IFRS 9: HOW WHAT STARTED AS A "SIMPLE" PROJECT BECAME A BREAKTHROUGH

ARIANNA FRANCIA, BELFAST

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- Who am I

- Where we started

- What make us change

- Where we landed
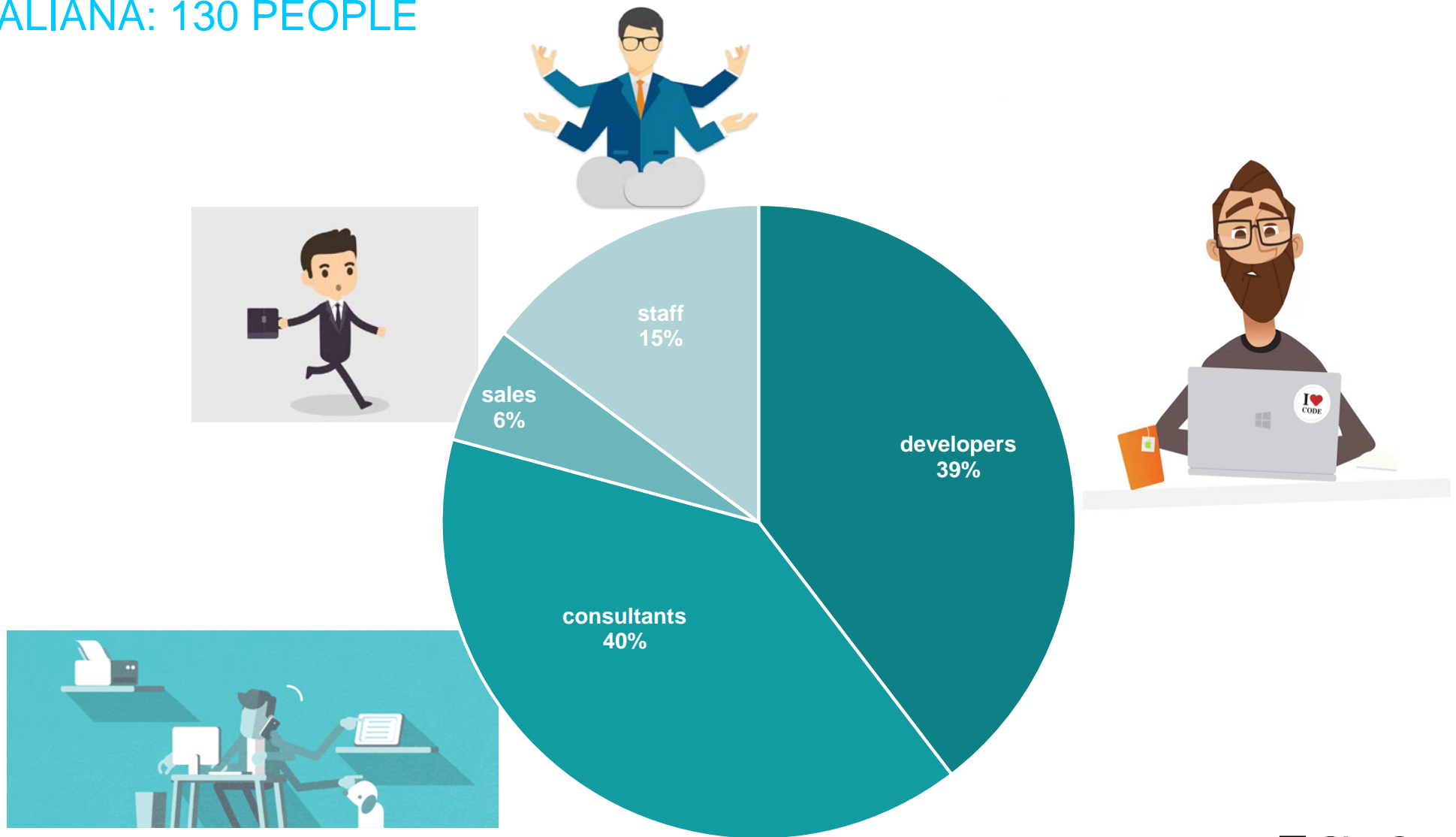
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WHO AM I?
ARIANNA!

- Developer in SimCorp Italiana (former APL Italiana) for 12 years

- Frequent "flyer" on the Dyalog User Meeting

- Traveller and stories lover

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WHERE WE STARTED

staff
15%

sales
6%

developers
39%

consultants
40%

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WHERE WE STARTED

HOW WERE WE ORGANIZED?

- Subdivided into development teams:

  - 6 teams dealing with the core part of SimCorp Sofia: the **"generalisti"**

  - 4 dealing with satellite modules (e.g. interfaces, risk, etc): the **"specialisti"**

- Each team is composed by 2 to 6 people working together on the same tasks

- Inside each group, we use **Pair programming**

- **Develop** coordinating, supporting and monitoring the development teams

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WHAT MADE US CHANGE

ONE DAY IASB STARTED TO TALK ABOUT THE IFRS 9

- **IFRS 9** is an International Financial Reporting Standard (IFRS) promulgated by the International Accounting Standards Board (IASB)

- It substitutes the old IAS39

- It contains three main topics:

  - classification and measurement of financial instruments

  - impairment of financial assets

  - hedge accounting

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WHAT MADE US CHANGE
IFRS 9 BECOMES «IFRS 9 & FRIENDS»

- When we started to think of the changes we needed to perform in Sofia, we realized

  - IFRS9 project was going to be huge

  - we had to rewrite part of the Sofia's «belly»

- We were stalled: **it was impossible to make new developments without destroying the past**

- **The past is the TRUTH for our customers! (even if it's wrong!)**

- Forced to add some degrees of freedom for future development locking the past

- «IFRS9» project soon became the «IFRS9 & Friends» project, where the «Friends» are all the infrastructural developments that we were finally forced to make

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WHAT MADE US CHANGE
THE LONELY DEVELOPERS FACING THE MOUNTAIN

- A single group of «generalisti» started to deal with all developments

- They found themselves in front of a mountain and started to climb

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WHAT MADE US CHANGE
THE HIKE BECOMES STEEPER

- Going on with the developments, the degree of infrastructural interventions increased

- What already seemed like a difficult mountain to climb became more and more vertical

- It soon became impossible to think that just one group of people could do it all by themselves

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WHAT MADE US CHANGE
SOS!

- The Sofia release was at risk

- Other developers started to help our lonely hikers, but the gap was already too large:

  - help for very marginal matter

  - very long and frustrating meetings

  - all with tight deadlines

- The situation created general malcontent among the «generalisti»

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WHERE WE LANDED
TALKING IS NOT THAT OVERRATED

- The release deadline expired: the delivery of the release to our clients was postponed

- Other projects planned for the same release were finished: capacity was released to give a hand

- The «generalisti» started to really talk to each other a little bit more:

  - the first climbers had to give the times and ways

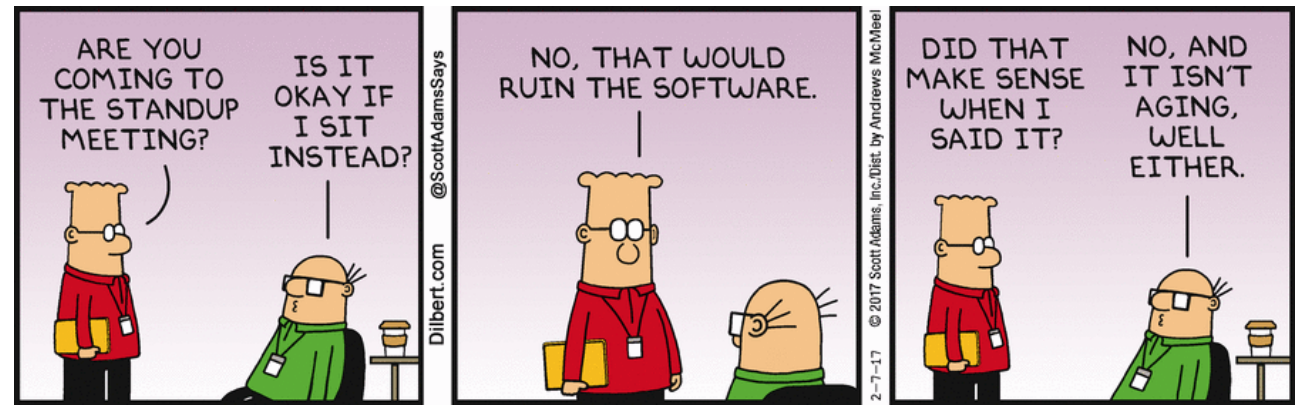 - all the other «generalisti» had to be always aligned

The solution:

Stand Up Meetings!

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WHERE WE LANDED
STAND UP MEETINGS

- The "generalisti" started to work as a single group

- More awareness for everyone of what was happening

- Work better distributed

- Difficult to do it when a project is at that stage:

  - the group that had started was too far away

  - it was painful to bring everyone on board at the same level

- When the emergency ended we continued to meet every morning to try to avoid an other situation like from happening again

- Help if someone is stalled with a problem: I don't know how to do something? I can always ask to the others what they think is best

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> *"Companies, like individuals, do not become exceptional by believing they are exceptional but by understanding the ways in which they aren't exceptional. Postmortems are one route into that understanding.*

"Creativity, Inc.: Overcoming the Unseen Forces That Stand in the Way of True Inspiration"

Ed Catmull, President of Pixar and Walt Disney Animation

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WHERE WE LANDED

POSTMORTEM: *"WHY IS THIS NOT WORKING?"* INSTEAD OF *"WHAT'S WORKING?"*

Definition

*"A postmortem is a meeting held shortly after the completion of every movie in which we explore what did and didn't work and attempt to consolidate lessons learned." (*Ed Catmull*)*

Reasons

- Consolidate what's been learned

- Teach others who weren't there

- Don't let resentments fester

- Use the schedule to force reflection

- Pay it forward

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WHERE WE LANDED
POSTMORTEM: PREPARATION

The key questions

- Are you proud of our finished deliverables?

- Did we get the results we wanted?

- What in our methods or processes worked particularly well?

- Which of our methods or processes were difficult or frustrating to use?

- How would you do things differently next time to avoid this frustration?

- What else could we do better next time?

- What was the most gratifying or professionally satisfying part of the project?

- Everyone is asked to make **two lists**

  - the top three things that you would do again

  - the top three things that you wouldn't do again

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WHERE WE LANDED
LIGHTS ON!

IFRS 9 & friends

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WHERE WE LANDED

POSTMORTEM: ENGAGEMENT

- It is not an evaluation on people's performance, it is an evaluation on a project

    - be constructive

    - share information and proposals

- Everyone is supposed to speak

    - self-limitation of the speaking time

    - listening

- No distractions

    - switch-off phones, tablets, PCs, for the whole duration of the meeting: nobody will die, even if this is a postmortem!

- **Golden rule** for proposals: **let's stick to reality!**

CAUTION
CONSTRUCTIVE
CRITICISM
IN PROGRESS

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WHERE WE LANDED
POSTMORTEM AND THEN?

After the Postmortem

- Group of volunteers for analysis of the things said and for formalization of operative proposals

- Return of the Post-Postmortem to all the partecipants

Where are we now

- IFRS 9 first experiment

- Then Postmortem of the Sofia release S64

  - one for RiskALM area

  - one for «specialisti»

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WHERE WE LANDED
DEVELOP & THE FUTURE

"Some of what made you what you are are the failures you experienced. […] Failure is a necessary consequence of doing something new — not a necessary evil. […] The failures that made us stronger happened in the past. We don't know what's going to happen in the future, and it might be very bad. We don't have the luxury of calling something a failure until after it happens. […] Zero dumb ideas is not the right goal. […] It is easier to correct errors than to try to prevent them all." (Ed Catmull)

- Another consequence of how the project went was that develop expanded
  - more people wanted to give a hand to make sure things would go differently next time
  - more people wanted to have an active role in coordinating the developments
- How do we proceed from now on? By experiments
  - we keep those things that work
  - we try to change those that don't until they seem to work again

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Happy Halloween!

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