

# HOME CREDIT INDONESIA IMPLEMENTS SCRUM ENTERPRISE-WIDE WITH FOCUS ON TRANSPARENCY AND DELIVERING VALUE

**HOME  
CREDIT**  
*Kamu Bisa!*

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## CASE STUDY



## THE COMPANY

Home Credit Indonesia is a technology-based financing company with a vision to transform the way the world shops by bringing people closer to the things that matter in their lives.

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Established in 2013, Home Credit Indonesia serves more than 4.6 million clients and has more than 15,000 point of sales. Home Credit Indonesia's existing partnership includes trusted and well-known leading manufacturers and retailers, both online and offline, and the company continues to expand these strategic partnerships in order to serve their customers better and make it easier for them to shop.



Afifi Rahmah Muluk  
AVP Digital Transformation  
Home Credit Indonesia



Joshua Partogi  
Professional Scrum Trainer  
Scrum.org

## The Challenge

### Change Started from the Need for Transparency

When Afifi Rahmah Muluk joined Home Credit Indonesia, she never imagined that she would lead the company's journey toward agility.

In September 2017, Muluk first used Scrum within Home Credit Indonesia's Business Intelligence Competency Centre (BICC). At that time, the BICC had served many internal stakeholders and their requests were handled in an ad-hoc way rather than using clear prioritization. As a consequence, the progress of the BICC's work was not always transparent. Muluk saw an opening for improvement here and suggested using Scrum to boost transparency. Muluk's experience gave her the idea, and she was the right person for this job: she was, in fact, the first individual trained and certified as a Scrum Master in the financing company.

The Scrum implementation started as an attempt to increase transparency and enhance reporting of the progress that the in-house business intelligence center had been achieving. The business intelligence team started with a Sprint length of one week. So, every week, Muluk's team would conduct a Sprint Review with its stakeholders and collaborate on identifying what would be the most valuable thing to work on before the next Sprint Review.

In early 2018, Muluk had moved to the IT Development Division at Home Credit Indonesia by request of Head of IT Development to help support the reorganization of the mobile team. Muluk and the team were tasked to help reorganize the development process, which similarly lacked structure. With 16 mobile application developers on the team, the Head of IT Development together with Muluk observed that the team was a little too big and the progress it made was also not very transparent. The first change they made together was to split the team into two smaller Scrum Teams, which enabled them to communicate much better and faster amongst themselves, and helped Muluk to prepare them to scale in the future

### Scaling Scrum Within the IT Division

During an internal reorganization, Muluk and her supervisor decided to leverage the Scrum Guide. They noticed that the Scrum Teams were still practicing their old behavior: they were still waiting for work to be assigned to them and still expecting Muluk herself to remove impediments that they should have been able to easily remove themselves. At about this time, Muluk attended the Professional Scrum Training Class led by Joshua Partogi, a Professional Scrum Trainer with Scrum.org. She learned more about the importance of living the Scrum Values (Courage, Focus, Openness, Respect and Commitment) and was inspired about how to approach scaling Scrum within the company.

A number of issues stemmed from the absence of the Scrum Values. For example, one of the iOS developers put a sticky note on the "Scrum board" stating that they needed an application programming interface (API) from the backend developer and could not continue development until the API was ready. When Muluk asked the iOS developer, which backend developer could help, she was shocked with an answer: the iOS developer simply pointed to a colleague sitting right in front of them. That developer thought that any request needed her approval before they could work on it. After this eye-opening experience, Muluk made a great effort to familiarize the team with the Scrum Values and use them in day-to-day practice. To help drive such a change in thinking, Muluk encouraged the developers to have the Courage (one of the Scrum values) to remove any impediments they could themselves rather than waiting on others to do the work for them. This not only took courage, but got back to a core component of Scrum allowing the team to self-manage. She also encouraged the developers to be Open about any mistakes they have made or technical challenges without fear.

After having influenced these two teams to adopt the values, she scaled her influence out to other teams within the same IT Development Division. Throughout 2018, the company grew very rapidly and by the end of 2018 there were 18 Scrum Teams; Muluk was promoted to a Senior Manager position. By then, she had hired five additional Scrum Masters to collaborate with her in order to scale agility beyond the IT Development Division.

## The Solution

### Scaling Agility Beyond IT the Division

In early 2019, Tomas Dudasko, the Chief Information Technology & Operations Officer of Home Credit Indonesia, noticed that the Scrum Teams were quite agile and had substantially improved in delivering results while the rest of the company was not that fast, not that committed and lacked alignment between different departments and roles. This often created a lag time that decreased the company's responsiveness to fast market changes. Dudasko wanted to expand agility across whole company and promoted Muluk to the position of Assistant Vice President for Agile Transformation, from which to lead the journey toward agility.

To initiate the change, Muluk, selected and assessed people from many different departments in the company who would support her in scaling up the targeted change. The people whom she selected were the ones committed to improve the organization's agility. These people, including Scrum Masters, eventually became the agile champions. Muluk communicated her plan and the names of the agile champions to the senior management team before she proceeded with next steps. Muluk did not treat the whole enterprise transformation as a single project. Instead, she communicated to the senior management team that she would improve the organization's agility through series of small, incremental changes..

To begin this transition to becoming an agile company, Muluk used Scrum and treated the transition of the company as a product itself. Muluk was the Product Owner who managed the Product Backlog for change, and along with the agile champions, they were the Scrum Team.

After she received buy-in from the senior management team, Muluk and the agile champions used one-month Sprints to inspect and adapt which changes were needed to get the company on an agile track. Every Sprint started with a "Sprint Planning" meeting to sync up on what the Scrum Team wants to achieve ("Sprint Goal") and how to define what success looks like (the metrics or indicators of "Sprint's Success"). Every day, the Scrum Team held a "Daily Scrum" to inspect and adapt the progress of the change toward the Sprint Goal. And, at the end of every Sprint, the Scrum Team reviewed the changes that had been made and measured whether the Sprint Goal was achieved.

During "Sprint Retrospectives", the Scrum Team improved the way that they brought the change into the company. When they discovered resistance from the employees, they looked into how they worked and what they could do to improve processes. By using Scrum to get the company on an agile track, Muluk incorporated the Scrum Value of Focus to ensure that her Scrum Team was not making too many changes at once and enabled everyone to inspect and adapt before making further changes.

One of the Product Backlog Items in the first quarter of 2019 was to spend one day introducing Scrum as the foundation for an agile way of working to the senior management team. At this stage, some senior managers still thought that being agile was a method which was intended only for the IT Division. At first, Muluk let the information sink in before she started pushing harder and organized a Scrum training. She knew if she would have pushed too hard in the beginning, the resistance might have increased and it would have slowed down the changes.

A few weeks after that internal training, Dudasko met with Scrum.org Professional Scrum Trainer Joshua Partogi and told him, "I want you to work with us to bring the change so that we become truly agile. During this change we want you to mentor us but Muluk must be the one who leads the change herself."

One of the Product Backlog Items in the second quarter 2019 was to have Partogi facilitate a training on organizational leadership change. Two of the topics that were discussed here were value streams and Objective Key Results (OKRs). During this period, several Scrum Masters and Product Owners in the company attended the Scrum.org Professional Scrum Master (PSM) or Professional Scrum Product Owner (PSPO) training courses, so they could learn more about their roles and improve their way of thinking about the changes. Muluk and other Scrum Masters next attended more training courses, including Professional Scrum Master II (PSM II).

Some of the Product Backlog items for the third quarter of 2019 were:

1. Define all of the value streams in the company;
2. Pilot one value stream in the company

And some of the Product Backlog items for the fourth quarter of 2019 were:

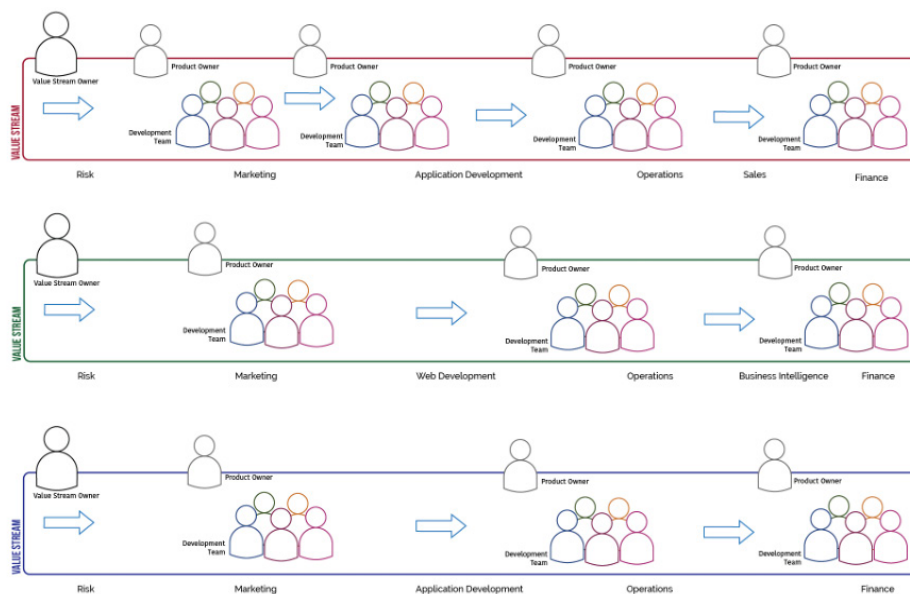
1. Select the Value Stream owners and;
2. Define the Objective Key Results (OKRs) for Q1 2020 for each value streams
3. Bring Partogi to facilitate the initial Objective Key Result (OKR) workshop for all of the value stream owners.
4. Bring Partogi to train the trainer who will facilitate agile leadership training for all leaders in the company.

By the end of 2019, 738 employees in total at Home Credit Indonesia were trained in Agile and Scrum by Home Credit Indonesia's Scrum Masters and agile champions. Besides Commitment and Focus, throughout this change process, the Scrum Values of Openness, Courage and Respect were incorporated. The Scrum Value of Openness was incorporated by communicating plans to all employees. Every employee could provide feedback and could see all of the Product Backlog Items for changing the company written on a whiteboard located in an open space area. The Scrum Value of Courage was incorporated by providing a safe space for employees to challenge the plans for the change. Respect was also incorporated by respecting everyone's needs and goals during this change.

The Scrum Values are also evident at individual level. Muluk observed that the employees are continuously improving the way they embrace Scrum values in their day-to-day work. The employees were gradually becoming more open with small incremental changes and see it as something that is necessary for the company to stay competitive in the market. At every Sprint Retrospective, small changes were adopted to improve the company's agility. The employees gradually became more courageous to experiment with something that would improve the company's agility and were more focused on what is possible and what they know today rather than overthinking about a perfect solution that is out of reach.

## Restructuring the Company According to Flow of Value

To increase the organization's agility, their structure was placed into value streams. Rather than organizing people into functions, people from multiple functions were organized into these value streams. A value stream describes how value flows starting from the moment a customer requests or approaches Home Credit until the customer gets their request resolved or has something tangible to show for it. Each value stream is structured based on the customer's perspective.



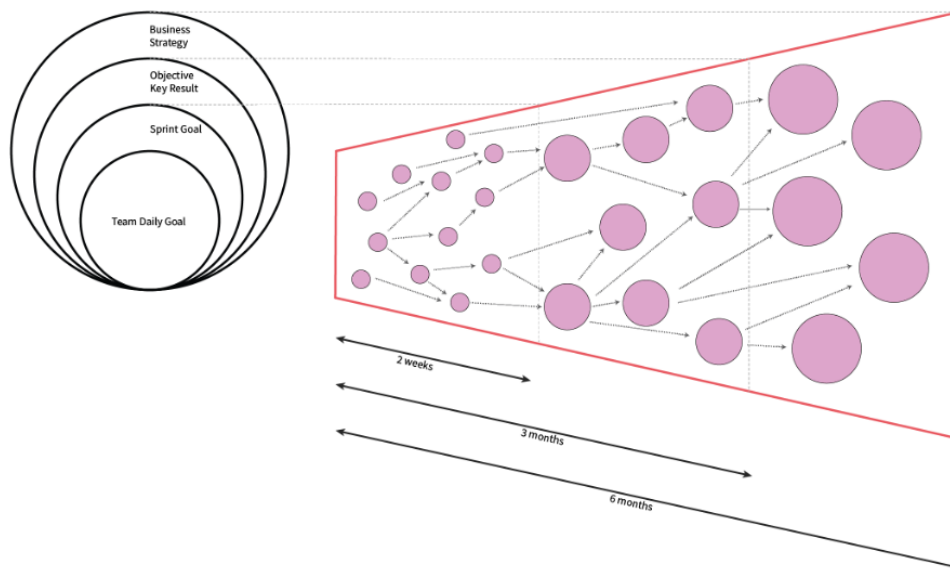
Each value stream was designed from value delivery to paying customers. Each value stream is therefore cross-functional and consists of people from many different functions: starting from financial analysts, accounting, marketing, sales, information technology, legal, risk, operations, customer relationship, business intelligence and even governance. Every team member in each value stream sits in the same areas to optimize the flow of communication.

By the end of 2019, the CEO defined six value streams. The value stream owners were selected. Value stream owners are people who have a broad perspective about all the activities in the value stream and are also entrepreneurial. The smallest value stream to date consists of 37 people from across multiple functions, while the largest value stream so far consists of 110 people.

The number of value streams varied from quarter to quarter due to market conditions and business strategy. In the first and second quarter of 2020, there were six value streams while in the third quarter there were only four. Modeling the company around value streams gives Home Credit Indonesia more transparency in how value for customers is generated and makes it easier for the senior management to make adjustments to the company's strategy.

Each value stream consists of multiple Scrum Teams; therefore, in one value stream there are multiple products. To ensure there is always alignment between Scrum Teams in the value stream, one person from each Scrum Team would be a delegate in the event called Scrum of Scrums. Such a delegate shares information to help achieve the value stream's Sprint Goal. Besides alignment during Scrum of Scrums, the inter-dependencies between Scrum Teams in the value stream were transparent during the OKR planning, as the OKR planning was done collectively by all team members in the value stream.

## Focus On Outcome Over Output



The OKR is not a Key Performance Indicator to measure individual performance nor a list of features or projects to be delivered. It is the organisation's aspiration to achieve certain outcomes. The OKR is mapped to the Unrealised Value - Key Value Area in the Evidence-Based Management (EBM) metrics. EBM is a framework that organizations can use to help them measure, manage, and increase the value they derive from their product delivery. EBM focuses on improving outcomes, reducing risks, and optimizing investments.

The OKR is used for alignment between value stream owners, the senior management and the strategic committee. Within the company this is called vertical alignment. The OKR is defined from the bottom-up by the value stream owners but also negotiated and agreed by the senior management and the strategic committee. The OKR also aligns the team members within the value streams. Within the company this is called horizontal alignment. OKR is cascaded into the Sprint Goal which is owned by the Scrum Teams. The OKR enables the Scrum Teams within the value stream to self-manage towards achieving the outcome to be achieved every 2 weeks and every quarter.

## Results - Home Credit Indonesia is now a Learning Organization

Thus far, Home Credit Indonesia's agile journey has resulted in the following:

1. The organizational structure is now optimized for value delivery and to be nimble to navigate through unpredictability in the market.
2. The organization now works on goals and outcomes which it wants to achieve rather than on fixed requirements or projects to be delivered. The outcome metrics are inspected regularly every Sprint and every quarter to understand whether the company has delivered value to the customers.
3. Increased transparency on the priorities and delivery of value within the value streams enable self-management and cross-collaboration.
4. There is more clarity around strategies and alignment horizontally across multiple value streams and vertically with the senior management team, which resulted in faster ideas implementation; the customer cycle time trend is continuously improving every quarter.
5. Employee engagement is inspected regularly every month to understand what needs to be adapted in the company in order to increase employee engagement.

Back in 2018, employees were questioning why they need to do the Sprint Reviews and Sprint

Retrospectives. Now, people including senior managers are always looking forward to the next Sprint Review and Sprint Retrospectives.

The organization looks differently at failures and is hungry for learning. Beyond just the Scrum mechanics, the organization is becoming a learning organization. Failure is no longer seen as an opportunity to blame someone but now it is seen as an opportunity to learn and improve. The senior management team is no longer embracing agility as lip service.

The senior managers see the role of Scrum Masters in the company as very critical for the success of the journey towards agility. The senior managers often ask the company's Scrum Masters to coach and mentor people who need guidance to understand the new way of working.

"Change can happen but nobody knows or can predict when it will actually happen. I believe that human beings are naturally adaptable and are creatures of change," said Muluk. This belief is what motivated her. "People naturally change without resistance when the system supports it. Therefore, don't focus on changing people but focus on changing the system that they're in. It is also important during the change process to have champions around us to fuel us moving forward. The sustainable changes are the ones done from inside-out by the people in the company rather than from outside-in by external consultants. The harder the change process, the better we come out of it as human beings. So we should just enjoy the process."



## About Scrum.org

Founded by Ken Schwaber, the co-creator of Scrum, Scrum.org is based on the principles of Scrum and the Agile Manifesto, Scrum.org provides comprehensive training, assessments, and certifications to help people and teams solve complex problems.

Throughout the world, our solutions and community of Professional Scrum Trainers empower people and organizations to achieve agility through Scrum.