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**The Digital  
Organization  
Dilemma**

**Dario Giannocco  
Vodafone Italia**



**SPERIMENTIAMO ED ESPLORIAMO NUOVI MODELLI ORGANIZZATIVI**



A woman with long dark hair, wearing a red sleeveless top, stands on the left side of the frame. She is smiling and pointing her right index finger towards a glowing red oval. The oval is composed of two concentric, slightly offset lines that create a sense of motion and depth. Inside the oval, the text "Why Digital?" is written in a bold, white, sans-serif font. The background is a solid dark grey or black.

**Why Digital?**



# In Italia le cose stanno cambiando...

Un anno fa

Oggi

Spotify



14Billion audio streaming  
in 2017

14Billion audio streaming  
in first 6 months 2018

Netflix



~ 2M users  
(2017)

~4M users  
(2018)

Football  
matches



Food



Social  
Politics



# ...ed anche il mercato delle Telco sta cambiando

The collage features five distinct advertisements:

- Vodafone Kena Star:** Promotes a 50 GIGA 4G MINUTI illimitati offer for 8,99€ al mese. Includes a 4G 30 Mbps icon and an 'ACQUISTA' button. Text: 'Attivazione e SIM 9,99€ spedizione gratuita'.
- ho.:** Promotes an illimitati offer for 9,99€ al mese. Includes a 'zero extra costi' badge and a 'SCOPRI' button. Text: 'minuti illimitati sms illimitati giga 50 in 4G Basic fino a 30 Mbps'.
- Vodafone Simple+:** Promotes a 'Zero costi di attivazione. Zero vincoli.' offer for 9,99€ al mese. Includes a countdown timer (12:01:03) and an 'IL DOPPIO DEI GIGA solo oggi' badge. Text: 'Internet in 4G 10 20 Giga con Hotspot incluso', 'GIGA ILLIMITATI SU SOCIAL E CHAT', 'MINUTI & SMS 1000'.
- iliad:** Promotes a '50GB in 4G/4G+ MINUTI e SMS ILLIMITATI' offer for 7,99€/mese PER SEMPRE. Includes a 'L'offerta è dedicata a 500.000 utenti' badge. Text: 'SIM (una tantum): 9,99€'.
- Wind Smart:** Promotes a '20 GIGA 1000 MINUTI' offer for 9€ al mese. Text: 'ATTIVAZIONE GRATUITA', 'ACQUISTA'.
- TIM:** Promotes a 'Supergiga & Chat Mese' offer for 10€ al mese. Text: '20 Giga al mese e navighi sulle tue chat preferite senza consumare giga.', 'SCOPRI'.

- Reduced **price per Giga**
- **Frequent** new offer release
- **Digital** channels boost



# The Digital Telco & Vodafone



Customers demand  
a 'wow' digital  
experience



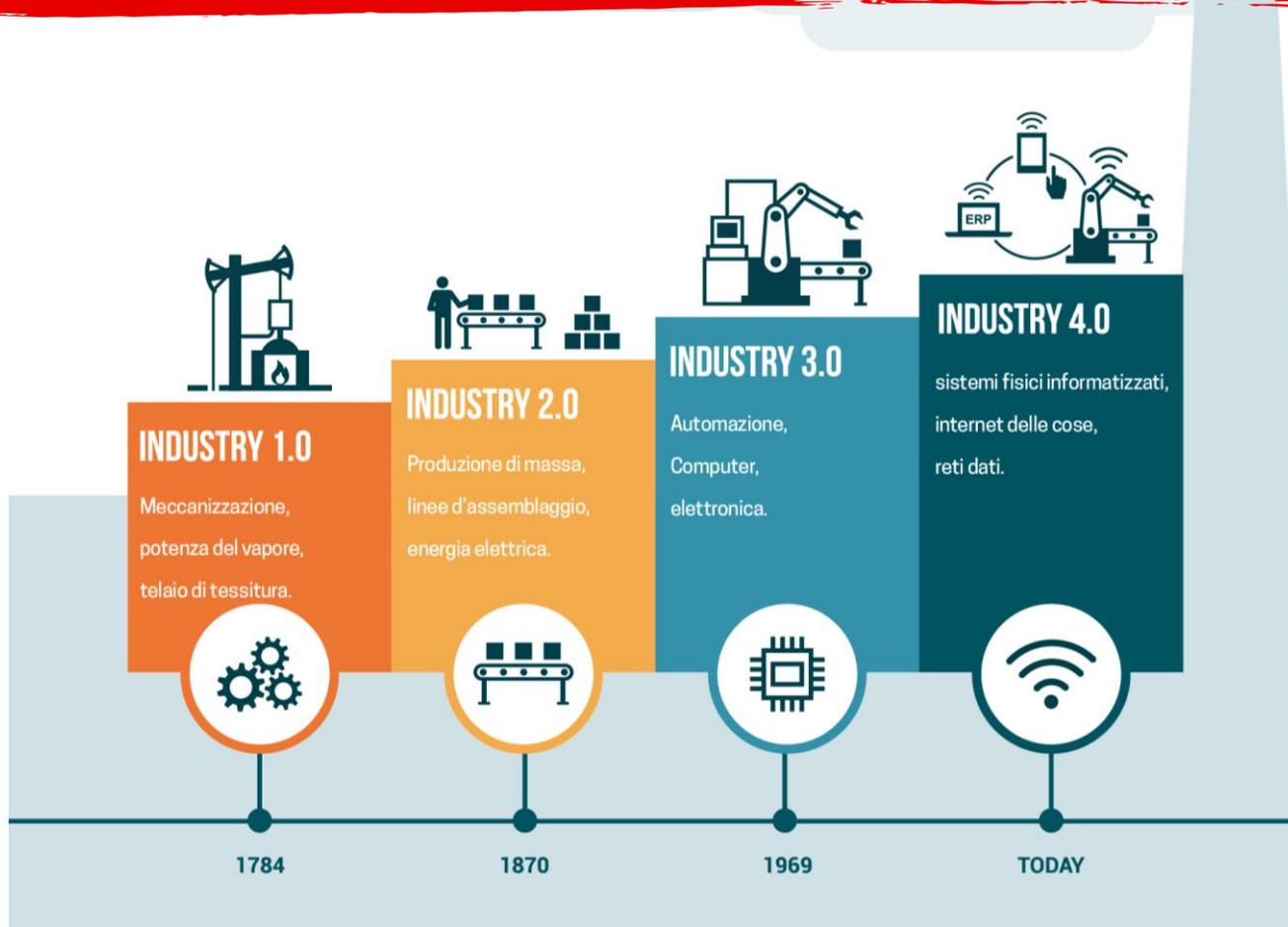
Digital is critical  
to remaining  
competitive



Opportunity to learn  
new ways of working  
and digital skills



# La quarta rivoluzione industriale



# A different approach, for Business Agility

Approach A



The opportunity

## Faster commuting!

Approach B



# The Organizational Dilemma

CREARE VALORE  
PER IL CLIENTE

TIME TO  
MARKET

MIGLIORAMENTO  
CUSTOMER EXPERIENCE

COSTO DEL  
DIGITAL HIRING



$$= \left\{ \left( \frac{V^{ttm} \times C_{exp}}{C_{comp}} \right)^{\frac{1}{\phi_{rg}}} \right\} \times \delta_{ig} - \sqrt{dh}$$

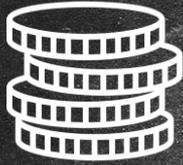
EFFICACIA DEI  
COMPETITOR

EFFICACIA  
ORGANIZZATIVA

COEFFICIENTE DI  
DIGITALIZZAZIONE

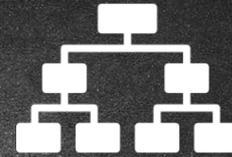


# The Organizational Dilemma



## BUSINESS NEEDS:

- CREARE VALORE PER IL CLIENTE
- INCREMENTO TIME TO MARKET
- "WOW" CUSTOMER EXPERIENCE
- DIGITAL TOOLS BOOST
- BUSINESS FLEXIBILITY



## ORGANIZATIONAL NEEDS:

- "DIGITAL COMPETENCIES RESHUFFLE"
- CULTURA "DIGITAL & AGILE" DRIVEN
- CONTAMINAZIONE E CROSS-FUNZIONALITA'
- COLLABORAZIONE E CO-CREAZIONE
- NUOVI PERCORSI ORGANIZZATIVI PER LE CARRIERE



# The Organizational Dilemma



CONSTRAINTS

- CONTENIMENTO DEI COSTI DEL PERSONALE
- 'ZERO ENTROPY' AGILE TRANSFORMATION
- COESISTENZA ED INTEGRAZIONE DEI SISTEMI LEGACY
- TEMPO DI TRASFORMAZIONE = 1 ANNO
- AGILE GOVERNANCE REDESIGN
- RESISTENZA AL CAMBIAMENTO
- CAMBIO MIX COMPETENZE



# Digital Transformation Principles





**RELATIVITA' GENERALE**



**TERMODINAMICA**



**ACUSTICA**



**MULTI-DIMENSIONALITA'**





**NELL'UNIVERSO, IL TEMPO NON SCORRE OVUNQUE NELLA STESSA MANIERA**



**TERMODINAMICA**



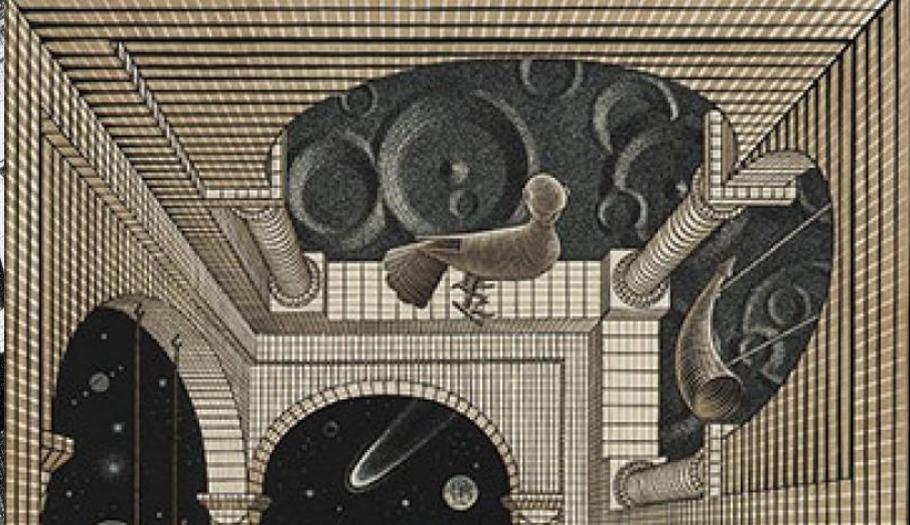
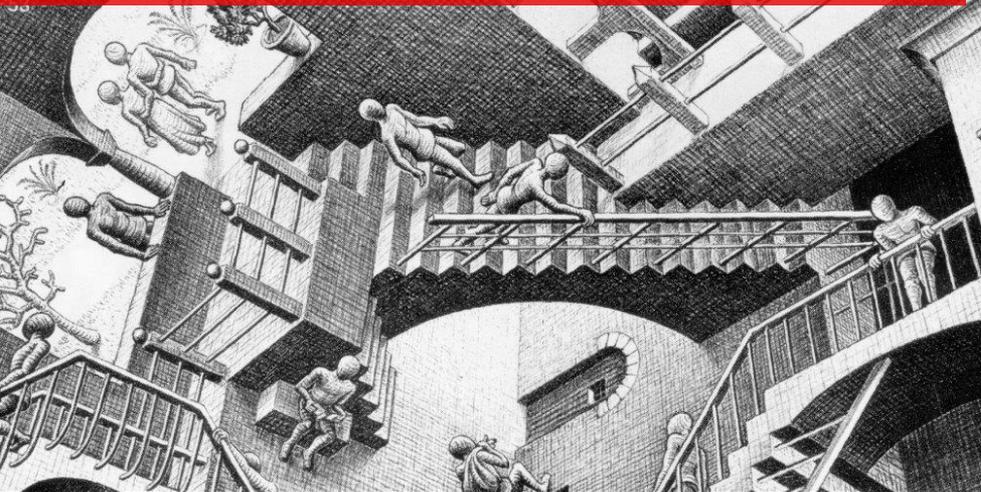
**NULLA SI CREA, NULLA SI DISTRUGGE MA TUTTO SI TRASFORMA**



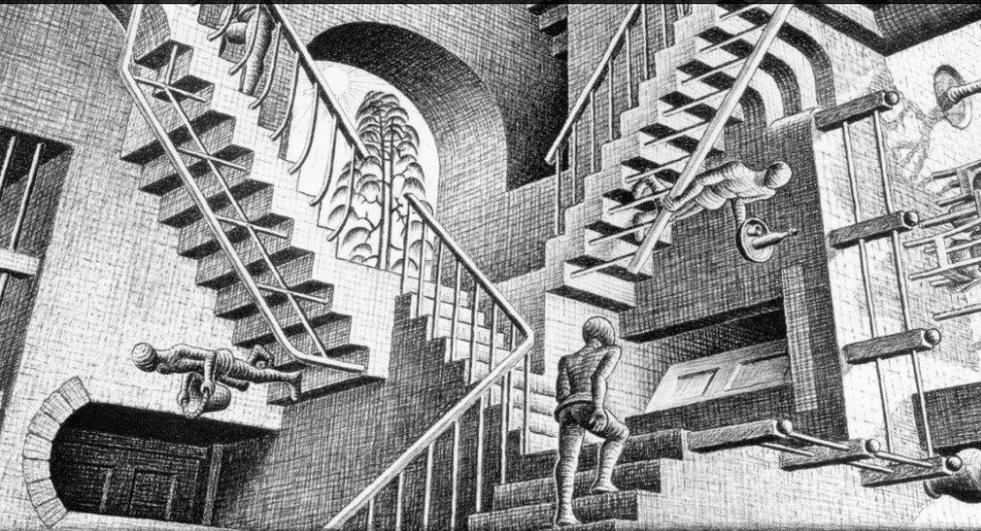


UNA BUONA ESECUZIONE E' IL RISULTATO DELL'ARMONIA DEI SINGOLI ELEMENTI





**IL NOSTRO UNIRVERSO HA DIMENSIONI NASCOSTE**



## Digital transformation Principles

- IL «TEMPO» SCORRE IN MODI DIVERSI
- TRASFORMAZIONE TERMODINAMICA
- COERENZA DEGLI ELEMENTI
- MULTI-DIMENSIONALITA'



# The Digital **Multi-Dimensional** Organization



# In principio c'era l'Organizzazione Tradizionale...

CEO

*Staff*

Finance

Strategy

HR &  
Organisation

Legal Affairs

External  
Affairs

Media Rel. &  
Corp. Comm.

Business Unit

Enterprise Business  
Unit

Consumer Business  
Unit

Lines

Commercial  
Operations

Technology

 Functional structure  Divisional structure



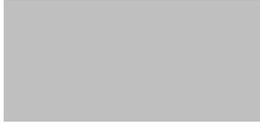
# ...con le risorse aggregate per processi e competenze.

CEO

Finance



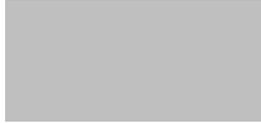
Strategy



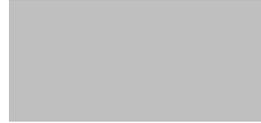
HR&O



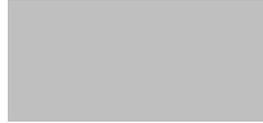
Legal Affairs



Ext. Affairs



Media&Comm.



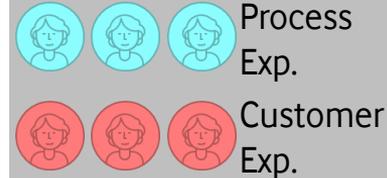
Enterprise BU



Consumer BU



Commercial Ops.



Technology



# In un solo anno sono nate nuove "funzioni" cross-competenze...

CEO

Finance



Strategy



HR&O



Legal Affairs



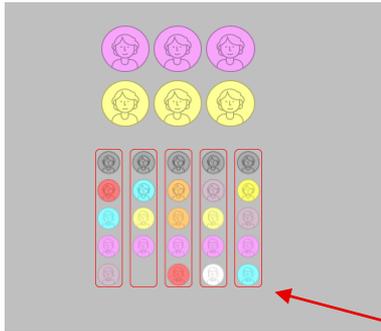
Ext. Affairs



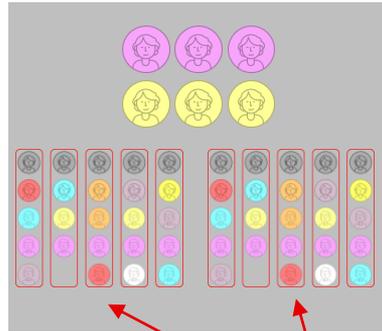
Media&Comm.



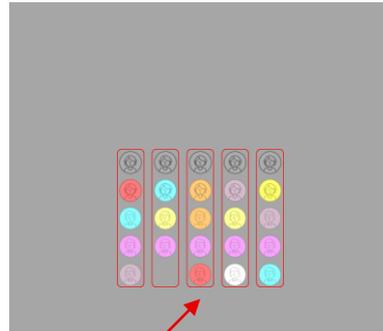
Enterprise BU



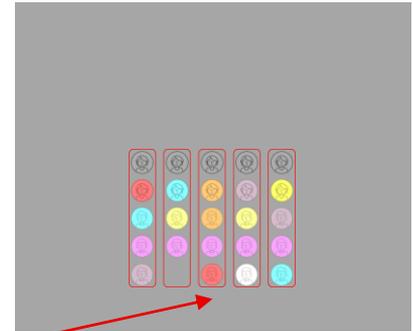
Consumer BU



Commercial Ops.



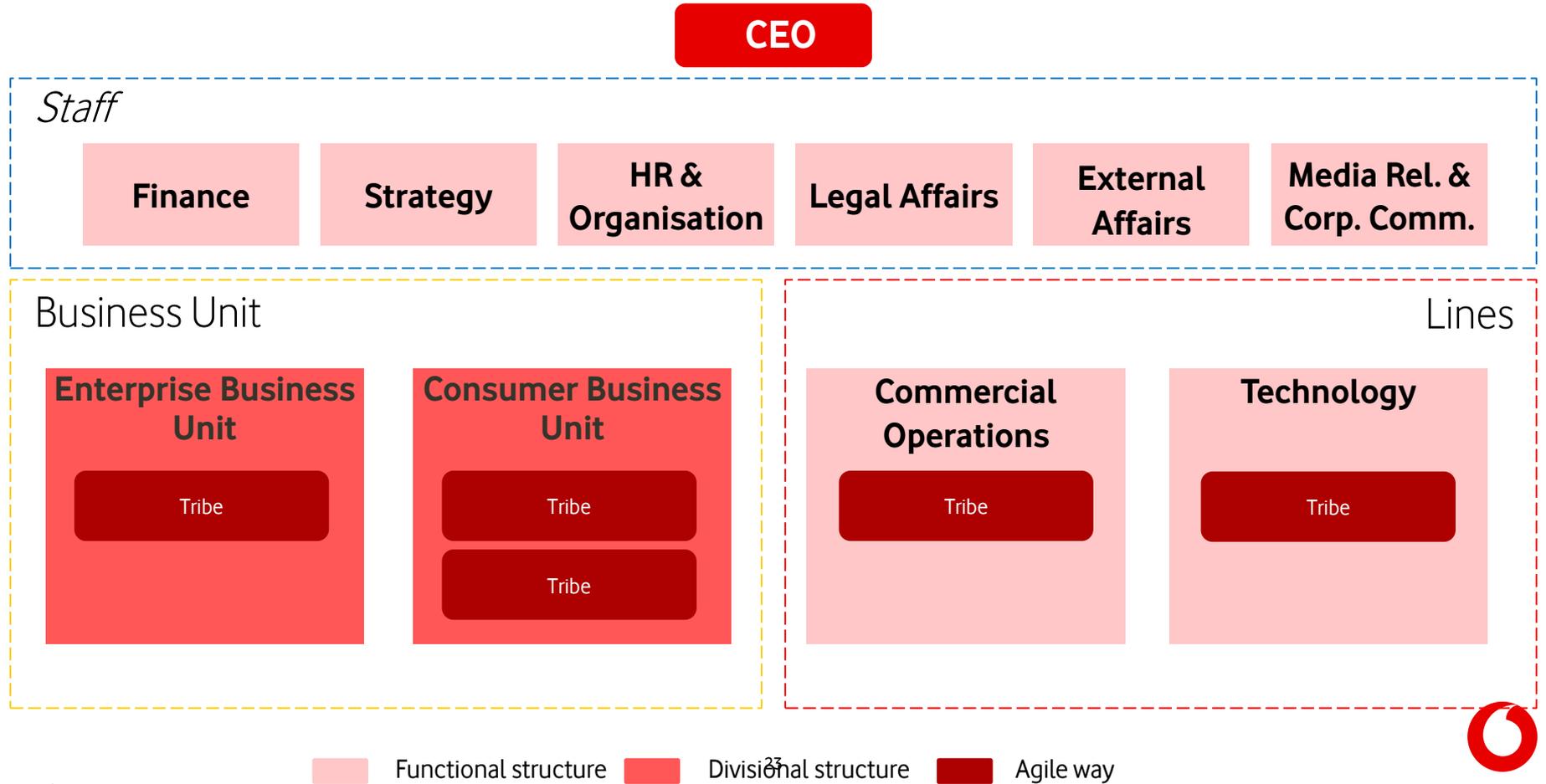
Technology



Tribes



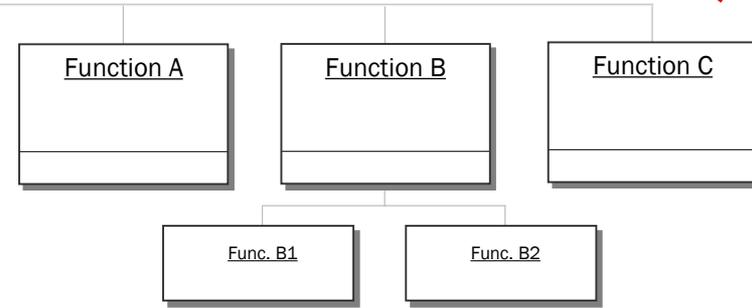
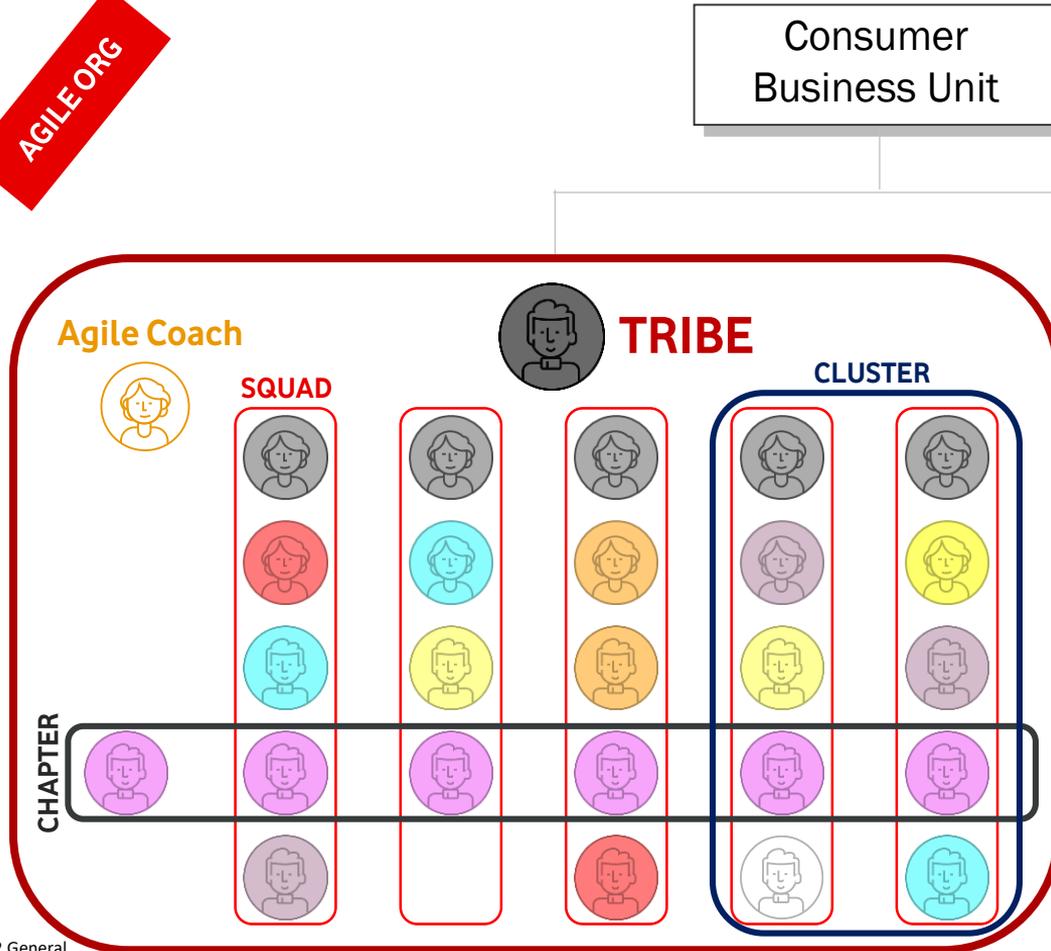
# ...che hanno dato vita alle “tre” Organizzazioni di Vodafone



# La Tribe: l'elemento base dell'agile organization

AGILE ORG

TRADITIONAL ORG



**SQUAD:** cross-functional teams with E2E responsibility on a given mandate. Each lead by **Product Owner**, might be supported by a **Scrum Master** / Agile Practitioner.

**CLUSTER:** virtual grouping of Squads with a similar mandate and interconnected objectives. Led by **Cluster Leader**.

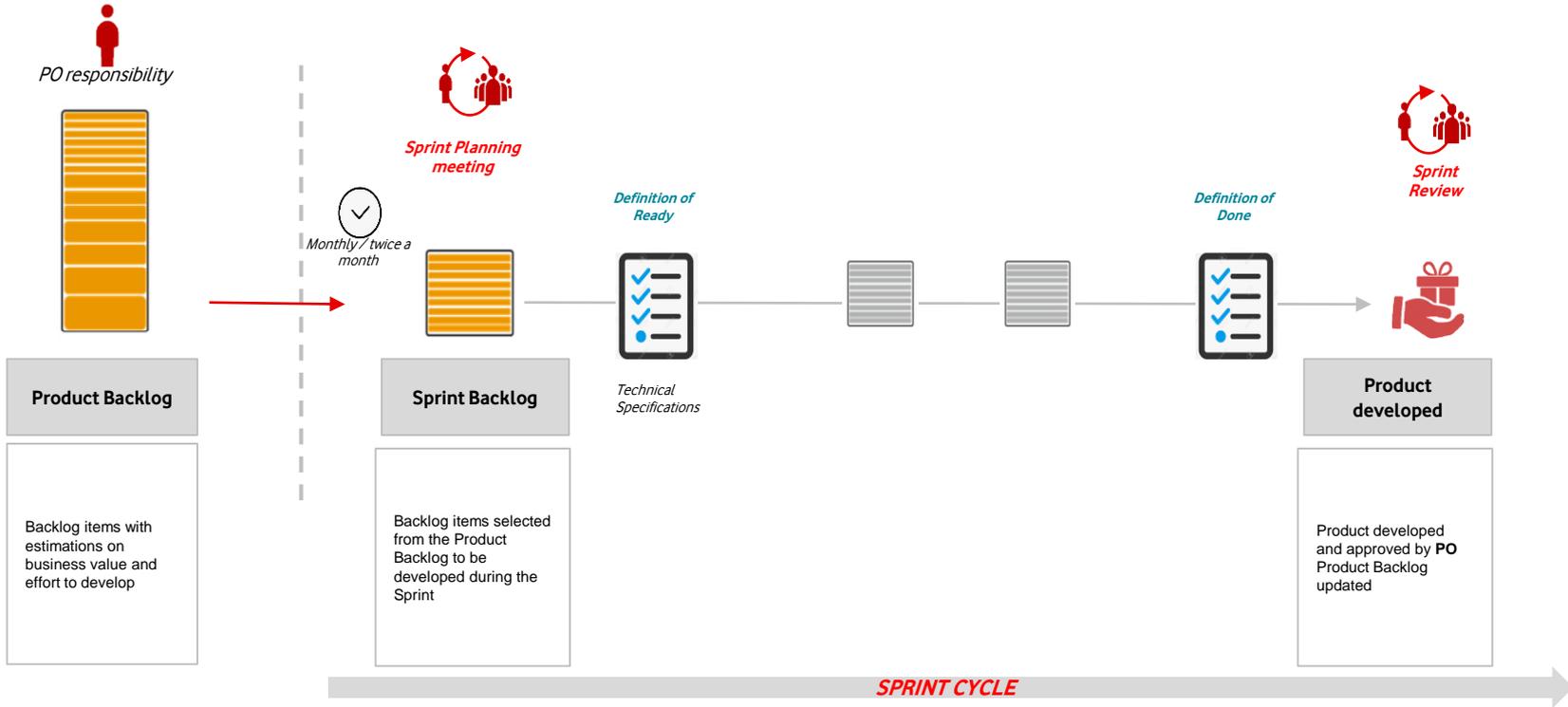
**TRIBE:** grouping of Squads or Clusters, working towards a common purpose. Led by **Tribe Leader**, supported by an **Agile Coach**.

**CHAPTER:** functional grouping of professionals that works in various Squads/Tribes, supported by a **Chapter Leader**.



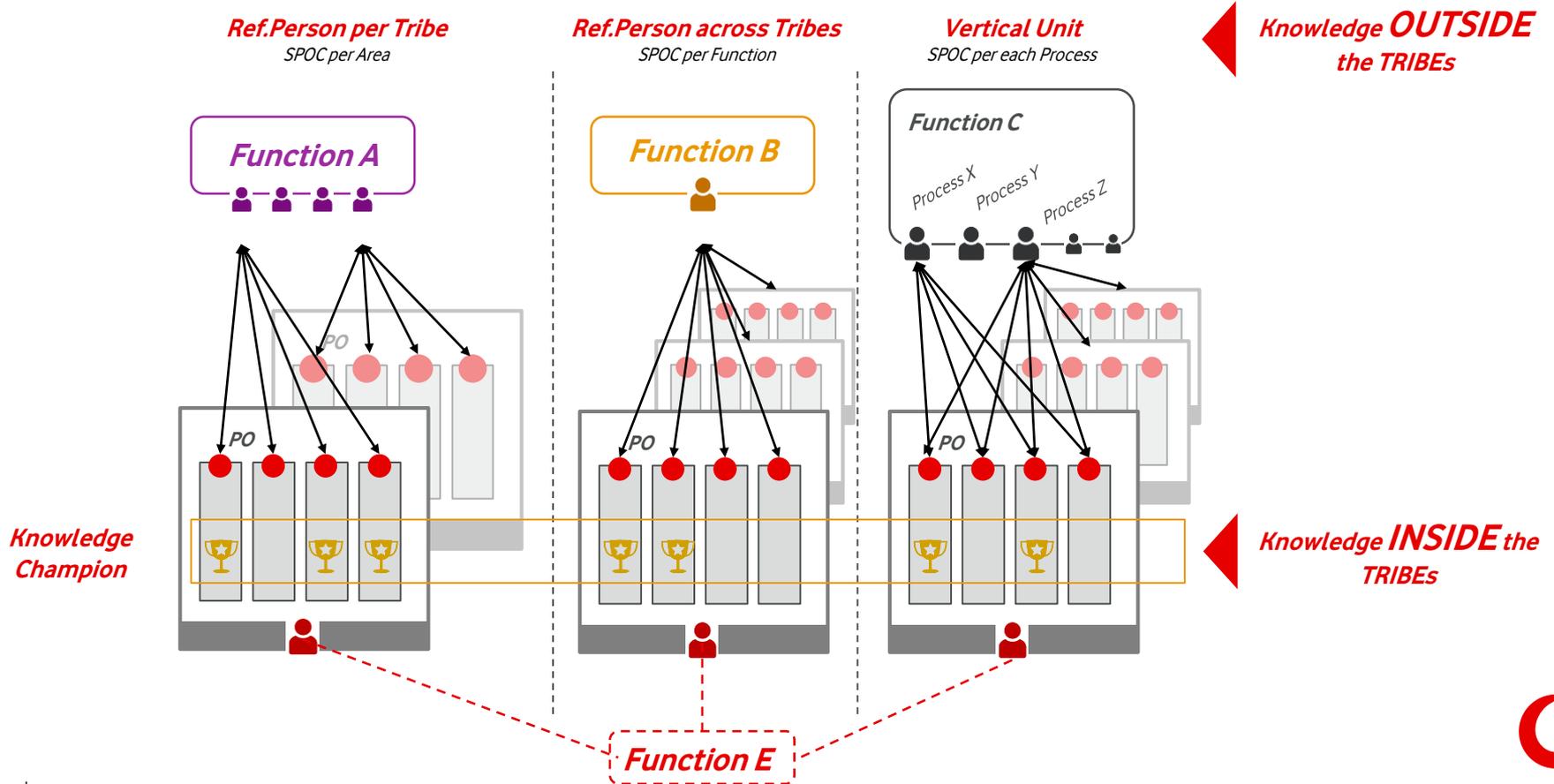
# Agile way of working – II Framework

## SQUAD – PO Accountability



# Multi-dimensional Interaction Model

*Come comunicano l'organizzazione tradizionale e quella Agile*



# Il relativismo organizzativo

IL «TEMPO» SCORRE IN MODI DIVERSI

IL TEMPO DELLE FUNZIONI TRADIZIONALI E DELLE STRUTTURE AGILI, "SCORRE" IN MANIERA DIFFERENTE ALL'INTERNO DELL'ORGANIZZAZIONE

TRASFORMAZIONE TERMODINAMICA

L'ORGANIZZAZIONE E' UN SISTEMA CHIUSO ALL'INTERNO DEL QUALE LE COMPETENZE DEVONO ESSERE RIORGANIZZATE A COSTO O ALL'INTERNO DELLE SQUAD MULTIFUNZIONALI

COERENZA DEGLI ELEMENTI

LA STRUTTURAZIONE DELLE SQUAD DEVE GARANTIRE ARMONIA E COERENZA DI GOVERNANCE, RESPONSABILITA', SCOPO E PROCESSI ALL'INTERNO DELL'ORGANIZZAZIONE

MULTIDIMENSIONALITA'

LE RISORSE VIVONO E LAVORANO IN UN ECOSISTEMA ORGANIZZATIVO MULTIDIMENSIONALE



A woman with long dark hair, wearing a red long-sleeved shirt, stands on the left side of the frame. She is smiling and pointing her right hand towards a glowing red speech bubble on the right. The speech bubble contains the text "Ok Cool... But how?!". The background is dark grey.

**Ok Cool...  
But how?!**



# How: digital telco and agile @ Vodafone

- **Dedicated incubator**  
working spaces

- **Fast release cycles** with  
iterative and incremental  
production

- **Flat structure**  
empowered to make decisions

- **Single, integrated unit**  
working in tribes, squads,  
and chapters

- **Cross functional**  
talent from across Commercial,  
IT, agile practitioners

- **Simple and fast processes**  
in HR, finance and technology

**End to end  
accountability**

concrete goals and KPIs  
for commercial activities  
and customer journeys



# Our three pillars

**Our vision: a digital first world, where people matter**



**Our People & Culture**



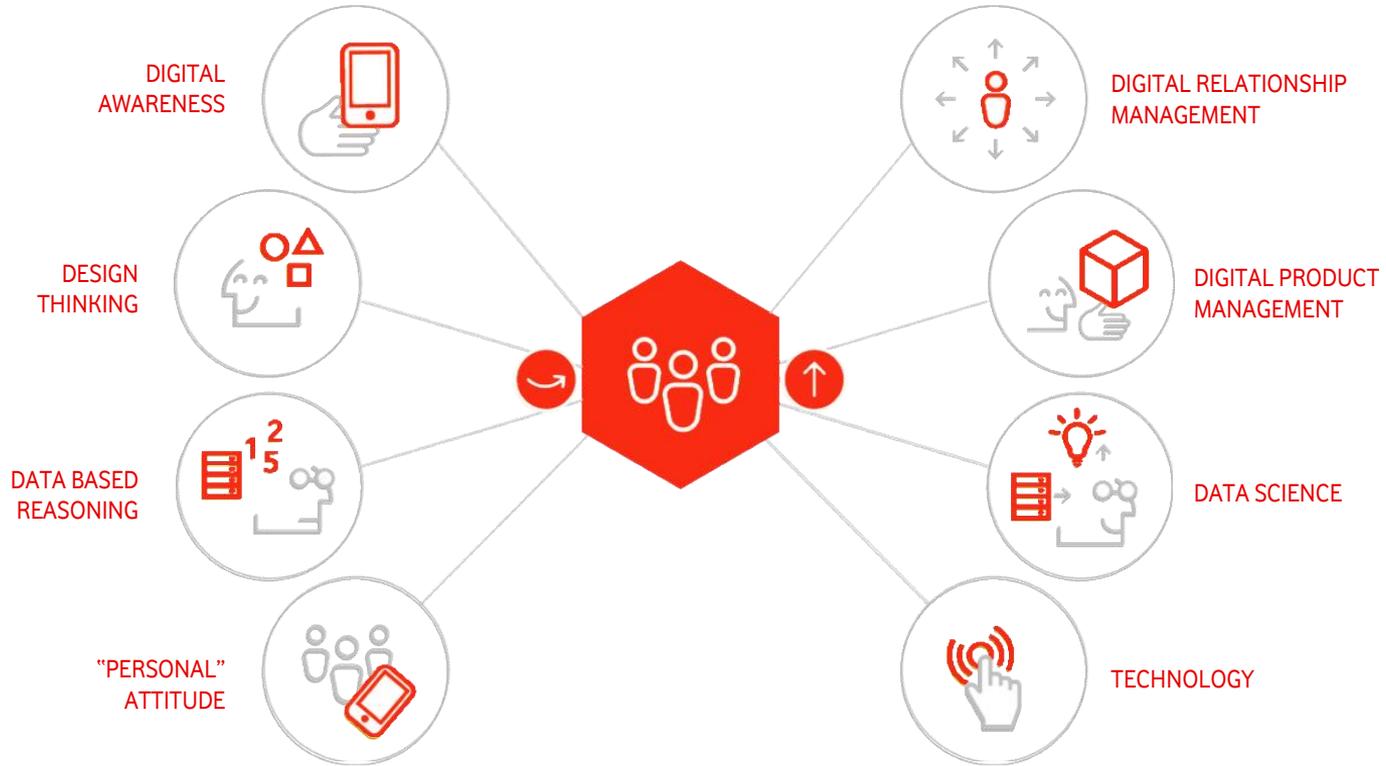
**Our Tools & Enablers**



**Our Place & Organisation**



# Digital Skills



# Visual tools & Smart space



## Final solution: Work in progress...


$$= \left\{ \left( \frac{V_{ttm} \times C_{exp}}{C_{omp}} \right)^{\frac{1}{\phi_{rg}}} \right\} \times \delta_{ig} - \sqrt{dh} =$$

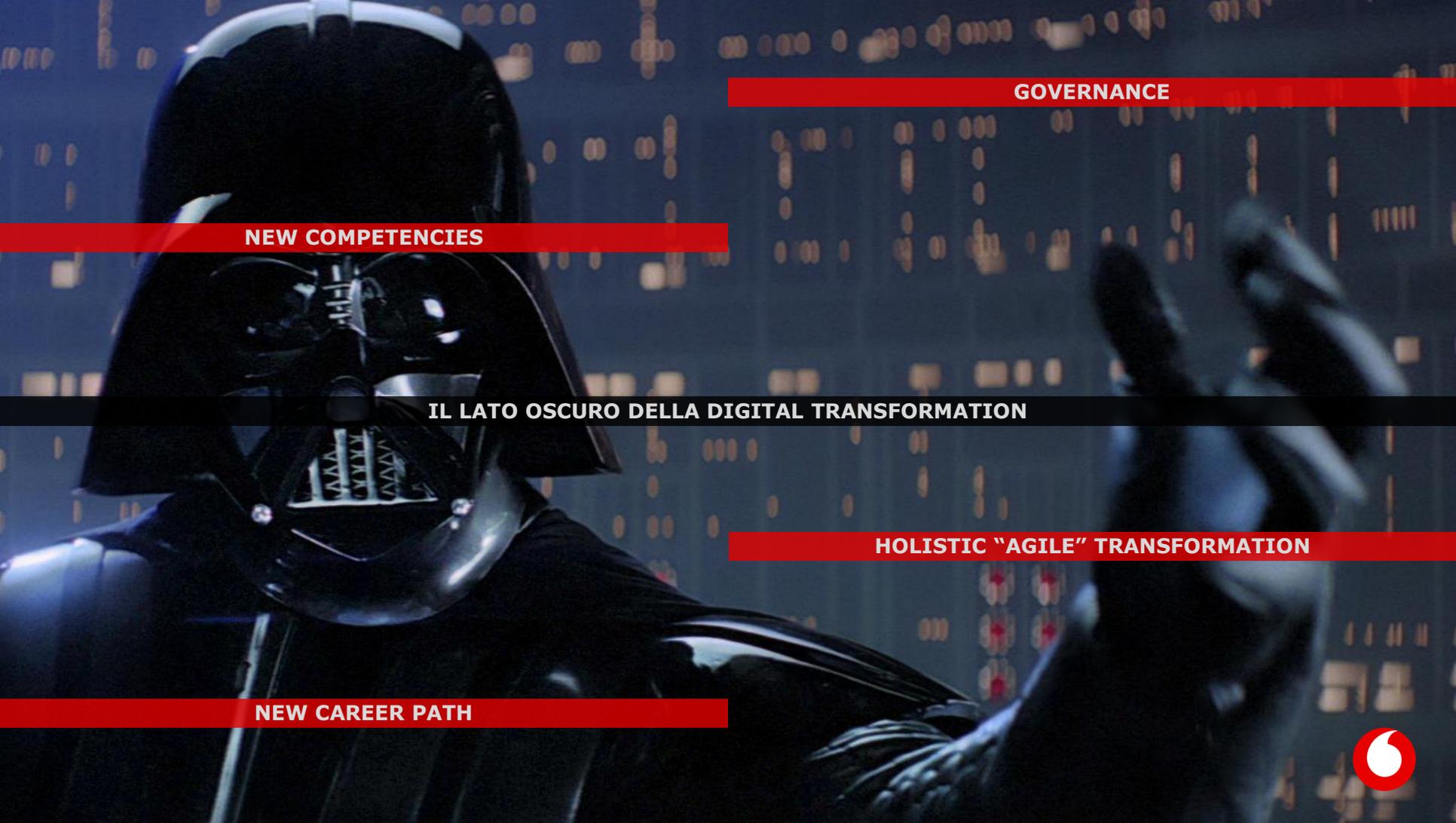
+ 26 SQUADS LANCIATE

283 PERSONE COINVOLTE

100% AGILE TRAINED

+70% BUSINESS TARGET GIA' RAGGIUNTI



A close-up of Darth Vader's helmeted head and shoulders, set against a background of a server room with glowing lights. The image is overlaid with several red and black horizontal bars containing text.

**GOVERNANCE**

**NEW COMPETENCIES**

**IL LATO OSCURO DELLA DIGITAL TRANSFORMATION**

**HOLISTIC "AGILE" TRANSFORMATION**

**NEW CAREER PATH**



## Digital Transformation...consigli per gli acquisti

COMPETENZE «AGILE»: TOOLS E CULTURA  
CONTINUOUS INTEGRATION  
COERENZA DEI PROCESSI E DELLE ATTIVITA'  
VISION & HOLISTIC VIEW



The future is exciting.

**Ready?**