Ready for disruption in the mobility sector

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Anticipating dramatic changes in the mobility market – that's the main challenge for Jaco Reitsma, Digital Director at Business Lease. "The increasing popularity of electric cars, autonomous vehicles, and car sharing will lead to new products and we can expect extensive disruption," he says. Schuberg Philis contributes to the company's desired flexibility, which extends to the ways in which the two partners collaborate.

Business Lease is an international company based in Zeist, the Netherlands. It is engaged in private and commercial leasing as well as maintenance in the automotive sector. Business Lease is a subsidiary of the family owned automotive group AutoBinck, which includes brands such as PartPoint, Smart Mobility, various car dealerships and also has a participation in the car sharing site SnappCar. Its total fleet of cars in Europe is 49,000 vehicles.

The ambition of Business Lease is to be a mobility provider that can respond quickly and effectively to customers' changing wishes and requirements across Europe. Jaco Reitsma puts it this way: "While we have previously been engaged mainly in commercial contracts, we are now increasingly focusing on individuals. The smart use of data is therefore becoming more important, for example in relation to connected cars, handy apps for end users, and analyses that save fuel and prevent damage. To do all this we need much more flexible systems."

Digital backbone
Rob Matthijssen, Customer Director at Schuberg Philis: "The IT environment was out-of-date, and the backoffice depended mostly on Excel. A modern cloud infrastructure is the 'digital backbone' to which Business Lease can easily plug in new partners and initiatives." Jaco Reitsma confirms this: "Technology was a limitation rather than an enabler. If we were to survive, the old tailor-made approaches had to give way to standard solutions in the cloud."

Business Lease chose a standard CRM and ERP package. That is now being implemented as the basis for building further systems. "Schuberg Philis is responsible for all the integration processes around this core application. These include linking the data in the ERP system and APIs with our partners, for example in relation to apps or other forms of information at the front end."

Transition
The operationally-driven partnership with Schuberg Philis is a perfect match with the lease company's agile transition. Henk van der Schuur, Customer Director at Schuberg Philis, explains: "Business Lease was very enthusiastic about our approach — agile software development with a high level of quality, accountability, and trust. The Proof of Concept phase we started last

year served as a trial: the customer could determine whether the right people and partners were involved, in their intended roles. The actual transition is now being executed with a selected set of partners."

Rob Matthijssen: "Organizational and cultural change involves much more than just rolling out new technology. Customers expect us to use our knowledge and experience to make things happen more quickly. In fact, it's up to us to get things done, together with our customer. At the same time, leasing is a new field for us, which requires continuous feedback and adjustment involving all stakeholders."

Story points

Business Lease is one of the first of Schuberg Philis' customers to purchase services through agile contracting. The two parties jointly decide what will be built in a defined period, and at what price. "When we transition an existing IT environment from a customer to Schuberg Philis, we can estimate the work involved and the price reasonably well," says Giel Hermans, Partner & Supplier Manager at Schuberg Philis. "But, with Business Lease, the environment we are going to manage has not yet been built. 'Story points' serve as a unit of measure for the amount of work to be done; they allow us to build the software functionality and compare it to the business value it will deliver."

According to Jaco Reitsma, agile contracting is a natural choice: "If all your internal working methods are becoming Agile, you can make corresponding agreements with your strategic partners. The beauty of story points is that you automatically have dual accountability. If you make a commitment as a team to deliver something, that's also a commitment by the partnership." Henk van der Schuur: "By keeping in close contact with the customer, we know for sure that the software functionality delivered by the team is actually of great value to the customer."

Confidence

Jaco Reitsma is happy with the interaction with Schuberg Philis. "They have their feet firmly on the ground, which inspires confidence. They are open and to the point in their communication. Generally speaking, suppliers keep their technical staff at a distance. But Schuberg Philis' technical people meet with us regularly. They understand our business challenges and can effectively translate these into technical solutions." The Digital Director
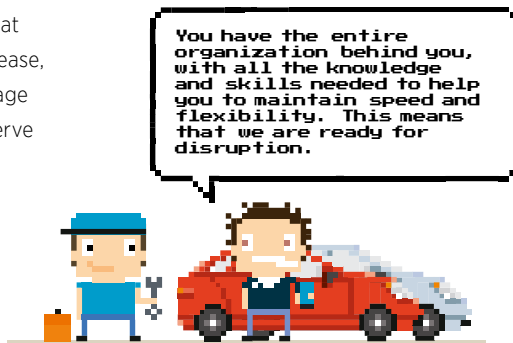
observes that within Schuberg Philis, cooperation and sharing expertise is so deeply rooted that there was always someone who could fill a gap if necessary. Everyone is always well informed. "You have the entire organization behind you, with all the knowledge and skills needed to help you to maintain speed and flexibility. This means that we are ready for disruption."

The agile contract

This is very much like working with your colleagues within the organization, in order to make the best use of all the available knowledge and skills. The supplier and customer are continually deciding together what will be developed in each of a series of sprints, usually covering a period of one to three weeks. The invoice is based on story points, a unit of measure that's recognized and accepted at all levels of the organization, representing a combination of working hours, software functionality, and business value. That creates enormous synergy and clarity, while avoiding vagueness and miscommunication. The end result will be that all work is expressed in story points, both for software development and for subsequent maintenance and operations. That makes this approach the ideal invoicing model for the high quality of services that Schuberg Philis is known for. "It's part of our identity. We already had an obligation in terms of delivery and results, but also a high degree of quality, security, and commitment," says Giel Hermans, who has been closely involved in establishing the agile contract. "Billing for hours worked depends too much on the individual concerned. We've defined the story points not based on hours alone – we also include other elements. For example, audits, which are needed to meet our standards for quality, compliance, and security. This avoids unnecessary discussions and unexpected extra invoices, for example when we have temporarily brought in extra manpower."

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GIEL

Motivation

"What made our model a success was that we always used fixed prices, giving us a reason to work more efficiently," says Giel Hermans. "Now we have a motivation to achieve as many story points as possible within a particular period. Once we have built what was requested, there is still a robust Schuberg Philis organization and a robust contract that manages the IT operations we have built together. This ensures that all promises made regarding security and availability are kept."

More focus
on business value with cloud-native architecture and serverless software

Anyone who has studied the digital transformation or, better still, experienced it first hand, knows that flexibility and rapid innovation are essential if a company is to survive. You can't get by with good ideas alone: innovators need to find out in practice – and as quickly as possible – whether their concept has a chance of success. They want to focus as much as possible on business-driven value creation with minimal distractions from non-functional requirements.

A focus on business goals and outcomes requires speed and freedom in the choice of technology. A cloud-native strategy enables you to focus immediately and effectively on the rapid creation of new business value.

Conway's Law

In the late 1960s, computer programmer Melvin Conway formulated a theory that the way a given computer system develops depends on how the communication structure of an organization evolves. That implies you can look at the IT landscape and deduce how that organization is structured. Organizational complexity is directly reflected in IT management and application development. So organizational issues are a big obstacle to a successful digital transformation. To accelerate, you need an IT team that is very close to the business and one that can focus entirely on developing functionality and generating added value for the business.
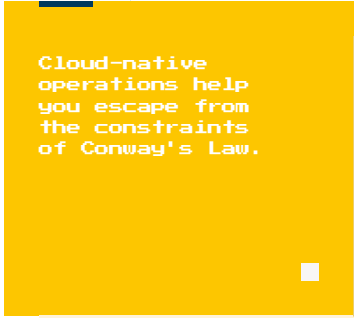
How to go faster

Rapid innovation depends on how fast the developers can do their work. Acceleration and innovation are key factors that can be achieved through more experimentation. The more you can try things out, the greater the likelihood

that the business will be successful. For this reason, many companies have chosen approaches such as Agile, Scrum, and DevOps. Schuberg Philis has added another key approach: decisive, self-steering teams. This is intended to save time, because working in sprints means that usable software components can be delivered faster, and it reduces the risks, because it becomes clear at an e arlier stage what the chances of success may be and whether a change of course is needed.

Cloud-native

While Agile, Scrum, and DevOps are ways of organizing work more intelligently, cloud-native is the corresponding architecture that contributes to acceleration. In cloud-native and serverless environments, operational activities such as installing and configuring virtual machines or servers, establishing databases and middleware, as well as the lifecycle management of these components, are considerably reduced. This means that developers can focus all their energies on developing functionality. There are three benefits from this: new functionality is available more quickly, operational costs are lower, and the development costs for new functionality are lower. In other words: cloud-native operations help you escape from the constraints of Conway's Law. Cloud-native operations enable you as a team,

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together with the company, to focus on functionality and hence on value creation.

What's more, the invoicing model for cloud-native and serverless environments is based on the functionality that is delivered. Virtual machines and the applications they host often work 24/7. In the serverless world, invoicing is based on the number of transactions processed in the application. The big advantage is that an application that is not much used costs almost nothing and the costs increase only when the company grows.

A good example

Cloud-native operations really do result in acceleration. This was demonstrated when Business Lease wanted to digitize onboarding for new customers. Schuberg Philis was facing a shortage of system engineers at the time, so setting up the infrastructure would have taken longer than usual. We therefore chose to develop new functionality based on a serverless cloud-native structure, so that the developers could start work immediately. This meant that much of the digitalization of the onboarding was quickly visible and available. Because it was not necessary to upgrade the infrastructure first, Business Lease had new functionality in the shortest possible time and the costs were low.

Cloud-native application architecture fits well with the approach of taking small steps in a modular approach and continuously innovating, building, and improving. That reduces risks, strengthens control of the process, and increases the probability of a good result.

The way ahead

The teams at Schuberg Philis are very enthusiastic about developments in cloud-native architecture and serverless software. 'Heavy lifting' is no longer necessary and the technology contributes directly to the creation of business value. In addition, this technology is maturing rapidly, making it suitable even for mission-critical applications. The cloud-native approach is so powerful that we will certainly be doing more with it in the coming years.