

# SUCCESS CASE

## MVP: UNLOCKING SUCCESS IN DIGITAL TRANSFORMATION

JULY 2020 | N°9

### INTRODUCTION

Change. Transformation. Disruption. All are synonymous with hard work, doubt, and expectation management. However, with the right mindset and the right people, it can also mean success, evolution, and leadership. Focused on conducting a successful digital transformation, Digital Factory's Minimum Viable Products (mVP) represent a change in the way digital products are developed, deployed, and delivered at EDP Group. It is a shift that has required fresh levels of creativity, engineering, and commitment in this new digital journey.

### MAIN CHALLENGES

- **Create a digital mindset.** Delivering a successful digital transformation requires a significant cultural change that roots a digital mindset within the company.
- **Long time to market.** Thriving in digital requires the ability to build and deploy digital products in a faster and more effective way. Today, reduced time to market is not a "nice to have" but a must-have.
- **Adopt new working methods.** A utility company can be as successful in digital as a digitally native organization. However, it will require the adoption of new tools and methodologies that enable higher levels of agility and flexibility and offer new learning opportunities.

### SOLUTION

Committing to a 100% digital mindset is vital to a successful digital transformation in any company. At EDP, the rise and spread of this new attitude started with the restructuring of the IT department. The new Digital Business Unit (DGU) comprised two digital-native teams working in close collaboration: Digital Hub and Digital Factory.

Digital Hub's focus is on the definition of the digital strategy and the creation of a work pipeline. The Digital Factory acts as a digital agency working exclusively for the EDP Group, focusing on the development and deployment of digital products. Its main output are minimum viable products (mVP), small to medium scale but fully functional products, developed in a 3-month sprint, aimed at solving a business challenge.

The goal when creating the Digital Factory was to reduce the time to market of digital products; developing fully functional products at a rapid pace, making use of agile methodologies, state-of-the-art digital tools and proven best practices. Furthermore, the Digital Factory's mission is also to advocate and promote a digital mindset and a startup attitude within the organization: be more flexible, think agile and move towards innovation and success with the courage to fail and learn fast.

**+200** MVP

Launched since the beginning of the program

**135** MVP

Concluded as of the end of Q2 2020

**19** "FAST FAILS"

**15** BUSINESS UNITS INVOLVED

### About Digital Global Unit (DGU)

Digital Global Unit (DGU) was born to help EDP Group drive transformation to digital by developing outstanding ideas to improve and optimize processes and thus simplifying both clients and employees' journey. Comprised of a multifaceted team of developers, engineers, designers, data scientists, and other experts, DGU works every day to turn impossible ideas into successful business projects at EDP Digital Factory.

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## HOW IT WORKS

### MVP

A minimum viable product (mVP) is the 1.0 version of a product with just enough features to satisfy early customers and provide feedback for future product development. Investing in mVP is one way to control cost and mitigate risk in the case of failure. Taking an iterative approach and involving clients from the start, the mVP focuses on essential features, reducing implementation costs and time-to-market.

### TEAM

mVP team structure is inspired in space missions. There is a captain (a person from the business unit responsible for the project decision making); a crew (team members, from both business units and Digital Factory, with different roles working together in an mVP project); a rescue team (the emergency response team for a project's derailment); and a mission controller (the keeper of project's success and the first responder when someone shouts "Houston we have a problem").

### CREATIVITY

An outstanding internal design team helps to enforce a new digital mindset throughout the company. Aside from the regular UX/UI and design work, in the design thinking sessions the designers' creative perceptions provide a fresh and innovative perspective on how a future product can be ideated, designed and customized to the business's needs. Embedding the design team from the early stage of the mVP development ensures the consistency in form, function and structure that is the trademark of all great products.

### WORKSPACE

The Digital Factory workspace is an open floor, where designers, developers, and agile teams work side by side. This promotes an openness and a climate of acceptance regarding new ideas and possibilities about how digital products can be achieved. Encouraging teams to work in this cooperative environment fosters the digital mindset we set out to promote.

### TECHNOLOGY

EDP's transition to the cloud and the creation of related technical architecture blueprints are major stepping stones for the Digital Factory, as most of the mVP are cloud-based. This eases the alignment and articulation with the corporate IT strategy and core IT team and, thus, achieves the balance between innovation and pragmatism.

### BENEFITS

- In the first year of Digital Factory around 100 mVP were delivered;
- Nuggets bank: through initiatives and workshops with the business units, DGU is creating an mVP ideas database. Periodically, these ideas are checked regarding their relevance and utility;
- A new "get things done" mindset. Digital Factory's innovative working methods result in faster and better mVP and also work as a catalyst of the spread of a new way of working and attitude throughout the company: more agile, more flexible, more creative and with the courage to fail fast and learn;
- The 'fail fast' logic underlying all mVP led to a 15% mortality rate in the first year, with several projects not making it through the development phase. Failure is seen as a possible outcome from the start, which helps keep the process agile and focused.

## BUMPS IN THE ROAD

It is not possible to deliver digital transformation without cultural change. Digital is also about people and it is important to let them know how everyone can benefit from the new digital mindset. For a traditional company such as EDP, the mVP concept is not easy to embrace. That's why the Digital Factory team invests some of its time explaining the features of the new digital spirit. It's ok to deliver something that is not finished or to be uncertain of a project's success – because if something does go wrong, the damages are controlled and the investment was minimal. Another challenge arose from the nature of the project. Data science, analytics, machine learning, probabilistic methods and agile working methods are all modern and abstract concepts; digital jargon that disrupted the traditional ways that people were used to working. In order to help people embrace this digital transformation easily, Digital Factory made an effort to clarify the meaning of these concepts, provide training in the new methodologies and promote trust and an open work environment, so that everyone can be part of EDP's digital transformation.

## RESULTS

A strong leadership, empowered by a resilient sponsorship from the board of directors, ownership of the budget to finance mVP, more flexible operating procedures, and a pragmatic focus on results through collaborative work: these are the critical success factors that explain the success of EDP's digital journey – resulting in the delivery of 100 mVP and the inculcation of a new digital culture. Another outstanding outcome from this digital effort is the end of the silos that existed between IT teams and business teams. The mVP success lies in the combination of effort by multi-disciplinary teams working towards the same goal: to deliver a practical and useful digital solution. The GROW and EV Charge projects are great examples of mVP success. GROW, a human resources internal app that promotes the professional connection and mobility among the company's employees was delivered in three months, and it's a one-of-a-kind solution. EV Charge, a home charging station for electric car owners, is a new product leveraged on a digital platform. It combined software and hardware components and was a challenge that the Digital Factory team is proud to have resolved and produced a winning solution.