Brickendon Journal 07

BRICKENDON

Bala Ethirajalu: Senior manager & head of Brickendon's testing team

Home or away?

"You end up paying for the savings in other ways"

Welcome to our latest Brickendon Journal. In this, our seventh edition, Bala Ethirajalu, a senior manager and head of the testing team at Brickendon, speaks out about offshore testing, and why it pays to keep at least some of your testing operations close to home.

"Cost is key. Wherever you go and whatever you do, today's priority is reducing costs and maintaining the same quality. As a result, many global institutions are heavily outsourcing technology, particularly testing operations, to low-cost offshore centres.

Global financial institutions are convinced that they need to get more value for their money and insist that moving operations overseas to achieve these cost savings doesn't compromise the quality of their operations.

Quantifying the benefits of so-called offshoring is difficult, with some experts citing significant reductions in overall costs of as much as 60 per cent. Others meanwhile believe you end up paying for the savings in other ways – by compromising the quality of work and delayed timelines due to communication issues, thus wiping out any financial benefit.

Onsite experts consistently question the offshore model as quality is extremely important and significant amounts of money are at stake. According to industry research, an average big application costs an extra £2.23 million as a result of problems with code that need to be fixed after software goes live. Higher standards of testing could help avoid these extra costs.

However, if businesses can convince themselves they are getting the same levels of service at a reduced cost from overseas testing, then it is easy to see why they choose to lower their overheads and send work offshore.

So, does this mean the onsite testing experts in the main financial hubs of global financial institutions have had their day? Is it time to close their testing businesses? I don't think so.

"There is a place for testing operations both at home and overseas"

Consultancies can offer more value to clients and bring testing to the next level. We have to adapt to the current situation, investing more in research and designing innovative solutions to get the best quality from offshore teams and wipe out all the disadvantages associated with that methodology. There is in fact, a place for testing operations both at home and overseas.

Consultancies should work together with the staff overseas with the aim of achieving greater quality from the offshore teams and reducing the time-to-market. A key priority should be resolving onshore-offshore communication issues created as a result of the geographical time differences.

Here at Brickendon, we offer a suite of innovative bespoke testing solutions and methodologies, developed with the help of our experts in the Knowledge Management team. This support from other members of the consultancy allows us to carry out detailed research into current issues and create greater value for our clients. As a result Brickendon has been a finalist in The European Software Testing Awards (TESTA) three years running.

Our solutions target effective utilisation of offshore teams, including ensuring the work produced is of the highest possible quality. They also seek to effectively resolve the geographical time zone communication issues, which can cause a lot of issues for testing teams who are often spread around the globe.

Until the pros and cons of offshoring can be accurately quantified, the onshore-offshore debate is likely to continue. In the meantime, the best solution is to work together across the whole organisation to produce the best and most efficient outcome for the whole business."

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Why you must make technology your business

"It is their lifeblood, in their veins and their competitive advantage"

During the third quarter of 2015, Amazon overtook Walmart to become the world's largest retailer: a retailer worth a staggering quarter of a trillion US dollars, but one that doesn't make any of its sales in stores. Moreover, this company that is now the world's most valuable retailer is not spoken about, valued, or even perceived as a retailer. It is in fact, a technology company.

The source of Amazon's growth and its competitive advantage is technology. It is even technology that defines the organisational structure, its offering to clients, and how it interacts with them. All companies now face a very simple and stark choice: think, adapt, and evolve to be like a technology company, or face the real proposition that another company who does, will come in and dominate your market. It might not have happened yet, but it will, the only question is when.

The current business landscape is being transformed by a new wave of companies who don't think like traditional businesses, but are competing for traditional businesses' customers. Instead, they think like technology companies. Software is not just something they have in a back room somewhere, it is their lifeblood, in their veins and their competitive advantage. They innovate, try new things and motivate and recruit their staff in unconventional ways.

In the past five years alone, consumers have changed the habits of several lifetimes, no longer making a phone call or travelling to interact with a business. Now, retail customers expect to tap an app to order a pizza, arrange a taxi, or book a table at their favourite restaurant. Why then would they call the bank to book a trade or pay a bill? The bottom line is, they won't.

Industry by industry these changes are taking hold and business-to-business users are following suit. They expect companies' products and services to be at their fingertips to digest and consume as and when they wish.

"They view their technology as their main business"

History is littered with companies that failed to recognise the march of technology on their market. Take Kodak for example: the US firm actually invented the digital camera, but didn't believe it would surpass the film-based model and underinvested in the digital space. As a result, it was decimated and filed for bankruptcy in 2012. Meanwhile, Fairfax Media in Australia, owner of the two main weekend papers in Sydney and Melbourne which were once the only place to look if you wanted a job, to buy a car or find a house, is currently reviewing whether to continue printing them after failing to embrace the rise of the internet.

So how do software companies think? Well, first and foremost from the top down they view their technology as their main business. They don't view technology development as an overhead, they view it as a profit centre. Some financial organisations have done this with their e-trading divisions, seeing their technology investment as an opportunity to drive revenues. To be successful, a company will need to apply this kind of thinking across their organisation.

According to Brickendon Managing Director Chris Burke, one of the worst mistakes a corporation can make, is to view their technology investment as a separate cost or overhead that isn't core to their business.

"Outsourcing the technology department could be seen in years to come as the greatest act of commercial suicide ever committed," he said. "They will have given away the skills and expertise to run their business technologically and for the financial services sector this is the most critical competitive advantage they could have."

Secondly, successful companies look to innovate. For example, they might set multiple teams against each other, attempting to find a technological solution to a current problem or opportunity; or they might try radical ideas and unconventional methods to find a new approach. In order to do this, they need to set up an environment which fosters creativity and empowers employees to think. Technology firms often have games rooms with table football, computer games and TVs, or nap centres and free food for employees. To think outside the box, companies need to behave outside the box. A great example of this is Netflix, the US internet streaming company, which famously offered employees the opportunity to choose how many days holiday they would like to take per year. (See Brickendon Journal 02)

"This is a critical point in the relationship between money and technology"

Thirdly, they structure their organisation to embrace technology throughout the business. Many companies have started down this path by adapting some agile methodologies in their software development lifecycles, but this is not enough. The teams are often only part agile, with existing organisational hierarchies imposed on them thus limiting their ability to determine their own work and be creative.

Finally, money is becoming less and less tangible and is for many people, a virtual currency stored on their Apple Pay, contactless credit card or online account. As a result, this is a critical point in the relationship between money and technology and financial institutions need to take note.

Now is not a time for complacency. Traditional barriers to entering markets are being eroded as legal frameworks are often years behind the technology innovators. Companies in highly-regulated markets such as the financial services sector, may feel protected, but so were Black Cabs until Uber came along – and that is the perfect example of what a technology firm can do to a traditional market.

If your company is not thinking or innovating like a technology firm, then there is a real possibility that a technology competitor will come along and seize an opportunity. Whether it's Google Bank, an Amazon Hedge Fund or Uber Insurance, it is only a matter of time...

Big data, big impact

Data is everywhere in today's society. Whether it's statistics in a government file, confidential information at the doctors, mobile phone calls, e-mails, Facebook pages or Twitter posts, there is no escaping it. Without doubt, data today is 'big'.

So big in fact, that experts are suggesting we could currently be creating as much data every 10 minutes as we created from the dawn of time up to 2008. We are talking petabytes or brontobytes of data (imagine your 1 terabyte (~1000GB) hard-disk at home, then add more than 20 zeros to the storage capacity and you'll get an idea of the scale we're talking about).

As a result, the phrase 'big data,' once confined to technical geeks and IT departments, is now creeping into everyday life and is commonplace in business terminology. Its technical definition is: **A collection of large data sets that are difficult to process.**

Traditionally data has been structured, meaning it has defined relationships that enable users to trace it and cross-check it against other data, as well as being historic or static e.g. geographical or address-related. By comparison, newer, social media-related data, such as messages, photos or mobile phone calls, tends to have little structure and often its value can only be obtained if it's analysed in real-time. It is thought that as much as 80 per cent of big data is unstructured. Hence the use of the term 'difficult' in the above definition.

Big data is commonly described as having five characteristics, often referred to as **'the five V's'**:

- **Volume** – its sheer size
- **Velocity** – the speed at which it is moved around
- **Variety** – it can be almost anything: text, voice data, photos, or sensor data
- **Veracity** – this refers to the accuracy or trustworthiness of the data, a lot of which can be unreliable, e.g. Twitter or Facebook posts
- **Value** – it's only valuable if processing it will give you some use

"Starting to realise the potential outweighs the risks"

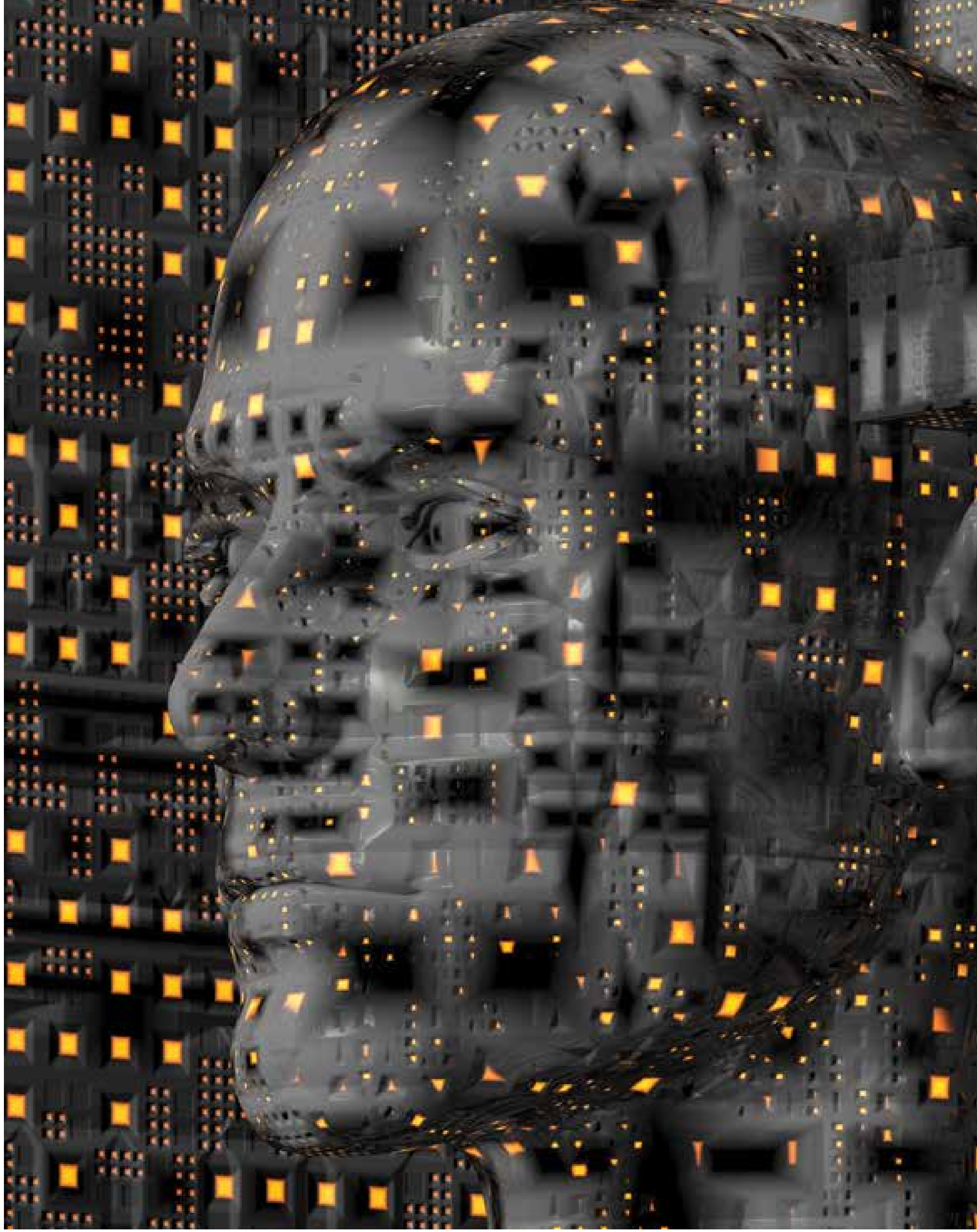
So how does big data apply to financial services?

Banks have been slow to recognise the potential of big data, mainly because of the high number of legacy systems in existence and the recent focus on compliance. However, as the cost of hardware falls and more off-the-shelf solutions become available from third-party vendors, financial institutions are starting to realise that the potential outweighs the risks. After all, research has shown that banks who apply analytics to both internal and external customer data have a 4 percentage-point greater share of the market. Still, half of all banks don't use this resource.

Customer analysis

Being at the centre of the flow of payments in most circumstances puts banks in a unique position. The account balance and general volatility of a customer are useful insights into their credit-worthiness, but a detailed drill-down into their recent transaction history and spending habits, combined with their demographic and personal details, improve the accuracy of many types of predictions. If the results are further combined with external sources such as social networking data, the accuracy can be improved even further.

In fact, one European bank built an analytical model that used over 40 variables to predict the likelihood of customers investing in savings products. The data was then used by the sales teams for cross-selling and, during the pilot, the area targeted saw a ten-fold increase in sales over a two-month period. Predictive analytical models have also been used with great success by banks to calculate customer retention potential and the probability of forming long-term customer relationships.



Compliance and fraud

Banks are also now using big data techniques to monitor the activities of traders. Traditional methods included looking at key-words from internal communications and trade data, but this is being increasingly combined with more sophisticated recognition technology. Fonetic, a Spanish software company, has recently released software that can search for particular topics within a conversation. For example, if a search was being done to find traders who are talking about bananas, then the software might look for yellow, monkey, banana, fruit, etc. This software is used by a number of their banking clients.

Market prediction

"Social networks sit on a veritable gold mine of potential customer data"

Furthermore, Goldman Sachs has recently invested $15 million in Kensho, a start-up company that provides a large database of timelines associated with world events. It could, for example, tell you everything that happened when Apple launched its last iPad, or about the market environment during a meeting of world leaders. Combine this with a sophisticated user interface and the fact that the data is provided in real-time, and analysts have the potential to make predictions that normally take hours within minutes.

To conclude, it appears that big data is not just another buzz word or a passing trend, and that the changes it's brought are here to stay. Financial institutions are at last starting to realise its potential and are beginning to invest in some very useful technologies.

However, increased monitoring does prompt the question of whether rogue traders will simply be driven 'underground', making them even harder to track down and resulting in expensive battles of surveillance.

There are also privacy laws to consider. Google, Facebook and other social networks sit on a veritable gold-mine of potential customer data, but there have often been outcries in the past when they have tried to make use of it. So could it bring about a change in the principles of social networking and what we know as 'private', or could it generate a new raft of law-suits for the banks?

Analysts making market predictions in minutes rather than hours is a holy-grail for investment banks, but the potential for algorithmic or computer error gives credence to 'the bigger the data the bigger the risk'. After all, one of the underlying concepts of big data is greater automation in the decision making process.

So, while the benefits of big data are very clear, like most leaps in the use of technology its progress needs to be taken with an element of caution and planning. After all, it is rare to get something for nothing.

Do we really need QA Managers in Agile projects?

"The traditional role of a QA Manager is no more"

In an Agile project there is no such thing as a 'testing department', where a group of testers sit together, usually away from the developers, and are managed by a test lead or test manager. There is also much less emphasis on test documentation, which in traditional working environments is usually the main responsibility of a QA Manager. In short, thanks to Agile working, the traditional role of a QA Manager is no more.

The responsibilities of a QA Manager have changed a lot over the years as organizations have taken on new development methodologies such as Agile, where teams based in different locations around the globe work together to deliver one business objective. As a result, many QA Managers often feel confused about their responsibilities and sometimes even redundant. In Scrum, which is one of the Agile methodologies, there are three main roles: Product Owner, Scrum Master and Scrum Team. The Scrum Team comprises Business Analysts, Developers and Testers, and is self-managed and responsible for the delivery of high-quality software. This self-management eliminates the need for a QA Manager.

In the past, a QA Manager was held responsible when a production issue was found. Now in Agile, everyone is accountable and responsibility for the quality of the software is shared among the Scrum Team. When a production bug is found, everybody in the team owns it and is responsible for finding the cause and generating a solution. In Agile, development priorities change frequently and the Scrum Team needs to adapt quickly to accommodate the changing priorities. This situation is exacerbated when there are multiple Scrum teams located in different geographical locations and can make the job increasingly difficult for a QA Manager, who can end up feeling very isolated.

"There are still certain areas where his expertise and skills are required"

Aligning the releases and supporting test activities in such scenarios can be a difficult task. A QA Manager needs to be able to manage information and prioritise tasks across multiple areas. He must have the ability to influence, and liaise with, different stakeholders, business experts and to switch between different areas. It can often be a difficult job. In Agile teams, developers write and test their own code by writing sufficient effective unit tests to ensure that any new code works as intended and has not regressed the application. Having a strong and robust pack of unit tests reduces the work for testers as they don't need to spend time verifying obvious errors and can focus more on end-to-end scenarios, exploratory testing and assisting with UAT which doesn't require extensive planning and documentation.

Even though the traditional practices and responsibilities of a QA Manager are not directly compatible with today's Agile way of working, there are still certain areas where his expertise and skills are required.

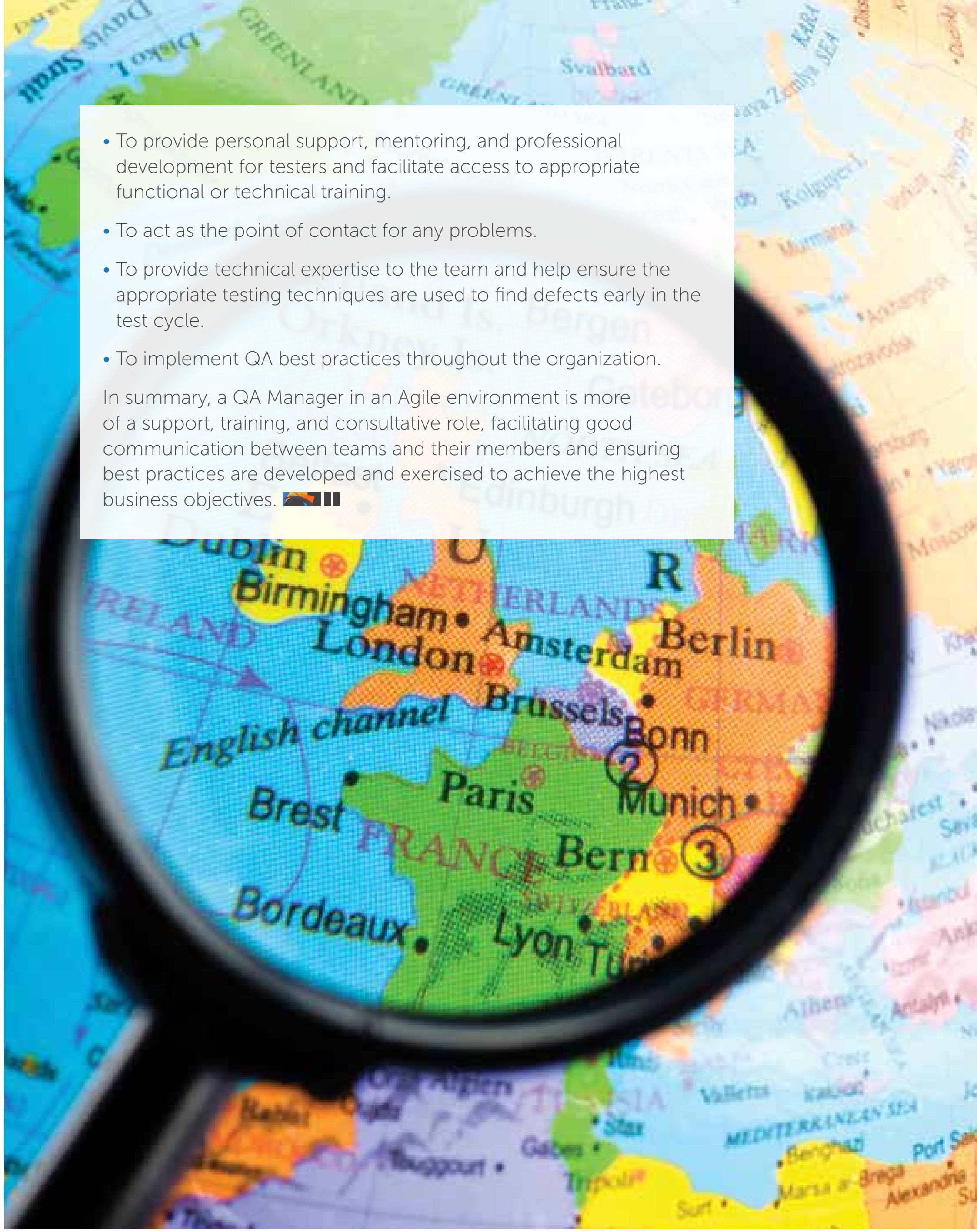
The QA Manager's role should be to set the team up for success and then provide support from the outside. He is required to provide team sponsors who can champion and cheer them through their challenges. He is key in enabling the team to solve its own problems and come up with its own insights and products. Skills such as assessing team health, removing organizational impediments, making room for failure, and having the ability to coach from his experience, become his central goals.

Even in the Agile world, there is still a need for centralised standards and control over the quality of testing. Large programs delivered with different Agile teams working together need a consistent approach and a way of sharing information about what works between the teams.

A QA Manager in Agile needs to be well versed in testing and able to innovate and provide advice in difficult and challenging situations. He is no longer restricted to managing testing activities, but takes on a high-level position where he needs to operate at a program level, with an overview across many streams of work.

Responsibilities of a QA Manager in Agile:

- To manage inter-team communications and interactivity across different Agile teams within the same project in the global organization
- To ensure progress is reported to senior management and other stakeholders in an appropriate manner, translating the information from the team's 'task boards' and 'burn downs' into precise and detailed status reports.



- To provide personal support, mentoring, and professional development for testers and facilitate access to appropriate functional or technical training.
- To act as the point of contact for any problems.
- To provide technical expertise to the team and help ensure the appropriate testing techniques are used to find defects early in the test cycle.
- To implement QA best practices throughout the organization.

In summary, a QA Manager in an Agile environment is more of a support, training, and consultative role, facilitating good communication between teams and their members and ensuring best practices are developed and exercised to achieve the highest business objectives.

XML is the new ABC

XML (Extensible Markup Language) is widely used as the lingua franca for information exchange in banks and financial institutions but its importance is often overlooked. Failure to adopt XML and its related tools could cost banks large amounts of money and time.

"XML is a language that enables banks to communicate with each other and the regulatory authorities quickly and accurately," says Brickendon Consultant Kourosh Mojar. "The costs of not using XML technologies efficiently are vast."

"The costs of not using XML technologies efficiently are vast"

In today's era of financial compliance, the pressure on banks has never been greater to ensure they communicate correctly with their peers and regulatory bodies. By ensuring XML languages, such as ISDA, FpML and XBRL, are properly integrated into their information systems, these institutions are creating an appropriate framework in which to transparently adhere to the strict requirements of the financial regulators.

"If you try and deal with XML with a regular language, such as java in comparison to XML, you will go at 2mph," says Brickendon Consultant and XML expert Charles Foster. "Using the right domain-specific tools (like XSLT) will get you from A to B very quickly."

XML is used in every bank from top to bottom and left to right, transferring all sorts of information, including details of trades and positions. One of the common problems within large institutions is that a variety of solutions around XML systems can be

badly designed and when something goes wrong, the cause of the problem is not directly addressed and short-term, quick-fix solutions are implemented. Instead, businesses should seek to understand how to strategise in this domain and make the solutions more durable.

"It is easy for the XML data to find gravity and get out of hand"

To address these issues, Brickendon are helping their clients with XML-related activities, including regulatory reporting, such as the international standards for Volcker, EMIR and Dodd-Frank, which need to be aggregated as XML for regulation boards. At the XML London conference this summer, developers were encouraged to see XML from a different angle, and appreciate it not just for message handling, but also to embrace mature XML tooling and the related community that stands in its own right.

Developers also investigated the full potential of being up-to-date with tools like XSLT, XProc, Schematron, XQuery, XML databases, Big Data and Semantic Web technologies. According to Brickendon's Mojar, XML is the ideal tool to address some of the concerns around Big Data storage, such as security and regulation.

The key to ensuring easy access to this enriched and reliable content is to keep transformation and validation components small, nicely scoped, grouped, dependable and to facilitate a neat framework from the outset, says Mojar. It is easy for the XML data and supporting tools to find gravity and get out of hand. XML tools, including XProc and Schematron, are useful in this area.

Closer to home, you may have realised at your company that an organic development of multistage publications and a lot of refined business-rule validation is happening. When maintaining your own pipeline abstractions, whether in Apache Ant, Java, XProc, etc. it helps to make repeating and sequencing data transformations: some steps to correct and normalise data and some steps to convert data, but all in smaller scoped plugin steps that can be understood as business analyst requirements.

You can follow this approach yourself to avoid convoluted technology and information systems, which can be hard to manage and update. When only one artefact of software is holding together many tactical and badly designed in-code implementations, it can be difficult to revisit, improve, or add to at a later date.

So, by ensuring you have a clear policy of encouraging the use of XML across your business, you will not only improve communication and transparency, but also reduce the risk of missing regulatory deadlines and failing to report information correctly.

Cost of doing business

"They were trapped outside the official economy"

The eradication of poverty is typically a cause for charities and celebrities. Campaigns like "Make Poverty History" use advertising and other media to help raise funds and awareness to tackle inequality. Their methods are varied, and whilst songs have been written to help the starving in Africa, so far neither Bono, Bob Geldof or anyone else on the star-studded supporter list has written a song called "What would I do if I had capital?". For that you need an economist.

Hernando De Soto Polar was born in Peru in 1941 but raised in Geneva after his family fled the 1948 military coup. It wasn't until 1979 that he returned to Lima as an economist and became interested in why Peru was so poor compared to Switzerland.

De Soto saw traders in the street with unstructured businesses, who never expanded the scope of their operations or increased their revenue. At first he assumed they had insufficient funds to set themselves up in proper premises, but as he got to know them, he realised this wasn't the case. The traders had built homes, had control of their finances and were even saving money - just not in a bank. Instead, De Soto often saw piles of bricks and bags of cement stored on the flat roofs of people's homes. These were non-perishable commodities that could be stored and traded; a good alternative for those without access to a bank account.

De Soto decided to run an experiment. Hiring a lawyer and a group of students, he set up a T-shirt factory - legitimately. He opened a bank account, bought sewing and knitting machines and sent his team off to get a license to operate the business. The team obtained 11 permits from seven different ministries. They were asked for bribes 10 times and paid them twice. The permits had to be obtained in a specific order that was not immediately apparent and some ministries relocated premises without public announcement. The whole effort took 278 man-days.

De Soto started to understand the problem. He ran further experiments and found out that by comparison to others, his experience was relatively painless: starting a new bus route took 26 man-months; whilst opening a new market place required 13 man-years. As a result, small businesses starting out could not afford to operate legally. They couldn't let their factories stand idle for months on end whilst they obtained permits and waited for official sanction to start trading. They were trapped outside the official economy.

The effect of this exclusion was significant. Businesses lived in constant fear of being closed down, they couldn't own a brand or trademark, and were unable to raise capital or get credit. Basically they were excluded from all the benefits of a market economy that allow a business to expand. Hence the song.

Opening lines to "¿Que haria yo, si tuviera capital?"

What would I do if I had capital?
I'm going to tell you a story about a country
That's doing really badly
Because only a small group of people has access to capital...

De Soto was unlike many economists, in that in addition to identifying the theoretical problem, he looked to provide a practical solution. His first idea was to run an advertising campaign to raise awareness. He wrote a book in 1987 called "The Other Path" explaining the entrepreneurial spirit of small traders outside the law and why this spirit was thwarted.

De Soto even created a TV show with the Peruvian President, Alan Garcia. In the show, people would come to explain the problems they were having with red tape. The President would then write an order to the head of the appropriate ministry and a motorcycle courier would be dispatched to deliver the message: fix this problem or resign.

De Soto's ideas were well regarded and in 2003 the World Bank started to publish annual statistics on the ease of doing business around the world: the 'Doing Business Report'.

2015 Doing Business Report

Top 10

Singapore
New Zealand
Hong Kong SAR, China
Denmark
Korean Republic
Norway
USA
UK
Finland
Australia

Bottom 10 (numbers 180-189)

Haiti
Angola
Venezuela, RB
Afghanistan
Congo, Democratic Republic
Chad
South Sudan
Central African Republic
Libya
Eritrea

In this report, an assessment is made of each country on the ease of:

- Starting a business
- Dealing with construction permits
- Getting electricity
- Registering property
- Getting credit
- Protecting minority investors
- Paying taxes
- Trading across borders
- Enforcing contracts
- Resolving insolvency

Importantly, the countries are ranked in order causing some of them to compete with each other. When Georgia became formally independent of Russia in 1991 it made the Doing Business Report-ranking part of its official economic policy and is now ranked 15th out of 189 countries. In Surinam, every new business required the approval of the President and as a result the South American country was ranked 189th. In response to the report, the law has changed, and Surinam is now ranked 165th. Furthermore, other countries have taken out adverts in the Wall Street Journal and The Economist to boast of their improvement in the rankings.

Of course, there are multiple causes of poverty and a good ranking in the report doesn't automatically lead to an eradication of inequality. In addition to his media efforts, De Soto founded the Institute for Liberty and Democracy (ILD) in Peru, which was responsible for hundreds of initiatives and laws that fundamentally changed the country's economy by opening up the mechanics of economic ownership and participation.

With Peru now ranked 35th in the Doing Business Report, the situation has changed dramatically and many small businesses are now having to ask themselves: What am I going to do with my access to capital?

Why change fails part 2 of 3: process

In this set of three articles we are exploring some of the underlying patterns associated with change failure by looking at the problem from three distinct perspectives – people, process and technology.

After examining the people aspect in Journal 06, we are now looking at the process-driven reasons for change failure. As with the opening article, this isn't going to be an encyclopaedic view of change failure examples, but rather a perspective on some of the underlying patterns and how they contribute to the lack of change success we unfortunately see in many programmes today.

One of the primary process-driven reasons for change failure, and often no small amount of friction between different parties, is the Software Development Lifecycle. Of course, that may be no great surprise to many of you… but the reason for it may not be what you expect.

There are many different types of methodologies from Traditional Waterfall, through Incremental Waterfall and Iterative Agile, to Incremental Agile – each with its different characteristics, application and mind-set.

	Traditional Waterfall	Iterative Waterfall	Iterative Agile	Incremental Agile
Focus	Schedule	Schedule	Iteration	Increment
Rigidity	Very rigorous and protective	Moderately protective, some refactoring opportunity	Controlled refactoring	Continuous refactoring
Style	Monolithic	Phased	Scrum / XP	Lean-Kanban
Formality	High	Medium	Low	None

Given recent developments, it's also worth touching on a few particular areas that add new perspectives and benefits to the more traditional process views above, both of which aim to build on the Agile philosophy and scale it to the enterprise – DevOps and DAD.

"The question to ask is how well are you doing it?"

- **DevOps:** Many development methodologies, such as Agile software development, encourage collaboration between the analysis, design, development, and test functions. However, functionally silo-based organizations often have little collaboration between "change" and "run" functions. Both change teams and run teams fundamentally see the world, and their roles in it, differently. Each believe that they are doing the right thing for the busines, and they are both correct. DevOps strives to enable the benefits of Agile development to be felt at the enterprise level by providing a responsive, yet stable, IT "run" that can be kept in sync with the pace of innovation coming out of the development process. So if you have Agile development teams, but are only seeing Waterfall realisation of business benefits, then DevOps could be of significant benefit. However, the implementation effort, due to its very nature, can be significant.
- **DAD:** Agile teams are often, and ideally, self-organising and with a focus on development. Disciplined Agile Delivery (DAD) extends the development-focused lifecycle of Scrum to address the full, end-to-end delivery lifecycle from project initiation all the way to delivering the solution, and value, to the enterprise.

Much time, effort and pain is often rooted in heated debate around which of these methodologies is most appropriate, particularly within the middle-ground: Iterative Waterfall vs. Iterative Agile. But whatever you choose to use, and however long you've been using it, the question to ask is how well are you doing it?

Typical symptoms of poorly implemented methodologies are numerous, but most commonly include:

Waterfall

- **Devising a plan by working backwards** from a known target go-live date is of course a valid approach where scope can be tailored to fit the available capacity.
- **Devising a plan by working forwards** from a clear set of requirements and scope to reach a projected end date is also a valid approach where the scope is fixed.

- Fixing an end date, dividing up the time between SDLC phases and assuming the fixed scope can be delivered by an existing team is typically not so successful. What's surprising is how often change starts with this approach.
- Keeping busy: Not being too concerned about having a clear view of what to develop, but getting started on something while that view clarifies. Of course we've all done it as circumstances dictate, but it needs to be managed incredibly carefully. For example, are the development team building core infrastructure, or assumed business functionality?
- Box ticking: Fixation on "ticking the box" for the milestones, rather than delivering the value envisioned on inception.
- Blame game: Using stage gateways and sign-offs as a means of ensuring that any delays are clearly the fault of some other group. Examples include: Technology blaming Business for delays with Business Requirement Documents; Business blaming Technology for not being able to deliver everything on the long list; and everyone blaming an external group when something comes in from left-field. In essence the focus is no longer on joint success, but simply making sure that the failure isn't yours.

Agile

- **No documentation:** Although documentation artefacts differ within Agile, it's really not just phased Waterfall with no documentation.
- **No control:** Due to the nimble nature of Agile delivery teams, this is often exploited (usually through misguided enthusiasm rather than deliberately Machiavellian behaviour) to throw in last-minute changes, relax go-live controls and accept inadequate quality controls.
- **No transparency:** Although those within the Agile machine (Product Owners, Scrum Masters, team members) have a clear view on what's going on, often the broader group and enterprise have very little visibility.

Do any of these symptoms sound familiar? Are questions being asked around whether the most appropriate methodology is being used within your organisation? Perhaps you need to be asking a different question.

It's not so much the selection of the methodology that needs to be questioned, as that is often rooted in technology momentum, company character, personalities, market trends and CV building - and of course available skills of current staff. Rather it's a question of quality. No matter what the choice of methodology, is it being well implemented?

"Do any of these symptoms sound familiar?"

So what does "good process" look like? Well, any successful enterprise-level change process needs a clear understanding of what "complete" looks like, provides clear measures of progress towards "complete", identifies and removes any risks that could prevent the programme reaching "complete", and guarantees timely corrective actions and decisions to maintain progress towards "complete".

In short, the vital thing with process (although some will suit certain situations better than others) is less the actual choice, and more the quality and rigour with which it is implemented.

Sloppy process leads to failure... whatever the process.

Rules rules and more rules; how to get it right

Business today is all about compliance. Without it, running a profitable and successful business is virtually impossible, especially when the retribution can amount to hundreds of millions of pounds in fines and a ruined reputation.

Take April of this year for example: within one month, two large international banking institutions were fined more than £350 million. While that in itself is damaging to their individual finances, many believe the impact to their reputation, and that of the rest of their industry, is in the long run more harmful. Customers easily lose trust in banks, and this can quickly lead to falling revenues. Moreover, a damaged reputation can easily infiltrate staff morale and fuel the populist media image of the banker as the wicked grim reaper.

As a result, the challenges facing financial institutions today are widening. As well as maximising profit, the focus is now also on rebuilding and strengthening trust in the sector. For some, trust is the measure of 21st Century success, and the key to restoring this trust is compliance.

Rules and regulations are nothing new. Individual requirements have come and gone over time, with emphasis on different areas of business, society and the economy. Now however, compliance is all-encompassing. As well as adhering to strict financial and legal guidelines, businesses must also be seen to be 'doing the right thing' ethically and ensure that every person within their operation takes full responsibility for their actions.

"Encouraging open and fair dialogue between institutions, customers and regulators"

A successful banking system requires a compromise between borrowers and savers. Unfortunately this balance is hard to sustain, especially with the ever-growing demands and pressures on the banking sector to offer super-fast platforms, savings and credit products. Add to this, the well-reported financial scandals and industry mismanagements of recent years, and the sector has a lot to contend with.

To aid the situation, and placate those calling for increased regulation, the Financial Services Authority (FSA) was set up to oversee and supervise the financial markets in the UK. Its powers were increased to include the supervision and the regulation of insurance, banking and mortgage companies.

Then followed the financial crises of 2007-8 when global financial markets were destabilised following rising defaults on subprime mortgages in the US, prompting massive government bailouts of the global banking sector. At this point the FSA came under intense public criticism for not doing enough to prevent the credit crunch, which in the UK began with the near-demise of Northern Rock.

Tougher measures were then introduced to regulate the financial markets, with the abolition of the FSA and the creation of two new bodies instead: the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). Currently the two bodies work hand in hand to oversee the UK financial markets. The main difference is a more principle-based approach centred around integrity and encouraging open and fair dialogue between institutions, customers and regulators.

In the light of these changes, and the heavy ramifications of not following the regulations, organisations are becoming much more aware of the importance of compliance and the need to adopt an effective Governance, Risk and Compliance (GRC) management system. A GRC comprises three key elements which should operate collectively in assuring that a business enterprise fulfils its regulatory objectives: Governance encompasses the creation of procedures and controls which empower a company to meet its objectives, vision and strategy; Risk management involves calculating and dealing with risks that could obstruct the business on the path to realise its goals; and Compliance focuses on the guidelines, policies, rules and principles that facilitate the solid and well-organised governance which is regarded as a vital component to a company's success.

For it to work effectively, GRC should be one department which standardises data and action across governance, risk and compliance functions with the aim of operating more proficiently, allowing effective data sharing and avoiding wasteful overlays. It should

The Prudential Regulatory Authority (PRA) and Financial Conduct Authority (FCA) were set up in April 2013. The PRA forms part of the Bank of England in conjunction with the Special Resolutions Unit (SRU) and Financial Policy Committee (FPC).

Role of the PRA:

- to promote the safety and soundness of the firms it regulates, specific to insurance firms
- to contribute to the securing of an appropriate degree of protection for those who are, or may become, insurance policyholders
- to facilitate effective competition

Role of the FCA:

- to protect consumers and to improve the UK economic and banking stability
- to maintain and ensure the integrity of the market
- to regulate financial services firms so that they give consumers a fair deal
- to ensure the financial services market is competitive

act as an advisory and informatory body to the board and senior management of any potential changes in the regulatory environment so that they can be incorporated in strategic planning and vision, promptly and adequately.

"Such change of behaviour is the only way for the banking sector to flourish"

Effective compliance also decreases an organisation's risk of being forced to shut down or pay hefty fines. It also identifies the areas of redundancy and incompetence, allowing monetary and human resources to be distributed more efficiently. By managing all the risks involved, the company's reputation is preserved, therefore ensuring that the business continues to thrive and costs are kept to a minimum.

Corporate Social Responsibility is also considered to be an important issue and should be in the core of commitment when interacting with surrounding business and within the collective environment. Such change of behaviour is the only way for the banking sector to flourish and develop into the fully compliant and responsible industry of the future.

On an individual level, remuneration should take into account adoption of GRC principles and bonuses should only be rewarded after success in sustainable compliance. To support a compliant culture, the banking sector needs to ensure that career paths and opportunities are created in compliance departments and that all compliant achievements are rewarded, thus restoring confidence amongst employees.

Creating and strengthening trust in the banking sector is without doubt one of the main challenges of the future. If trust is the measure of 21st Century success and a compliance culture the key to restoring this trust, then it is something not to be ignored. Such change in behaviour is the only way for a banking sector to flourish and develop into the fully compliant and responsible industry of the future.

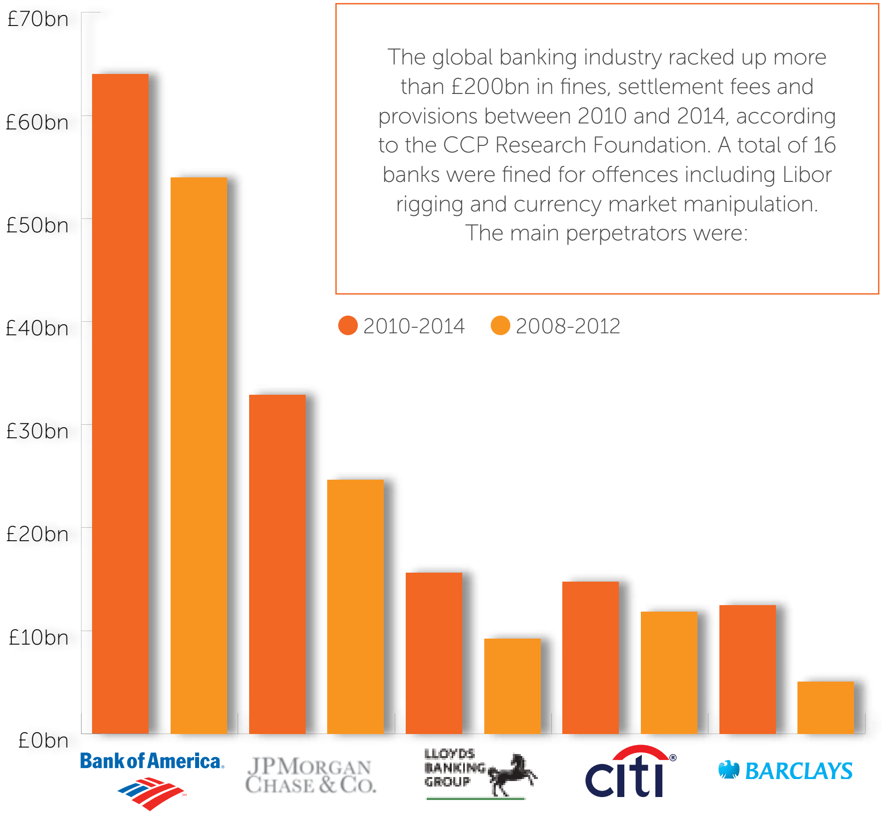
The only way is ethics

Focussing on what is considered to be right or wrong is nothing new, and is commonplace in our world today, be it financial or social. Moreover, doing something that is seen to be wrong or unethical, as in the case of some financial institutions, and even traders in recent years, can cost those organisations significant amounts of money.

"Regulators are seeking to maximise revenue"

Over the last few years, the revenue generated through raising fines on financial companies has made a significant contribution to government finances. In the UK, fine revenues became so significant, that in April 2012 the law was changed to allow the money received from such fines to go straight to the Treasury. In the US meanwhile, regulators are seeking to maximise revenue by offering a reward of as much as 30 per cent of the fine to so-called whistleblowers providing material evidence against the perpetrator. With the public and political will in place, regulators have started turning ethics into big business.

The global banking industry racked up more than £200bn in fines, settlement fees and provisions between 2010 and 2014, according to the CCP Research Foundation. A total of 16 banks were fined for offences including Libor rigging and currency market manipulation. The main perpetrators were:



Costs & provisions

"Regulators have started turning ethics into big business"

In recent years, ethical behaviour has become an increasing area of concern for banks. Avoiding fines has been a major driver of management attention, but deals with regulators have in some cases paired fines with more intangible cultural change objectives.

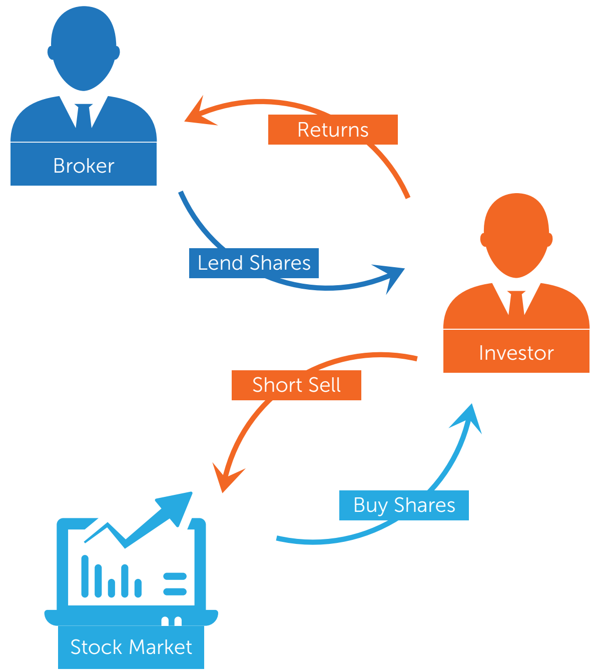
Following the record money-laundering fine in 2012, the Wall Street Journal estimated in 2014 that one-in-ten staff at HSBC's investment banking division were involved in compliance. These roles were not only in monitoring and reporting, but also in seeking to change the mind-set and awareness of staff throughout the bank. Similarly, Deutsche Bank made headlines in 2014 when Colin Fan, co-head of the investment bank, issued a video warning to traders about their behaviour, saying:

"Being boastful, indiscreet and vulgar is not OK. It will have serious consequences for your career. And, I have lost patience on this issue."

His comments were seen as a watershed moment in banking where ethical concerns spread beyond the bottom line.

One ethical area where public mood is not matched by banking or regulator response however is the controversial issue of short-selling. Short-selling is the process by which speculators can make returns from a drop in value of a stock.

Public opinion holds that short-selling is unethical as it allows people to profit from a market downturn. In some cases, short-selling has been blamed for market crashes. Conversely the industry maintains that short-selling is little different ethically from a standard transaction. In addition, short-selling plays a significant roll in enabling liquidity and increasing market efficiency. Bans on short-selling have been implemented in some jurisdictions, but the debate continues as to whether this has any significant ethical or market impact.



"Currently the trend shows no signs of abating"

Ethical investment has also found significant favour in recent times. In 2013 the UK retail banking sector was worried about the impact of a grassroots 'Move Your Money' campaign that encouraged high-street consumers to relocate their bank accounts and savings to organisations with strong ethical backgrounds. One of the major beneficiaries of this campaign was Triodos Bank. Triodos invests in environmental projects and social schemes including housing and care for the elderly. Triodos' ethical credentials even spread beyond its investments and into financing for charities and a management team that is 40 per cent female.

Ethical banks and other financial organisations typically have charters that prevent them from making excessive profits. This has allowed these organisations to offer favourable returns to small investors despite the reduced diversity of their investment portfolio.

One organisation that believes an ethical return can be just as strong as a standard investment is FTSE. Since 2001, FTSE4Good has run a series of indices comprising organisations that meet its Environmental, Social and Governance (ESG) criteria. These indices allow the creation of index-tracking investments and other financial products with returns approximately equivalent to the FTSE100.

A 2011 report by the Co-operative Bank in the UK showed that sales of ethical goods and services jumped from £13.5 billion in 1999 to £46.8 billion in 2011. This represents around 6 per cent of all consumer spending. Currently the trend shows no signs of abating, and ethical investment and its associated issues will no doubt continue to be a source of revenue and debate for many years to come.

Looking for a cash cow?

Whether it's wine, comics, handbags, renewable energy, or even car parks, the list of alternative investments available to those looking for somewhere to put their cash is growing fast. Once the domain of banks, stockbrokers and real estate agents, investing is no longer just about stocks and bonds, you can even put your money into a cow. Yes, a real cow, not a cow-shaped money box!

Unlike traditional investments, the nature of many of these so-called alternative investments – particularly collectibles such as stamps, comic books and wine, open the market up to more people. Renowned investment manager Peter Lynch famously once said: "invest in what you know", and while he was purportedly referring to stocks, the concept is sound advice for any investment.

If you are an expert in technology, then apply your knowledge and put your money into technology, not gold, or diamond mines. If you are a keen wine enthusiast, then focus on wine; if art is your thing, then make the pictures add up. The key is to maximise your advantage. Even well-known fund managers are starting to diversify on much larger scales, with investment giant Black Rock last month revealing it had added eight garden centres to one of its property funds in a bid to diversify its offering. In fact, alternative investments, including assets such as currencies, commodities and wind energy projects, are

estimated to account for about 9 per cent of Black Rock's total portfolio.

However, it's not necessary to invest on the scale of these large financial houses, and alternative investments offer individuals a range of different opportunities. Whether it's classic cars, wine, art or gold, the possibilities are endless.

Take for example, collectibles such as comic books and merchandise. The book that introduced Superman to the world in 1938, sold for $3.2 million last year, while an original Barbie doll, released in 1959 for $3, was valued at $8,000 recently, making a return on investment (ROI) of 266,666 per cent over 50 years. To match this in a traditional investment you'd need to have a 17.1 per cent compounding interest.

"Even a little damage can erase all of their value"

What makes collectibles different though, is that even a little damage can erase all of their value. This is because a collectible is based on emotional factors like nostalgia and these can be as erratic as they are powerful. Moreover, nostalgia is even more unpredictable than the stock market. While it is said to run in 20-year cycles, it doesn't necessarily mean that you could go out and buy the top 10 items from consumer polls today, incubate them for 20 years and then sell them for a fortune. They will only become collectibles if they meet two conditions: rarity and appeal.

Still, if clearing out your garage in the hope of starting a valuable artefact collection is not for you, then not to worry, there are still plenty of options. Take for example a car parking space at a UK airport, currently offering guaranteed annual returns of between 8 and 16 per cent. According to property company Colliers, the car parking space investment market is currently worth an estimated $12.6 billion.

Then there's wine. Like the art investment market, wine offers investors the added benefit of being able to enjoy their investment. Investors can purchase individual wines from particular regions and build up a portfolio for resale, or, for those who are solely focussed on potential returns, there are even wine investment funds. The Liv-ex Fine Wine 1000, which tracks the price of 1,000 global wines, gained just 1.2 per cent in the year to August 2015, but rose 7 per cent in the year to August 2013.

There is an added attraction to investing in wine and that is that the price it fetches is not dependent on external factors such as the strength of the property market or the mood of the banks. Moreover, there are a limited number of bottles of fine wines, so demand will remain high. The best-performing wines can produce annualised growth of up to 20 per cent, but you may have to wait several years. And if it all goes wrong and the bottles don't make the return you had hoped for, at the end of the day your asset is consumable, so wine investment could be seen as a hobby as well as an investment opportunity.

"Offers individuals and unusual an often interesting outlet for their funds"

Another, slightly more unusual option, is livestock. To help subsidise the prohibitive cost of farm animals, some dairy farmers offer programmes where individuals can lease a cow and earn the income from the milk and cheese the cow produces. This is an attractive option for environmentally and ethically-motivated investors, who are in effect able to help grow the world's resources whilst getting money from a real tangible thing.

For those looking for something slightly different, the latest big thing is crowdfunding, whereby individual investors can put money into projects or ventures in return for anything ranging from a pint of beer, an early copy of a new book, or eventually, a share in any profits made. Made typically via the internet, crowdfunding is a form of alternative investment, which has emerged outside of the traditional financial system, and offers individuals an unusual and often interesting outlet for their funds.

In conclusion, there is no doubt that opportunity exists in alternative, and sometimes unusual, investments, however as with any investment opportunity the key is diversification, and putting all your eggs in one basket, even if you consider it to be a hobby, is never a good idea.

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Corporate jargon – showing willing or showing off?

Before we 'drill down' to a 'granular level' and go for the 'low-hanging fruit', I wanted to 'verbalise' how we can 'deep-dive the issue' and 'contextualise it' before 'spinning up a team' to 'put a different lens on it'.

While this is without doubt a rather exaggerated example of corporate jargon, it won't be the first time most of you have heard these phrases. Add to that more traditional clichés such as 'outside the box', 'blue-sky thinking', it's on my radar' and 'close of play' and you could write a whole dictionary of ambiguous, and in some cases downright bizarre, phrases used in the workplace.

"This deliberate obfuscation of language is nothing new"

This deliberate obfuscation of language, or in other words, saying things in a way that makes it difficult to understand, is nothing new. Indeed, in the early 20th century, English novelist George Orwell campaigned for the removal of overcomplicated writing, while in 1948, British Civil Servant Sir Ernest Gowers wrote a book entitled Plain Words, which has been reprinted over and over, most recently in 2014, and has never been out of print.

However, despite a string of campaigns to rid the English language of jargon, its prevalence has never been greater than it is today, particularly in the workplace. Whether it's a new name for a new way of doing something, a new name for an old way of doing something, or an attempt to make something mundane sound rather better than it actually is, it all has the same effect: creates a clique of those in-the-know and isolates the majority.

The unusual thing about jargon, particularly in a business context, is the way it comes and goes, says one management consultant. "It can be very effective in the early days to describe a new method or process, however it can become outdated very quickly and you have to be prepared to stop using it as quickly as you started."

Where this time last year, people were talking about 'ramping up' a team, the phrase today is to 'spin up' a team. In the same way, terms such as 'best practice', 'leverage' and 'empower' are all now considered to be out-of-date.

Another thing to consider when assessing the impact of using jargon, is what it is used for. For example, the world 'agile', used to describe a way of carrying out a project, is used as both an adjective and a noun, and has much more longevity than ambiguous phrases such as 'let's park that' or 'take it offline', which are more colloquial and can be prone to different personal interpretation.

"Buzzwords can become a crutch"

Moreover, it is surprising that at a time when clarity and transparency have never been more important, illusion-creating jargon has never been more commonplace. When used too liberally, buzzwords can become a crutch, filling silences and helping to convince us that our actions are taking us in the right direction. In many situations it is easier to use buzzwords than it is to actually say what matters clearly.

There is also the added issue that buzzwords can mean different things to different people in different contexts. What to one may be key to developments in their industry, may be obscure and pretentious to another. Furthermore, new words being used to describe an old idea, can in some cases create a barrier to understanding for some people.

Today's hottest buzzwords and their meaning

LET ME SOCIALISE THAT

Let me bring it to the attention of my colleagues

LET'S RUN THIS UP THE FLAGPOLE

Let's present this idea

Thoughtshower

Brainstorm

SPIN UP A TEAM

Build a team

LET'S PUT A DIFFERENT LENS ON IT

Look at it from a different angle

So, while you may think you're in with the lingo, when using corporate jargon, be aware that in some environments it can leave people feeling confused, annoyed and in some cases unengaged. A recent survey by the London-based Institute of Leadership and Management revealed that while 'management speak' is used in almost two-thirds of offices, nearly a quarter consider it to be a pointless irritation.

To put it simply and in plain English, communication is a key skill within any business and if you're using language that doesn't get your message across then you're failing in an essential part of your role.

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Brickendon provide consultancy services to solve the challenges, both internal and external, faced by business operating across all markets.

Today's business and economic environment is ever gaining in complexity. Over the last few decades, we have seen that the ability of organisations to remain competitive in overcrowded markets is critical. An increasingly challenging regulatory environment has also made it essential for market participants to have a clear understanding of changes in order to drive their own strategic vision.

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