



Transformations to next:normal mean changing paradigms

An interview by Dr. Rita Niedermayr with Sonja Wallner, Nicolas Longin and Gerald Mitterer
From the CFO aktuell

In the course of the “CFO aktuell” Annual Conference 2020, there was a panel discussion on the subject “Fit for the next normal? – Why transformation starts at the top?” chaired by Dr. Rita Niedermayr. On this occasion, the CFOs Nicolas Longin, MSc (Welsper Profile) and Mag. Sonja Wallner (A1 Telekom Austria) spoke about their personal experience with the transformation of their organisations. Dr. Gerald Mitterer (dwarfs and Giants) provided the necessary background. In an interview with CFO-aktuell, Dr. Rita Niedermayr asked them about changing paradigms in the world of work and their own role in this process.

CFO aktuell: *Mr. Longin, Welsper is currently undergoing a cultural transformation, what was the reason for this and what does it involve?*

Nicolas Longin: Like many companies, Welsper operates in a volatile market with a high degree of uncertainty. We realized that we have to focus on our uniqueness again in order to be successful in this VUCA word. We wanted to provide orientation both for ourselves as managers and for our staff. We then started an intensive process with a high degree of employee participation to rediscover Welsper’s backbone. This consists of our purpose, our strategy, our values, our brands and our history. It was not only a question of

has to deal with but also incredibly important that everybody became more deeply and personally involved in the matter of the company’s backbone.

I too asked myself whether I could identify with that backbone and whether I could work authentically every day to bring our purpose to life. The process has given us much orientation with regard to how we need and want to make difficult decisions and enabled us to explain our decisions openly to our staff to make them comprehensible.

CFO aktuell: *What does this transformation mean in concrete terms for a financial division? What is your vision of the future here?*

Nicolas Longin: After completion of the backbone, every division within the Welsper organisation was invited to think about how we could adapt our processes and organisation to breathe life into our backbone and our purpose. In the financial division, we see that complexity is increasing exponentially, due, for instance, to the internationalisation beyond Europe in which Welsper engages intensively. Together, we have understood that we have to reposition ourselves to master this complexity.

Our vision is a modern, adaptable financial division with value added for all stakeholders in an organisation that gives employees the opportunity to grow continuously. In concrete terms, that means for example, less power-hierarchy, more dynamic roles, more employee responsibility and authority to make decisions. I believe that organisation in the VUCA world will never be finished and that we must implement processes that help us to ask ourselves constantly and in a structured way, which adaptations are necessary to do the work that needs to be done in the best possible way.

CFO aktuell: *Ms Wallner, how does that work at A1 Telekom Austria? Various strategies for the development of a flexible financial division have been pursued there for some time now. What is your experience of agile organisation forms?*

Sonja Wallner: Agility has been an important matter at A1 since 2017, which is why the “Agile Transition Team”, which plays a pioneering role in facilitating cultural transition and the new mind-set within the company was formed. Around 200 employees have participated in training for the roles of Scrum Master and Product Owner. Additionally, there have also been numerous training measures in Agile Basics, Kanban and Agile Leadership.

In the financial division, our Business Intelligence Competence Center – a very data-driven organisation, responsible for data preparation, analytics and artificial intelligence among other things, has established itself as agile, and implemented strategic purchasing accordingly in a network organisation. The Process Automation Center, part of the financial division, which is responsible for the digitalisation and automation of enterprise-wide processes, is also agile in its operations. Furthermore, a

belief that one has only achieved something if one reaches a leadership position must change and the company has also provided the structure for this. The employees’ results orientation must also be rewarded, whether monetarily, in the form of special training measures or recognition and being involved in matters of strategic importance.

CFO aktuell: *How can stability and flexibility be balanced out in a financial division?*

Sonja Wallner: Some parts of a financial division need continuity and flexibility – for example in reporting or in the preparation of a financial statement. This also applies to thematic areas such as compliance and governance. On the other hand, a financial organization has to be flexible in important areas where customer centricity is significant to enable it to react to the rapidly changing demands of customers and markets. We have also given our special attention to this factor in our organisational changes. Here, for example, we reinforced the roles of business partners that proactively support and challenge the division to create value added with a clear focus. This flexible or agile orientation is strongly results oriented and thus driven by key metrics. In future, the necessary resources will also be allocated to those areas in which the greatest value added is generated.

CFO aktuell: *Mr. Mitterer, we have now heard about two exciting approaches from companies but what is the situation in general? Everybody is talking about a radical change in contexts for organisations. What is radically different today? What does next:normal mean to you?*

Gerald Mitterer: We live in an age of digital knowledge with global markets. While in the industrial age of the

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reorganization of our accounting was only recently carried out. Flat hierarchies, process simplification, self-organisation and E2E customer servicing are central to all of these reorganisation measures.

The benefits of agile organisation structures are flat hierarchies, direct communication and result orientation, a fact that expresses itself in a reduction in the number of line managers and faster decisions and results. We set ourselves short-term goals, providing first MVPs, collecting swift feedback from our customers and implementing that feedback, which certainly promotes efficiency. Our leadership style has also been reconfigured, away from command and control towards result orientation, individual responsibility and transparency. The ability of service functions to adapt to changing customers and markets is another positive factor, also due to the fact that the new organisation has put its focus on the customer. Of course, these new ways of working have also changed career paths, the

previous century, competitive advantages arose from specialisation, standardisation and the creation of economies of scale, today, competitive advantages are much more a question of innovation and adaptability. It is clear that many jobs are being replaced by robotics and artificial intelligence. It is all the more necessary for organisations to learn to make use of the uniqueness of human potential: the creativity, empathy and collaborative ability of human beings. They must also learn to be adaptable to retain their ability to perform in a permanent VUCA context. All this will have an effect on the ways in which we think about organisations, leadership, and dealing with power in organisations and that is what next:normal means to me.

CFO aktuell: *How can organisations prepare themselves for a transformation to next:normal? Which organisational concept does this require?*

Gerald Mitterer: I am convinced that it is a matter of a paradigm shift in conceptions of organisations and human beings that is the basis of new organisation forms. The management approaches that still predominate today have their origins in a time in which organisations were regarded as machines. It was a question of optimising all the cogwheels, often combined with the idea that people need to be pushed and motivated by incentives in order to perform. To me, designing organisations of the future means consciously analysing these assumptions.

What is my concept of people and organisations? What do I think drives people? How does a fundamentally trusting attitude manifest itself in our systems? What does it mean when we regard organisations as living organisms that are complex and cannot be controlled in a linear way? Without fundamental reflection on our own attitude, new methods mostly remain only superficial cosmetics in the hope of getting even more out of organisations.

CFO aktuell: *How do you determine whether financial divisions or entire companies are fit for the transformation to next:normal?*

Gerald Mitterer: To me it is a quite fundamental question of being prepared to get involved in an uncertain adventure. Transformations into a next:normal mean shifting paradigms. For example the question, what is a more suitable model for dealing with complexity and dynamics than classic management hierarchies that are geared towards stability and scaling. Thinking something new requires us to confront the unknown. If somebody had asked a hundred years ago, how exactly management hierarchy works, how resource control, prioritising, salary models and so on work, there would

mean that employees sometimes develop solutions that do not directly correspond with my thinking. Then it is necessary to retain my trust in the knowledge and skills of the employees and discuss the result together. The aim is to actually experience every project and every decision as an opportunity to learn for all those involved. In my experience, this usually works well.

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Sonja Wallner: For me, it is important in an autonomous and solution-oriented organisation, that employees are also given the scope to make decisions themselves and be able to take responsibility. We know from the past that management makes the decisions and the organisation acts in accordance with those decisions. In flexible or agile organisations this right to make decisions must be passed on, that was a challenge for me and my colleagues in management at first and still is, to some extent, now. It is therefore all the more important to control strictly in accordance with key metrics and to deploy resources where the most value added can be generated.

Another thing I learnt was to work sequentially in an agile environment. From the past, we have been accustomed to implementing the entire scope and evaluating this alone. With the agile approach, dividing projects up into small slices and putting them into practice gradually with a focus on the greatest benefit was new for me too. Now I am happy that we have implemented that as the squads are generating great achievements.

CFO aktuell: *What do you recommend to other CFOs?*

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have been just as little certainty and clarity as there is for new organisation forms today. In spite of many examples of success, we are still very much at the beginning and need pioneers to embark on the journey.

CFO aktuell: *What have been your personal lessons learned so far?*

Nicolas Longin: I have personally learned that extreme changes of principles take a long time to be understood, accepted and implemented. The transformation can also, only be successful if I also take a lot of time myself to understand the concepts and their backgrounds. I must embrace the consequences for myself both as a person and as CFO and then never tire of communicating this conviction in exchange with staff in order to pass on this enthusiasm. One consequence for me was letting go and trusting even more. I have moved on, for example, from “delegating authority” to “distributing authority”. This

Nicolas Longin: I advise CFOs to simply ask themselves whether the existing organisation provides the opportunities to master constant changes efficiently and effectively. If the answer is no, then it is necessary to understand what I can personally change as CFO and what the employees need to be successful. By being authentic and acting as a human being, one can build a basis of trust with the employees and thus obtain genuine answers. As soon as one has embarked on this journey, I think that one only needs the courage to keep going and not fall back into old ways of thinking at some point. In summary, it means that one only has to dare to take the first steps and then I am sure that one will be surprised later at how much potential the organisation and its employees have.



Sonja Wallner: Initially, I recommend really taking a close look at the theory behind the matter. I also think that, one does not need to be a pioneer in a support section and that this transformation can only be successful if the intention is part of a company-wide strategy. Unfortunately, there is no blueprint for this change, it has to be adapted to each company and its respective culture but I certainly recommend communicating with other companies that have already lived through the transformation or at least already have some experience of it. I am convinced that agile organisation forms are the future and I am glad that we have made this move. It is important to approach it gradually and not to be afraid to try things out, obtain feedback and make fine adjustments again and again in certain areas.

CFO aktuell: *Mr. Mitterer, which options to CFOs have in your view to shape the shift to a next:normal?*

Gerald Mitterer: I am convinced that every change has to begin with myself. I believe that thinking in depth about one's own concept of people and organisations is central to this, to develop clarity for oneself on WHY changes are made and reflect on which fundamental assumptions influence me here. To consciously decide to do it and take the risk of taking a step into uncertainty. This also requires confronting one's own, often heroic, idea of leadership of "having everything in one's grip and under control". And taking one step at a time, allowing and shaping experiments that allow trust in something new to grow. Ultimately, it is a question of being prepared to embark on a learning journey together for which there is no clear recipe.

CFO aktuell: *Thank you for this interview.*

Dr. Rita Niedermayr conducted the interview.

Mag Sonja Wallner is CFO of A1 Telekom Austria AG, where she was initially responsible for developing CAPEX controlling throughout the company and, after holding several managerial and project positions, took over the management of the entire corporate finances of Telekom Austria TA AG. She has developed important strategic projects successfully in the past years. She has been CFO of A1 since 2015.

Nicolas Longin, MSc is CFO of the Welser Profile Group. After studying industrial engineering in Brussels and finance in Marseille, he held various positions in the financial sector, including positions at Takeda and Mondli.

Dr. Gerald Mitterer is a founding member of dwarfs and Giants and an organisational consultant specialising in Agile System Transformation and New Work