

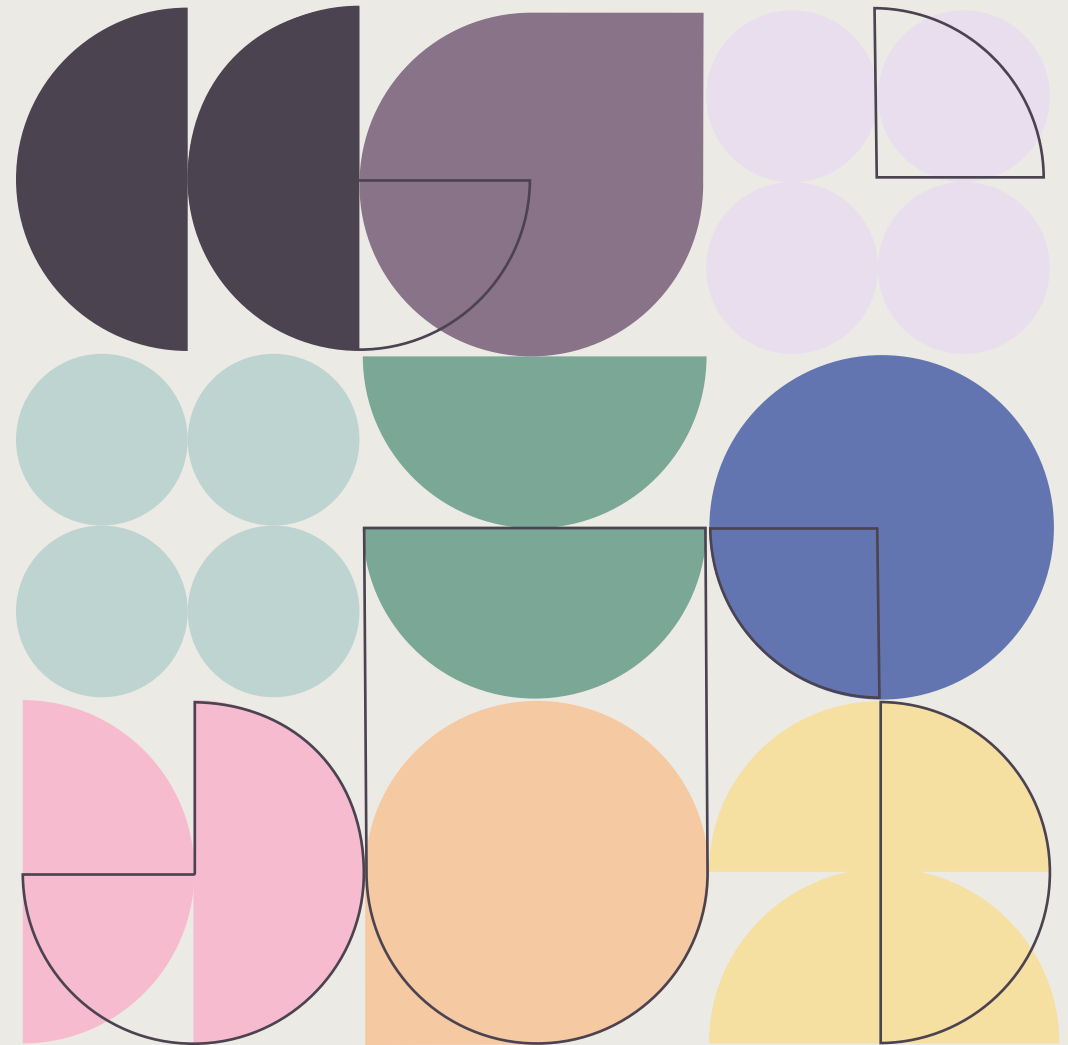
CASE STUDY

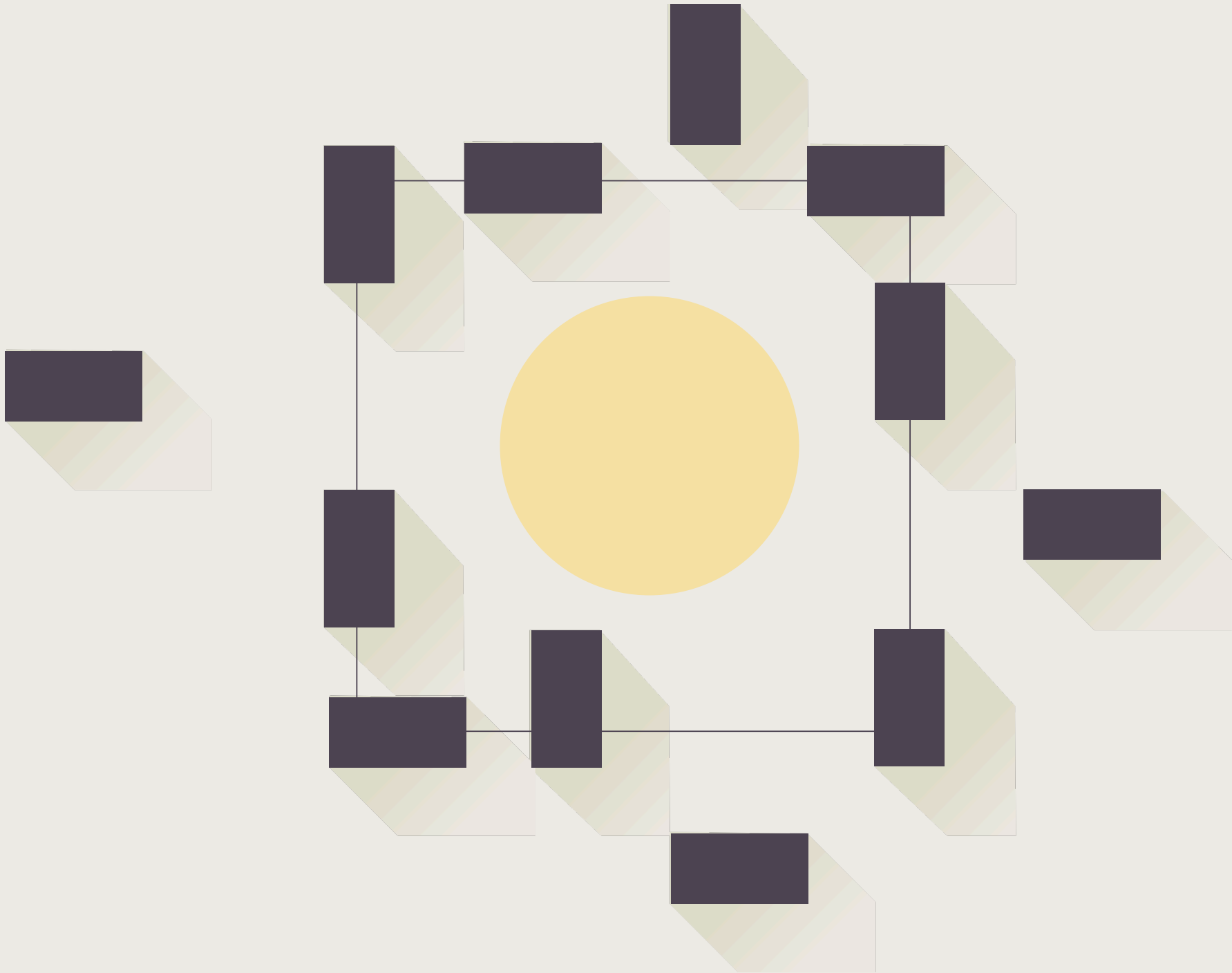
TRANSFORMING TECH AND CAPABILITY

Southern Cross Health Society wanted to create a modern engineering practice with the technology and skills that would work in a contemporary world. Chief Digital Officer, Roxanne Salton, explains their journey and how partnering with HYPR delivered technology transformation, as well as an uplift in capability for the organisation.

HYPR

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THE CONTEXT

The challenge

Building a modern engineering practice while flying the plane

“Like every large organisation operating in New Zealand’s financial services sector, we’re modernising our technology and capabilities to allow us to compete more effectively. Moving to a contemporary world has to be achieved while still running our legacy tech.

“The aspiration for our modernisation programme was simple: *‘good quality software delivered fast’*. To achieve this goal, we knew we needed to build a world-class engineering practice – the right tech combined with the right people, skills and practices.

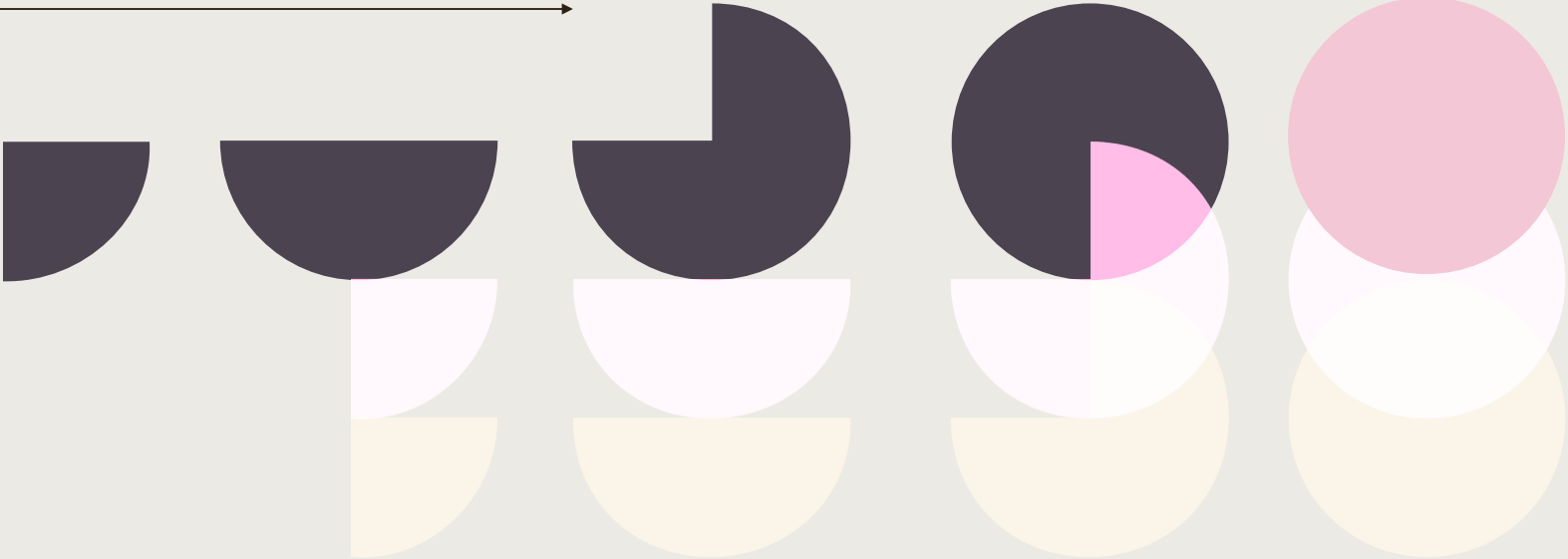
“Our tech strategy aims to transition towards digitising our platforms by adopting a two-speed architecture. This is managed by isolating our core heritage systems from our front-end channels using microservices, externalising complex rules and data, and leveraging the cloud infrastructure to operate at a digital grade.”

Taking people on the journey

“The existing technology teams, however, were very much specialised in our heritage technology and, at the start of the project, there was a lack of experience and practice that meant we were not in a position to build the new tech with confidence. Hiring people with the right experience was a limited option due to the impacts of the pandemic, including border restrictions. So, the route forward was to *lift our own people’s capabilities*, build community, and take them on the journey to contemporary architecture.

“Getting buy-in from the technology team was essential to the success of the programme. I believed that to bring the team on board, we needed to make the commitment that they would be well supported throughout the process, and that not only would we help them learn, but that they would enjoy the transition and have an opportunity to grow professionally and personally.

“Ultimately, we believed this change would be great for them in the workplace. We knew that working within a world-class engineering practice, the team would have fewer incidents and less risk, with less time needed to ‘fix’ things or cut corners, which meant more time spent on delivering great experiences for members. I think anyone can sign up to that.”



THE APPROACH

Key considerations

“There were four things that framed our approach to modernisation and capability uplift:

Learn from other businesses that had been on the journey: I’m a strong believer in talking to other businesses about their experiences of this journey. We’re all doing it so we have so much to learn from each other. For example, we learnt from another business in the financial services sector that – even if we *could* hire people – going all out to do so was a mistake. You couldn’t predict, for example, the ratio of developers to practice leads that might be needed.

Acknowledge that we didn’t know what we didn’t know: Building a modern engineering practice to bring us into a modern world – while still flying the plane – was something that we couldn’t make up as we went along. It’s safer to accept that there are many things you won’t know, but are ready and willing to learn.

Accept that the journey should not be taken alone: Because of point two, the biggest mistake we could have made was to think we could do it ourselves. There are external organisations who have been there

before and really know what they're doing. I wanted a partner to show us how to do it in our context, what good looked like in our context, what kind of engineering team we needed to build, and how we should look after them on the journey.

Engage a partner capable of helping us across *multiple areas: tech modernisation, ways of working and capability uplift:* I was certain, from what I’d learnt from others, that a traditional approach to partnering – where you treat tech and people engagements as isolated things – wasn’t going to work. I didn’t want different consultants to help us change – one doing agile, one focusing on the tech. A lot of businesses are struggling with transition from legacy because of this.”

Engaging HYPR

“I knew that HYPR had experience in building modern engineering practices. In our early conversations, they provided a clear vision for creating an environment for success, working with our teams on tech modernisation, while teaching us how to fish at the same time. Their Hybrid Team Model was critical in deciding to engage them; by putting their people alongside ours, they ‘would teach us how to do things so that we could then do them ourselves.’”

THE JOURNEY

Finding a starting point

“We learnt from other businesses and HYPR that understanding your status quo and finding the starting point was critical to avoid ‘backtracking’ at some point along the journey. HYPR’s Situational Analysis helped us see the truth and understand the existing landscape *in our context*. They used a technique to visualise our system called ‘Current Reality Tree’ (CRT) which identified where we were at, why we were there, and the impediments to delivering value at speed. Crucially, it offered insights that we could all align on – and that I think is half the battle.”

“Everyone in the business agreed that the situational analysis showed what was happening in their value streams. We had many typical issues for a business of our size – inconsistent software quality forcing rework, increasing technical debt, long delivery times to achieve our prioritised outcomes, which were impacting the organisation’s confidence.”

Keeping people

“In a time where talent is scarce and we are in a very competitive war for talent, we must create an environment where people strive to work in, want to learn and contribute to enabling our processes and systems so that we can do our best work and deliver best experiences for our members:

“That told us that our starting point was to find an aligned purpose, that collaboration and community was crucial to keep existing talent and to start showing others that Southern Cross Health Society would be a great place to be. I wanted every value stream to participate to ensure equity and equality of opportunity. We were either all in or weren’t in at all.”

“HYPR’s Situational Analysis helped us see the truth and understand the existing landscape *in our context*”

Roxanne Salton, CDO, Southern Cross

Mindset shift

Over specialisation

“The Situational Analysis also revealed that delivering a modern engineering practice required a shift in mindsets in two key areas. First, that deep skills in a particular piece of tech needed to shift into more general engineering skills across wider tech. HYPR believed that our people needed to upskill from specialised tech to work more effectively with modern software, which is less about a ‘world of specific disciplines’.

“Secondly, I wanted our engineering teams to understand that they were no longer going to be ‘building in the back end’, but they were going to focus on building products and services on key modern applications that would enable our delivery teams to spend their time on building easier amazing experiences for our members and customers and faster.”

Support, not speed

“We knew these big mindset shifts would require time, a supportive leadership and a partner in HYPR that could help people ‘to stop, learn and move on’. You have to manage a difficult balance between the wider business wanting to move at pace and the need to upskill teams requiring dedicated time to continuous improvement activities like training, experimenting, exploring practices and stretching minds.

“You can’t cram those in between more delivery and technology change because there’d be no mindset change, just resentment. I was adamant that we had to *‘create the time to give time back to people.’*”

Building the tech

Platform and microservices

“To begin our technical journey, we created a Modernisation Value Stream. It was tasked with modernising our mission-critical applications by building a two-speed architecture enabled by a new microservices platform. This would, in turn, be used by other value streams to create great member experiences and products. The programme broke big blocks of work into many smaller blocks. HYPR has exceptional experience in this area so we let them lead the way, providing confidence to business as we went, but crucially providing the side-by-side learning our newly-created platform squad and developers needed.

“We introduced and trained our developers to build microservices over time, rather than all at once. Some took to it like ducks to water, while others found it hard initially. HYPR was able to support those to get them over the line. When they got there, everyone saw the benefits of this new world... that it saved so much time, that breaking things in a microservices environment had none of the risks they had in a monolithic world with legacy infrastructure.”

GitHub

“We also decided to move all of our repositories into GitHub. It might not seem like a big thing, but I make a point of this because there was resistance at first. People were wary of the potential time involved but understood that the benefits would outweigh the time lost. But both HYPR and I thought it would be transformational for the team.

“We didn’t want to force it in. We wanted to do it with understanding, with trust and safety and with the aim of *making change valuable to people*. So we decided to do it through continuous improvement sprints – in other words create the time and space for the work. It didn’t take long before people saw the value. People told me ‘it’s much better’, ‘I like this’, ‘I can now put my code somewhere, it gets verified and secured, I can do a lot more things in it’.”

CodeGen (as in ‘Code Generator’)

“As confidence and skills grew, the team saw opportunities to explore new initiatives. For example, they created an accelerator called ‘CodeGen’ as a faster way to build microservices and ensure consistency across the board. Developers now put business rules into CodeGen, answer a few questions and the microservice is created, secured and tested, sometimes in minutes.

“Everybody wants to use CodeGen because it gives them more time to focus on what really matters – the customer experience. We still need to be mindful that, while fast is good, it can’t be at the expense of quality.”

Getting ready for new product

“All the modern tech ingredients are being readied for the squads in other value streams. We’ll soon be in a ‘business as usual’ place with the platforms and then squads can start building new product experiences. They’ll enter a world where they don’t need to think about ‘the things they need to sort first, just to get something out’. There’ll be no backend to fix first. They’ll be thinking much more about the experience they want to deliver for members. And customers such

as our advisers will see that we’re transforming experiences at pace – things that couldn’t have happened with the old tech.”

Creating a place where people want to be

“When people learn new things, that makes such a difference. They take time away from the old things they used to do and spend more time doing new and exciting things. And *that* is a huge catalyst.

“Engagement levels improve, people want more responsibility, they want to learn more. I think that the sense of trust we put in place started to really open people up, to get them wanting to belong to a community of practice.

“Also, as the Modernisation Programme progressed and our engineering practice began to form, it then became easier to see opportunities for creating new roles and career paths. Developers right across our tech community could see how they might reach a lead developer role or go into another practice role.

“This was crucial in creating an environment where people *can* see a *career pathway* – one of our key objectives. Many businesses are on this kind of journey so we’re all fighting for the same great talent. There is a new and positive hunger now we’ve created the environment and it makes us more attractive to good people.”

HYPR's Hybrid Team Working Model

“HYPR's Hybrid Team Model is all about leaving a legacy. While the work could be done by other external partners, I think few would place as much focus on ensuring enduring capability uplift as HYPR.

“Bringing in HYPR's principals and consultants to work alongside our people may have been seen as an ‘us’ and ‘them’ situation, with outsiders doing the work or merely telling us what to do.

“This tension was expected, especially given that we were trying to do two things at once – building tech *and* building the practice. HYPR bridged the gap between the two by showing us what the future tech looked like and what it could do – and then showing us how people in a modern engineering practice could operate in a business-as-usual environment.

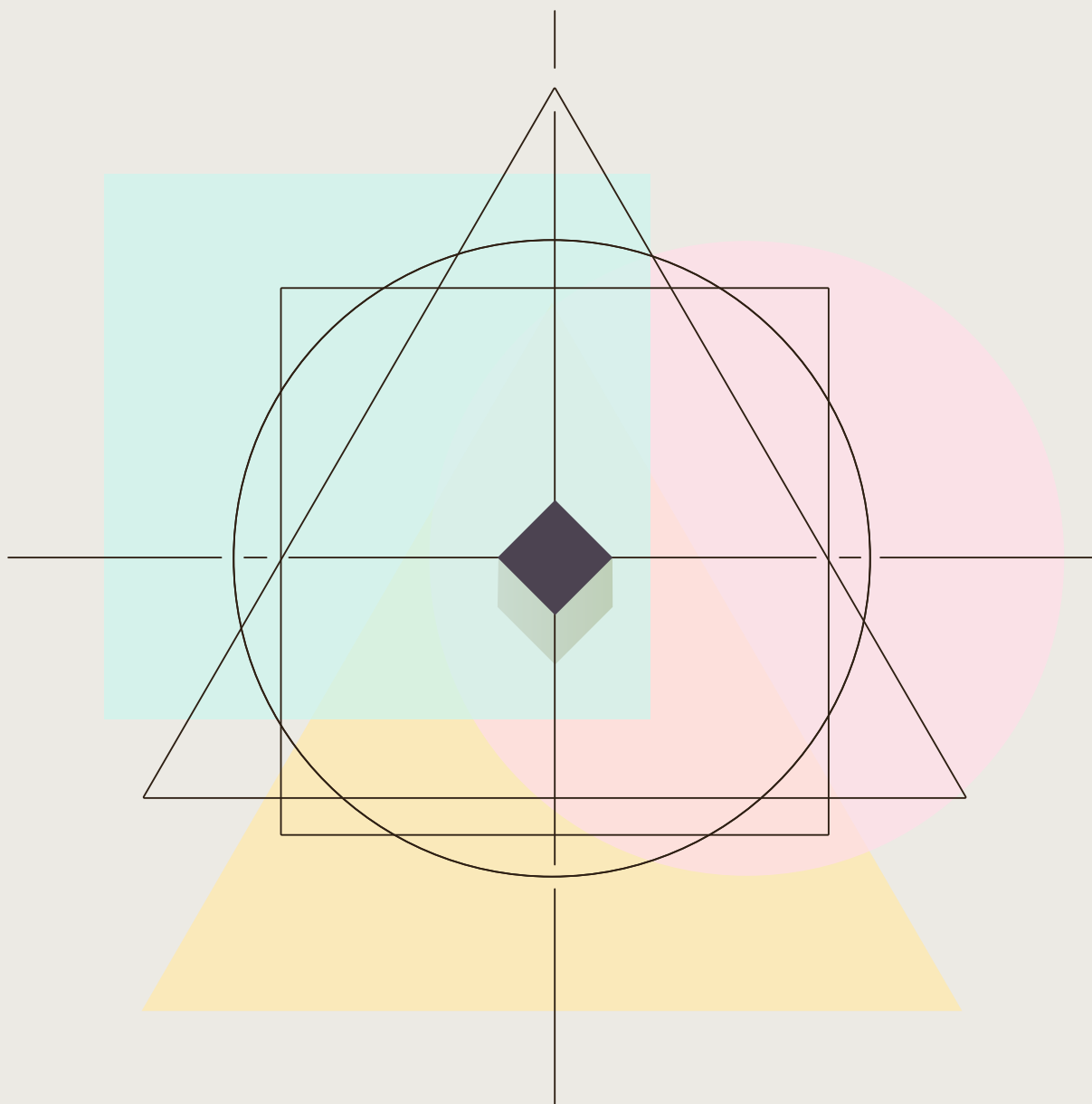
“Everyone recognised the need to make pragmatic compromises and have faith. Over time, our people recognised HYPR's role in helping them adapt to the changing environment. They provided side-by-side coaching, mentoring, training workshops and brown

bag lunch sessions. Once we started to make progress on the tech and saw the results, our teams understood what was possible.

“The synergy between HYPR and our teams grew and that's when the capability uplift really kicked in. It took just eight months before we were truly thinking and fishing for ourselves. Working with HYPR got us to a place of confidence – seeing what the future looked like, how to get there and teaching and supporting our people along the way.”

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Roxanne Salton, CDO, Southern Cross



THE OUTCOMES

Successes

Technology

“We’re well on the way to being the modern engineering practice we wanted. We have a way forward with all of our platforms.”

Capability uplift

“HYPR has delivered on both tech delivery *and* capability uplift. There is no longer any resistance to the tech or the modern practices people are expected to use. People are not only capable of using it, but excited to use it. There are now people in every squad who know how to build a microservice and a micro frontend. That’s a real measure of success.”

People

“We have a new ‘culture of engineering’ – a community where people are hungry to learn and want to stay.

They are eager to contribute and explore new tech initiatives – our teams are going further than we expected. It’s becoming easier to attract new talent.”

Efficiencies

“We no longer waste time trying to find one thing we’ll all agree on! We’re focusing more time on the things that matter – like quality and member experience.”

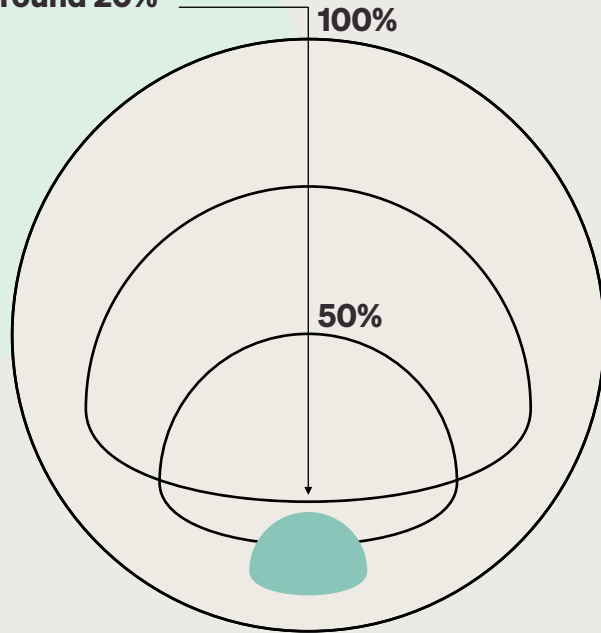
Financial

“The heaviest spend was putting the platform in place and building the microservices. All the benefits are clear and we are realising the value faster than anticipated across all our legacy platforms.”

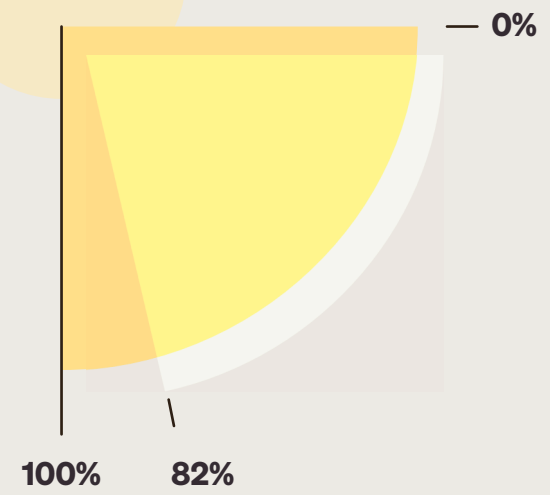
Metrics

- **Deployment frequency has moved from around every six months to every two weeks**
- **Production deployment with issues came down from 100% to around about 20%**
- **Defect count has reduced by 82%**

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with issues came down
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Learnings

Change

“Recognise that change is always hard but it's going to be worth it. So long as you're doing it to achieve better outcomes for your people, for the business, for the members. Sometimes people don't understand that what they're doing actually influences the value a member gets. Show it.”

Getting people on board

“Bring your people on the change journey because they're going to be either your biggest advocate or your biggest resistance. Create the vision and explain to them what you're trying to achieve. Then pursue it as openly and transparently as you can.”

Letting people learn and own it

“Use tech transformation to transform people. Make people feel like they are doing change together and for their benefit and they will remember that. People are doing work that they should be able to see, touch, feel and say “*this is my work*”. Help people think of their transformation work as creative, rather than complex and boring. Show them how learning helps *everyone* do the right thing.”

Be patient for reward

“Only by looking back and seeing the change do you really see the journey you've been on. I was confident we'd get a great outcome, but you might not always know when it's going to come.”

Don't go it alone. Find a friend

“HYPR has been a rock in our journey – fantastic people wanting to do the right thing by us and for our people. We couldn't have got here without them.”

Thanks to Southern Cross Health Society...



Roxanne Salton,
Chief Digital
Officer, Southern
Cross Health Society



“The best engagements start with a progressive executive team with a willingness to challenge themselves to change and lead from the front. I am proud and thrilled that HYPR’s team has been able to help Roxanne and Southern Cross on their journey. We leave knowing that the transformation in tech and capabilities will be sustained long into the future. For us, that’s the best legacy”

Ajay Blackshah, Chief Practices Officer, HYPR

WHY HYPR?

We'd love to help you on your journey to build a world-class product engineering practice. We're obsessed about delivering the outcomes you need and confident that we will deliver. Here are the things that make HYPR different...

Systems thinking – We take a systems-thinking approach to avoid local optimisations that contribute little to the whole. Implementation of a reference technology ecosystem requires this approach (and it's why Progressive Delivery alone won't be enough).

Transition not transformation – Your enterprise operates in a VUCA (Volatile, Uncertain, Complex, Ambiguous) world. It needs to keep flying while making changes. We know from experience that transition is the only way you can do both.

Focus on your people – Technology and people are one system and two sides of the same coin. We focus as much on the team topologies, social constructs and human networks as we do on the tech.

Focus on flow – Progressive enterprises focus on finding and removing delays from their system through the practice of Value Stream Management (VSM). It's the lens we use to look at your business.

Our people – We're a diverse team with shared purpose and values. We have extensive skills across our consulting lines, from the very best software engineers to strategic experts able to engage at board level. They have lived at the coalface of change.

HYPR

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CONTACT US NOW – WE’RE READY TO HELP

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