



Architecting the Cloud, part of the On Cloud Podcast

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Title: Break through the bureaucracy to speed digital transformation

Description: At many companies entrenched bureaucracies can slow the pace of change, which often throttles digital transformation. In this episode of the podcast, Mike Kavis sits down with AWS's Mark Schwartz to talk about Mark's new book, "The Delicate Art of Bureaucracy: Digital Transformation with the Monkey, the Razor, and the Sumo Wrestler." In it, Mark uses the personas of the monkey (provoke and observe), the razor (cut through the fat), and the sumo wrestler (balance the forces) to illustrate how managers can engage in activities that can help untangle bureaucratic quagmires and speed digital transformation. Mark also gives advice on how to de-risk transformation: encourage skunkworks projects that can make transformation easier and faster.

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Operator

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Mike Kavis:

Hey, everyone. Welcome back to the Architecting the Cloud podcast where we get real about cloud technology. We discuss all the hot topics in cloud computing, but most importantly with the people in the field who do the work. I'm your host Mike Kavis, chief cloud architect over at Deloitte. Today I'm pleased to announce that we are joined by author Mark Schwartz, Enterprise Strategist and Evangelist at AWS. In his current role Mark works with enterprise technology executives to share experiences and strategies for how the cloud can help them increase speed and agility while devoting more of their resources to their customers. So, welcome to the show. Tell us a little bit about your background and how you got to AWS. And we're going to talk a lot today about your new book that we'll get into after your intro here.

Mark Schwartz:

[Laughter] All right, well, I'm happy to be here. Thanks for having me. So, I am in this interesting role at AWS, and I'll come back to it in a second as we talk. But the idea of the role is I'm part of a team of ex-leaders, IT leaders of large enterprises. So, all of us were CIOs or CTOs or CISOs of large enterprises. All of us did something we could call a digital transformation. All of us migrated to the cloud on a large scale. And so we try to bring what we've learned from those experiences to help our AWS customers, generally large enterprises, overcome these nontechnical impediments to transformation, things like cultural change and organizational structure and getting people the right skills and governance models and investment strategies – you know, all those things that turn out to be really the hard things when you're trying to transform a large enterprise.

So, that's what I'm doing now. I've had some interesting experiences, I think, that help me in this role as sort of an advisor. I've been a CIO in the private sector and CEO of a software company, but I had this really interesting experience of being CIO of a government agency. I was the CIO of US Citizenship and Immigration Services in the Department of Homeland Security, and I learned a lot there that helps inform the book that I just wrote.

Mike Kavis:

[Laughter] Yeah, my first question was going to be what drove you to write the book, but after your introduction, I think we know what that is. So, let's talk about the book. The book is called, "The Delicate Art of Bureaucracy: Digital Transformation with the Monkey, the Razor, and the Sumo Wrestler." We're going to get into those pretty soon, but what drove you to this book and what's the highlight here we're trying to drive home?

Mark Schwartz:

Well, so, in my role I'm talking to CXOs of large enterprises and they're all trying to do some sort of big change, as pretty much everybody has to these days. And almost always they're hitting some roadblocks. That's kind of normal. Now of course none of our AWS customers actually has a problem with bureaucracy, but most of them have a friend at least who has a problem with bureaucracy. So, it hit me that somebody should write a book about how you deal with bureaucracy, and it's been the same with all of my books that I say to myself at some point, "Why hasn't anybody written a book about this before?" There are books about bureaucracy but not really about how to manage around it when you're trying to do a big digital transformation. So, I figured I had to write that book.

Mike Kavis:

And in that book part of the subtitle is, "The Way of the Monkey, the Razor, and the Sumo Wrestler," so let's talk about what those are and then we'll get into the book.

Mark Schwartz:

It's not obvious? [Laughter] I don't know. It seems straightforward to me. So, as part of the book, I was reflecting on what I had seen work well in a bureaucracy trying to cause change in a big bureaucracy, and I came up with about something like 30 plays, 30 techniques that seem to help in overcoming the bureaucratic impediments. And when I thought about it some more, I realized that those kind of divided into three categories, and so I think of them as personas that you adopt when you're trying to – I don't want to say bust through a bureaucracy, but I'm going to say it. You know, what I really mean is overcome impediments from bureaucracy. And so, the three personas to me are monkey, the razor, and the sumo wrestler, and all of these 30 plays fall into those categories.

The monkey is – monkeys are mischievous, right? They get up to mischief and they provoke. And one of the most important things to do in a bureaucracy is to start pushing at it? It's restricting you, it's locking you in a very small box, and the first thing you want to do is learn the limits of that box, or figure out where it can be changed. So, the fundamental technique is, provoke and observe. You know, do something a little provocative, watch what happens, and learn about the bureaucracy that way. And that's very much the monkey's kind of thing to do.

Then the razor – it refers to a couple of things. The razor trims away fat. That's what the razor is there for. It also evokes the philosophical principle of Occam's Razor. Occam was a medieval philosopher, and there's a lot of argument about what exactly Occam said, but it was something along the lines of, "Don't overcomplicate things." That's the oversimplified version. Basically, he was saying, "If you have the choice of a simple explanation and a complicated explanation and they both explain the same thing, choose the simple one." And so, I said, "There's a similar principle in bureaucracy. If you have a control that you want to implement, and there is a simple way to do it that doesn't take much work and a hard way to do it that involves a lot of work, choose the simple way." So, the razor is really the application of lean principles, like lean manufacturing, Toyota production system to bureaucracy. It surprises people that you can do it, but actually you can. So, that's the second principle.

The sumo wrestler – I lived in Japan for a year, and you can't live in Japan as an American without coming to love sumo. It's just an awesome, great sport. The general idea is you have a small ring and you have two massive human beings, and they charge at each other, they butt into each other, and the one who can push his opponent out of the ring or force his opponent to touch the ground with anything besides his feet wins the match. Now the thing about sumo, there's a subtlety to it, which is the two people crash into each other, and if you push hard you might push your opponent out of the ring. But if your opponent yields and you push hard, you might go flying out of the ring, right? So, the thing is it's a balance of forces, and you want to use your opponent's strength against them if you can.

So, in a bureaucracy, the sumo wrestler is trying to use the strength of bureaucracy against itself as a way to manage through it. For example, one of the things we did was to write our own bureaucratic policies, and in those policies to say very formally what we planned to do, which was just what we intended to do, and we knew auditors would then check to make sure that we actually did the things we'd written down, and so they'd be checking to make sure we did the transformational things that we really wanted to do. So, that's an example of the sumo wrestler.

Mike Kavis:

So, you go into each – I think you have a chapter to each – and you talk about the way of the monkey, the way of the razor, the way of the sumo wrestler. You also have the black-belt bureaucrat. So, let's talk a little bit about – let's start with the monkey. What's the way of the monkey?

Mark Schwartz:

Yeah. I wanted to actually – I didn't say anything about the black-belt bureaucrat, but if you happen to want to be a bureaucrat, that chapter is for you, how to be a good bureaucrat. It's like a bonus on top of the other three.

So, the way of the monkey is to provoke and observe, and here's an example of how we did it. We realized that the rules, the bureaucracy required that for every IT system we deployed, we write 87 documents and have 11 gate reviews. And those documents were often really long documents. They were templated and you have to fill out all the sections. And so, we said to ourselves, "What would happen if we left blank the sections of the template that didn't make any sense to us for what we were doing?" And then we said, "How about for the other sections of the document where we're used to writing really long answers, what if we just wrote like one or two sentences and thereby shrank these documents to almost nothing?" And of course, everybody said, "You can't do that. You know, you're going to get in big trouble or whatever." We said, "Eh, let's try it and see what happens." That's the monkey. That's exactly the monkey. And it turned out that the people who had to read these documents loved it. *[Laughter]* They didn't want to read the long documents! So that's kind of classic monkey experience.

The razor, similarly, looked at that set of 87 documents and said, "Are all these documents actually adding value? I mean, obviously there's a reason why we're supposed to write these 87 documents. There are certain risks that we're trying to mitigate. But could we get the same risk mitigation if we had fewer documents?" And so, we worked that and we worked it, and eventually we wound up with a set of 15 documents that we said accomplished the same thing as those 87 documents. That's the razor at work.

And then for the sumo wrestler, I mentioned a little bit about this before but there was *[laughter]* this process of 87 documents and 11 gate reviews and all that. Like many formal bureaucratic processes, it had an exception process. You know, you can tweak this, you can mold this process as long as you get the right signatures. And so, we did a new version of this process that we proposed using, and basically our new version said exactly the opposite of the whole process. And we realized as long as we get the right signatures that would be fine because that's what it said right there in the official bureaucracy. And for various reasons we were able to get the signatures, mostly by saying, "Oh, this is just a pilot. Don't worry about it. Let's just try it and see how it goes." So, once we got the right people to sign off on it, the bureaucracy actually said that we should do the opposite of the bureaucracy. That's classic sumo wrestler. So, that's how the three work.

Mike Kavis:

That's pretty cool. One of the things that I've seen – you know, cloud is a transformation, right, especially moving to public cloud, but if there isn't a compelling event to do it, it seems to be hard to get everyone to change. So, what's your experiences with that?

Mark Schwartz:

Yeah. This isn't original with me, but I often say you should never waste an emergency. Emergencies are very useful when you're trying to make a big transformation. The reason why it's so important to take advantage of urgent situations is that people – there's something called a status quo bias. You know, people will tend to prefer keeping things the same way as they are if they can. And --

Mike Kavis:

Even if they hate it. Even if they hate it. *[Laughter]*

Mark Schwartz:

And that's it, right? That's the funny thing. It's like they assume the status quo is okay even if it clearly isn't. So, for example, I had to convince the CISO of Homeland Security that it would be a good idea to move everything into the cloud. And, of course, the CISO's first question, because everybody asked this question in those days, was, "Is it secure enough?" And I pretty much started laughing at him because – I said, "Well, you know we're not secure today, right? You're the CISO! You know all the problems with our security posture today. We talk about them all the time. So, isn't the right question whether we'll be more secure in the cloud or more secure the way we are today, right? The status quo isn't perfect, far from it." And I thought the answer was obvious and we had that discussion. When you have a major crisis of some sort, and COVID has been a really good example of that, right? A lot of companies didn't want to allow people to work from home because they felt like they'd lose control, et cetera. And then all of a sudden they had to, and then they looked at it and said, "We didn't lose control. You know, things are going well." So, it can shake people out of that status quo bias and often does.

Mike Kavis:

Yeah, I've seen often that like when cloud starts grassroots a team or a lot of times just a web property move to the cloud, and they can have success but then scaling that across the organization is a lot harder. And one of the reasons why they had success is because usually in a web property you have to do very frequent updates. So, the cloud was an enabler it extracted a lot of stuff from them, but not everyone's building webpages. So I've actually seen some of the most successful DevOps speeches at the DOS Enterprise Summit be for retailers, but the rest of the company isn't even anywhere near the cloud. So, I see pockets of success, but I very rarely see success at scale across the company. So, I'm sure the black-belt bureaucrats have something to do with that, but what's your experience with – even when you have a shining example in your organization, it's still hard to replicate that everywhere else. Why do you think that is?

Mark Schwartz:

Well, the way I look at it – an organization that's successful, and most organizations are because the ones who aren't successful are out of business, right? So, a large enterprise that is facing the digital age, they've been successful in the past generally. And usually when you're successful in some way, then you lock in that way of doing things, right? Your culture forms around that way of doing things. You set up processes that reinforce that way of doing things. You hire people who are good at doing those things. So, your enterprise is completely set up to do things the way you've been doing them because that's made you successful.

Then a change happens in your environment and you need a new way to be successful, but of course you're completely set up for the old way of doing things. And that's going to be true of every large enterprise that needs a transformation. Their culture is not right for the transformation, their people don't have the right skills – that's just part of it – because they've deliberately acquired the skills for doing what they did yesterday. So, every transforming organization needs to find a way to proceed despite that, and over time the culture changes and they hire new people with the new skills. So, in that sense having the right culture and having the right people skills is an output of the transformation process. It's not a prerequisite; it's not something you start with.

Mike Kavis:

Right.

Mark Schwartz:

But it means that necessarily there's resistance to every large-scale change in a big enterprise, right, which is really what I'm talking about. So, you can have pockets of success where people are very motivated to try something new. But yet the antibodies come out because they're there to try to keep things the same. That's the way the company's set up. And making a big transformation takes something beyond just having those small successes. I think of it as like an injection of energy and urgency into the system. There has to be something that forces urgency, and that can be good leadership. It can be the crisis like we talked about before, the emergency. But something has to contribute the energy to the system that's going to get beyond those antibodies, or the things that are going to hold it back necessarily.

Mike Kavis:

Yeah, I've seen where when there are – the event is like an initiative, we need to get from ten datacenters to two, or we're going to become a software company, those types of statements, or – one company, they just made this decision because they had bought a lot of SaaS solutions and they were all on different platforms, that they went to the board and got a substantial amount of money and said, "In two years we're going to do X," and everyone's goals and objectives aligned to that. So, those were – I won't so they're easy but they're easier to get people aligned. But when it's just somebody says, "We need to go cloud," and there isn't that event, I just see it's so hard to make that change. One of the things that you talked about in the book, and another animal analogy here, but shrink everything down to skunk size.

Mark Schwartz:

So, I found in the government it's always easy to see dysfunctional patterns in the government because government is so extreme, right? You can see the mechanics of how it comes to be. So, one thing that happens in the government is you have these very, very large projects, and large projects are very risky and so you put a lot of controls around the project because it's so risky. Those controls make it so cumbersome to do a project that you don't want to do too many of them, so when you have a project, you load all your other requirements into it because you don't want to have to go through this heavy-handed process again. Well, that just makes the project even bigger, and because it's bigger you need even more controls, right? So, it's like a vicious circle; it's a snowball effect.

So you wind up forcing everybody to do really big projects, which of course are the really risky projects. What if you made your projects really small? Well, in that case the risk is much lower, and therefore you don't need these big sets of controls, heavy-handed controls because you're managing a much smaller risk. And if you can do that consistently, then you can change your oversight process and practices to be in tune with the amount of risk in each investment. And you can break that vicious circle. So, that's one of my suggestions for how you manage in a bureaucracy, is you de-risk investments by making them smaller.

But then I pushed it even further. I said, "What if you make your investments so small and possible that they're under the granularity of your oversight process, you know? They're small enough *[laughter]* so that they fit between the cracks?" That is essentially what we mean by a skunkworks project. Skunkworks project, you know, a team goes off and just does it and nobody even knows they're doing it, and they have a result before anybody knows it. This can be done in a sneaky way, but what I'm saying is don't do it in a sneaky way. You know, do it because you have legitimately made the project so small that the risk is so small that it can escape these big, heavy-handed governance processes.

So, an example for me, at US Citizenship and Immigration Services, one of the things we did was process refugee applications. So, we'd send a team out to a refugee camp to interview refugees to see if we could admit them to the country. And refugee camps tend to be in kind of inhospitable places in many cases, so, out in the desert, in places where there's no internet connectivity, and it's a hard environment. So, one day one of my employees walked into my office and he had a little daypack on his back. And he opened it up and he dumped stuff on the table in front of me and he said, "Here, I want to show you something.

Network in a backpack, I call it. The refugee officers can take this out with them to the refugee camps, and the things in it are indestructible. You will not find a way to break these things. And when you plug them all together you wind up with a local area network that can connect all of the interviewers together and the printers and stuff, and it will find connectivity to the internet somehow. It will try every known cellphone service in the world. And if it can't get connectivity from any of those it'll go to satellite. One way or another it'll get connectivity, and so it can be managed from the US. And because these refugee camps are often in places where there are hostile forces around them, this is super secured cybersecurity-wise, and we can control the security from the US. And the whole thing costs \$1,000.00, and we can send it out with every refugee officer."

And, okay, this is the perfect skunkworks project. I had no idea he was working on it. It was a brilliant solution. My risk as a leader was totally mitigated because it was done already, right? I didn't have to invest in something where I didn't know what the result was going to be. So, the risk was zero and he had done it just with spare time and spare resources so it was all great, right? So, that's a case of shrinking something down to skunk size where it can be done by a skunkworks.

Mike Kavis:

So, how do you create a culture where that's allowed? *[Laughter]*

Mark Schwartz:

Well for me as a leader, I could've gotten angry and I could've said, "Well, why'd you waste your time on this? I didn't approve that." You know? But that's exactly the wrong message, right? The right message is you used your judgment in a good way and you did it on such a small scale that you weren't risking anything significant. You know, great. That's great innovation. And I think if you consistently send the message that that's okay, then people start to pick up on it. Go ahead. Be creative. You know, you don't need to ask my approval for everything.

At AWS we have this set of 14 leadership principles that we take very, very seriously, and we use them every day, day to day. One of the principles is bias for action. Bias for action says go do it. If it's something that's not risky, then you should prefer to go ahead and try it, rather than asking for lots of approvals. And we talk about one-way doors and two-way doors. A two-way door is a door where if you walk through the door, you can just come back out it again if it doesn't work out. You can go through and then decide you don't like being on the other side and come back out the door. A one-way door, once you walk

through it you're kind of committed, and there's risk. So, if you have a two-way door decision, generally you should make it pretty quickly, because you can always back out of it again. So, as a principle we tell people, "Go and do things that your judgement tells you is right if it's a two-way door."

Mike Kavis:

Yeah, I think the cloud's a great enabler of that, right? I mean, in the old days pre-cloud, in my days if I wanted to do an experiment, I had to go through a process to get a place to go do an experiment, and the process was so wieldy I just wouldn't do it, right? And in the cloud you spin it up, test it out – oh, that wasn't a good idea. You throw it out and who cares, right? Five dollars.

Mark Schwartz:

That's right. The cloud makes it a two-way door basically. With a pay-as-you-go model you can decide to just stop paying stop doing it if it doesn't work out for you. So, it turns your decisions into two-way doors where it would've been a one-way door decision before.

Mike Kavis:

Cool. So, last question before I let you go, and really recommend people go out and get this book. It's good and it's also funny, and you could probably put yourself – oh, I know that guy. I know that monkey. I know that razor. But transformation is hard, right? And while we're transforming the cloud, at the same time we're embracing AI and ML and this and that. I mean, there's, like, mini-transformations inside the big transformation, right? So, for leaders who are trying to tackle all this stuff, if you can boil advice down to an elevator pitch, what is the one thing for someone starting – what should they focus on?

Mark Schwartz:

I always try to link things back to strategic objective. You know, here you're in a company and your company has some strategic imperatives for how it's going to move forward, and if you can find transformational things that align with those strategic imperatives, then do them. Push hard, you know? If you're transforming just for the sake of transforming, you might be going down the wrong direction. Just link it to your strategy and everything else follows from it. It gives you the focus, it gives you the justification for the investment, and it gives you a way to motivate people because they're accomplishing something that's important for the company.

Mike Kavis:

Totally agree, and a lot of the DevOps folks – you know, a lot of people think DevOps is CI/CD, but when you talk to some of the fathers of DevOps they're really talking about focusing on outcomes.

Mark Schwartz:

Yes, mm-hmm.

Mike Kavis:

Focusing on outcomes. Well, we really enjoyed having you on today, are you on Twitter or anyplace? Do you have a Twitter handle we could follow you? And where can we go to find your book?

Mark Schwartz:

Sure. Well, you can find my book – no surprise – on Amazon.com, for example. You can find it other places, too. And yes, you can find me on Twitter as – what do I have? @Schwartz_CIO is my handle there.

Mike Kavis:

Cool, and I'm sure you're ramping for a re:Invent here so you've probably got a fun week ahead of you.

Mark Schwartz:

Yes, exciting time of year for us.

Mike Kavis:

You're eating all that turkey, so – so thanks again. That's it for our episode of Architecting the Cloud with Mark Schwartz. You can find more podcasts by me and my colleague Dave Linthicum just by searching for Deloitte On Cloud Podcast on iTunes or wherever you get your podcasts. Again, I'm your host Mike Kavis. You can find me on Twitter, @MadGreek65, or e-mail me, MKavis@Deloitte.com. Thanks for listening and we'll see you next time on Architecting the Cloud.

Operator:

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