a substitute for on-site support, FRED and borisgloger consulting therefore developed a multi-stage implementation program to combine theoretical online training modules with remote practical assistance on a voluntary basis. As such, the cross-functional teams had access to coaching for their project as necessary. Additionally, the role bearers had the opportunity to exchange experiences in facilitated Communities of Practice: groups of people with similar tasks.

SUCCESS FACTORS for REMOTE cooperation

TIMEBOXING
We start on time:
It is best to open the remote room before the session begins.

PREPARATION IS KEY: Check technical equipment (microphone + speakers) before the meeting.

THE LAW OF TWO FEET
Turn off distractions during the meeting.

IT'S ALL ABOUT SOUND QUALITY use earphones to avoid echoes, turn off video if connection is poor.

VISUALIZATION OF RESULTS
Provide a transparent golden thread for all participants.

GENTLEMEN'S ATTITUDE
Don't interrupt others.

EVERYONE IS MUTED
to reduce background noise.

WHO ARE YOU TALKING TO?
Address participants by name.

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ONLINE TRAINING SESSIONS FOR ROLES AND TEAMS

Over the course of a modular **online workshop program** from March to December 2020, approx. 500 out of 800 employees were trained in ZAM in around 60 sessions, most of which lasted four hours. There were focus modules for roles (team leadership, portfolio management, portfolio analysis, ambassadors), team types (complex task team, project team), and general departments. Units outside of KfW Development Bank, such as legal and compliance, were involved in the task team workshops. The employees participated in all modules relevant to their roles and team membership: a team leader could, for example, be both an ambassador and member of a task team.

All participants received the same introduction and a ZAM toolbox. Among other things, this toolbox includes suggestions for more efficient kick-offs, thus ensuring that all project participants have a uniform understanding of the objectives right from the start. During the training sessions, the participants discussed topics that were of special relevance to their roles, using their own practical examples as starting points.

INDIVIDUAL AND NEEDS-BASED MEASURES

Communities of Practice
Communities of Practice (CoP) are made up of bearers of certain roles who meet online or in real life to communicate with one another. As such, they can learn from each other's experiences, reflect together, and create a uniform understanding of their roles. Especially at the beginning, a CoP has a huge advantage over consulting: consultants always remain on the outside and only provide temporary support. Members of a Community of Practice, on the other hand, are insiders, benefit from one another, and establish a network. The external consultants, among them borisgloger consulting's experts, ensured good facilitation of the CoPs together with the FRED project team.

Coaching
The project and task teams were now ready to face real life challenges, supported by coaching if they wished. borisgloger consulting helped the teams translate ZAM to their specific context and carry our practical implementation. In this manner, they were able to identify projects that served as long-term reference points for the entire organization. (For example, the establishment of a "Banque des Régions", a Tunisian development bank based on the model of KfW.) The teams booked their coaching sessions via FRED and indicated the topics they needed support on. FRED was thus able to gain an overview of topics that were requested most frequently, received suggestions on the improvement of the training modules, and collected tasks for the transformation team.

Practical helpline
"I would like to hold a retrospective in my department. How do I go about that?" Questions like this do not require three days of coaching. Instead, borisgloger consulting experts provided straightforward help and offered regular appointments. By the way, the suggestion to introduce such a helpline was raised in one of the Communities of Practice.

THE TRANSFORMATION'S FUTURE: INNOVATION, DIGITALIZATION, AND COMMUNICATION

Even successful projects still need to overcome one critical stage: transfer into day-to-day business. If those responsible in a line organization reject a project, years of work are lost. The FRED project team was spared this fate: it was clear right from the start that ZAM would only be the beginning of a larger transformation. In parallel to ZAM's implementation, but independent thereof, the department "Innovation, Digitalization, and Communication" (InDiCom) was therefore founded. In future, this department will have an overview of all things relating to ZAM and the agile and digital transformation. ZAM was not a new, unknown project for InDiCom; on the contrary: department head Arlina Elmiger had been FRED's project leader and active in ZAM's development prior to the department's establishment. Additionally, in the second half of 2020 she collaborated with the transformation team, which met regularly to detect and eliminate obstacles for ZAM where possible.

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SUCCESS FACTORS AND EFFECTS

Looking back on what has been achieved so far, there were **two factors** that proved their worth and created acceptance for alternative forms of cooperation: on the one hand, focus on and commitment to common objectives (based on the principles of "client focus", "cross-functionality", "iterative processes", and "needs-based roles"), on the other, regular retrospectives concerning cooperation within the project team and with interfaces.

The first **positive effects** of the new model, especially on complex projects with many interfaces, were already visible during ZAM's implementation phase: agile cooperation within the project teams is meant to become the standard at KfW Development Bank.

❯ The cross-functional project teams were able to find a suitable working rhythm more quickly and collaborate more efficiently both internally and with external partners.
❯ As a result, transparency between the departments increased.
❯ Retrospectives helped to strengthen the project teams' understanding of themselves and internalize the principle of continuous improvement.
❯ The definition of needs-based roles, as well as the principle that one's responsibility is not limited to one role, enabled the employees to use their strengths to make a contribution and to develop.
❯ External and internal stakeholders were involved in a closer and more target-oriented manner.

In order to consolidate achievements so far and, thus, create a sound basis for further steps, KfW Development Bank's divisional management decided to continue to support the anchoring of ZAM under the umbrella of InDiCom and created a special position for this purpose in 2021.

" **Our new cooperation model helped us put agility into concrete terms and make it more tangible for everyone.**

Marion Kneesch | FRED's project team leader