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End-to-End – what is it about and why does it matter?

Conny Dethloff
borisgloger consulting GmbH | www.borisgloger.com

SELBST SICHER ZUM ERFOLG 

Thank you for the invitation and for the opportunity to give a Keynote on End-to-End. I am Conny Dethloff, consultant at borisgloger consulting GmbH.

Slide 2

Goal of today's Keynote

My ideas about ...

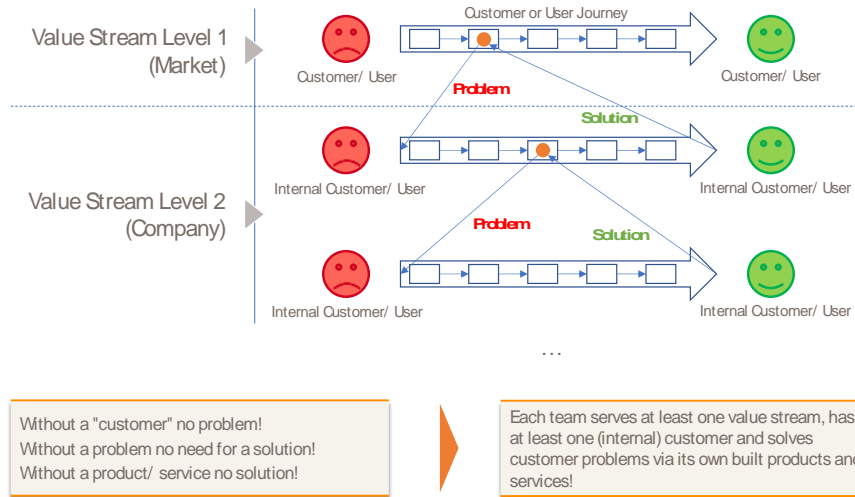
- ... What End-to-End means in general.
- ... Why End-to-End is currently in everybody's mind and everybody is talking about that.
- ... What could End-to-End mean, especially for you in the marketing cluster



I will answer 3 questions today from my perspective. First of all, I'll talk about what end-to-end basically means, i.e. what is meant when we say end-to-end. Then I will address the question of why end-to-end has become so important in recent years. Based on this, I will then give you some ideas on what you can do with the ideas behind End-to-End and will build a bridge to Event Storming.

Slide 3

End-to-End means from „customer“ to „customer“ without breaks in between. → A company as a network of nested value streams.



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Let me explain this illustration briefly, because I will use this again and again to explain to you my ideas around end-to-end.

You basically see 2 so-called value stream levels. Level 1 represents the market and level 2 represents a company, such as Aldi-Süd.

In both levels you see value streams.

In level 1, this is the customer journey that customers go through to have a great shopping experience.

Value streams are also placed in level 2. These value streams are served by teams like yours. These value streams are used, for example, to create products or services that are used in value stream level 1 so that the customer's shopping experience is more ingenious.

Each team serves at least one value stream in Level 2, has at least one (internal) customer and solves customer problems via its own built products and services!

So in this sense, any company can be seen as network of nested value streams. End-to-End means from „customer“ to „customer“ without breaks in between. I will map this basic view to you on the upcoming slides.

Slide 4

A great book freely available on the web in this context



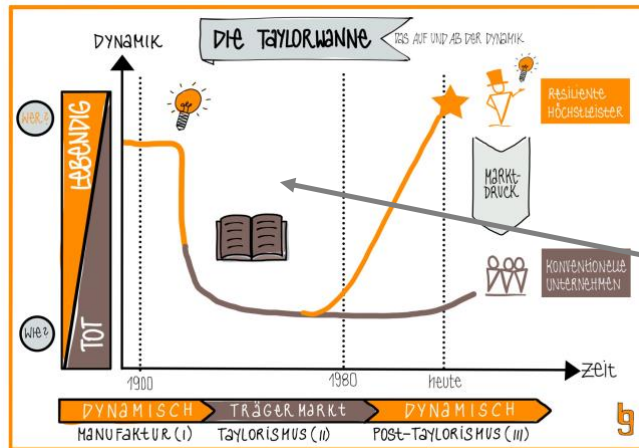
Link:

https://globalro.org/system/files/documents/makingworksystemsbetter_Hoebeke.pdf

If you want to know more about the basic view behind end-to-end, I recommend this wonderful book, which is freely available on the web. I have put the link here. You will get the slides. Then you can download the book.

Slide 5

The scope of action for customers is steadily increasing → The market is evolving from a seller's to a buyer's market.



The idea of today's organizational design, that companies are functionally structured into sales, marketing, controlling, production, etc., originated in this period.

Freely drawn after the Taylor tub by Gerhard Wohland:
<http://dynamikrobust.com/wp-content/uploads/2016/03/Denkzettel-7-Taylorwanne.pdf>

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I think it's relatively clear that companies should operate along such an end-to-end view, but they usually do not. Even worse. It is often very difficult to act in exactly this way.

I would like to explain why this is the case using the so-called Taylor tub.

Most companies that are transforming right now were born in the 2nd phase, between 1920 and 1980.

All of our insights in the context of management, including the idea of how companies should be structured and organized, were born in this phase, where a globally unsaturated market was prevalent. This market had certain characteristics that are at least to be questioned today. Customers or buyers had relatively few opportunities to purchase products in this phase. What characterized the market at that time? It was a so-called supply or seller's market.

This fact was brilliant for companies, because they didn't have to worry much about customers. Since they had few opportunities to get products, they kept coming back and did not leave for the competition.

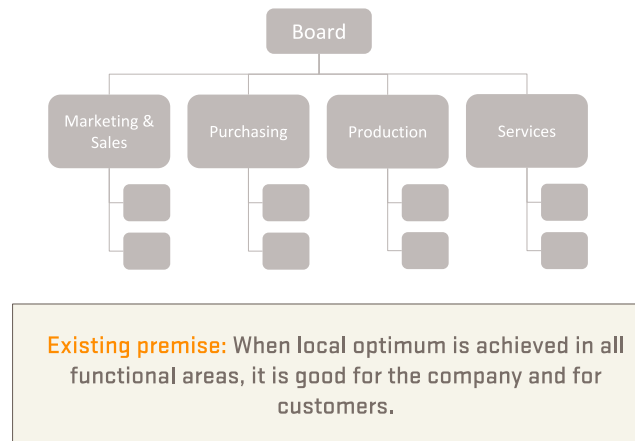
As our technology evolved since 1980, the opportunities to get products of customers and buyers became larger. The orange graph in the figure shoots up. The market became more saturated from a seller's perspective. Customers could and can now not only consume in a larger space, see online platforms. They can now also post reviews of merchants and products that influence other buyers to purchase. Now there is a much more frequent need for companies to perceive and explore the market.

But the gray graph in the figure remains at the bottom. Companies feel this difference and increase the pressure for transformation. An end-to-end view now becomes important, but is difficult to take because current corporate structures prevent it.

Why? I will explain this fact in the next slide.

Slide 6

Companies are designed on the premise of local efficiencies, ...



Companies have adjusted to the fact that they do not need to explore the market and customers often. They have completely focused on efficiency. It was clear what had to be done. It just had to be done cost-effectively and quickly. This gave rise to the idea of placing specialists, i.e. purchasers, sales staff, logistics experts, etc., in separate expert teams.

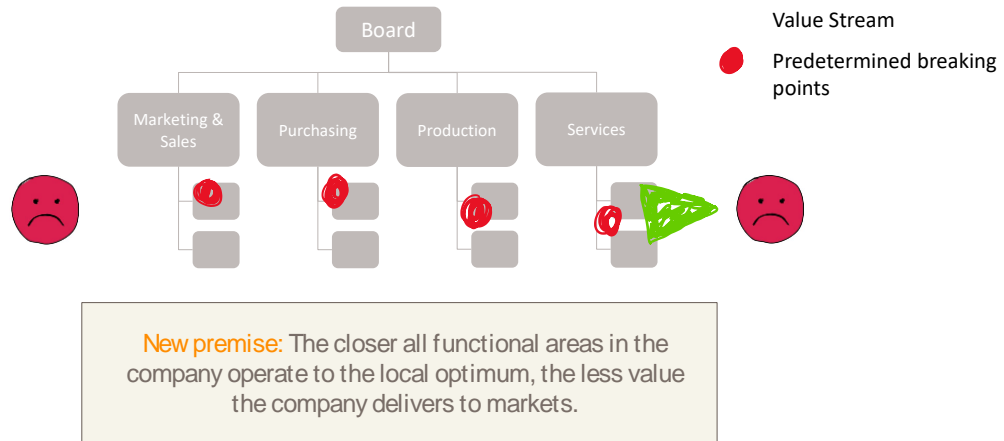
The result was this familiar form, which we find in all companies today. Our typical organizational charts.

However, this structure only works under the following premise: When local optimum is achieved in all functional areas, it is good for the company and for customers.

But where is the customer here? We see that on the next slide.

Slide 7

... which promotes consistent inward orientation away from customer. →
E2E orientation is completely missing → Everybody is talking about that.



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Companies focus inward and lose sight of their customers. Customers are, to put it bluntly, a necessary evil in order to make money.

I talked about value streams at the beginning of the keynote when I explained end-to-end. We see here that the value stream from and to the customer is regularly broken with the typical organizational chart, in companies.

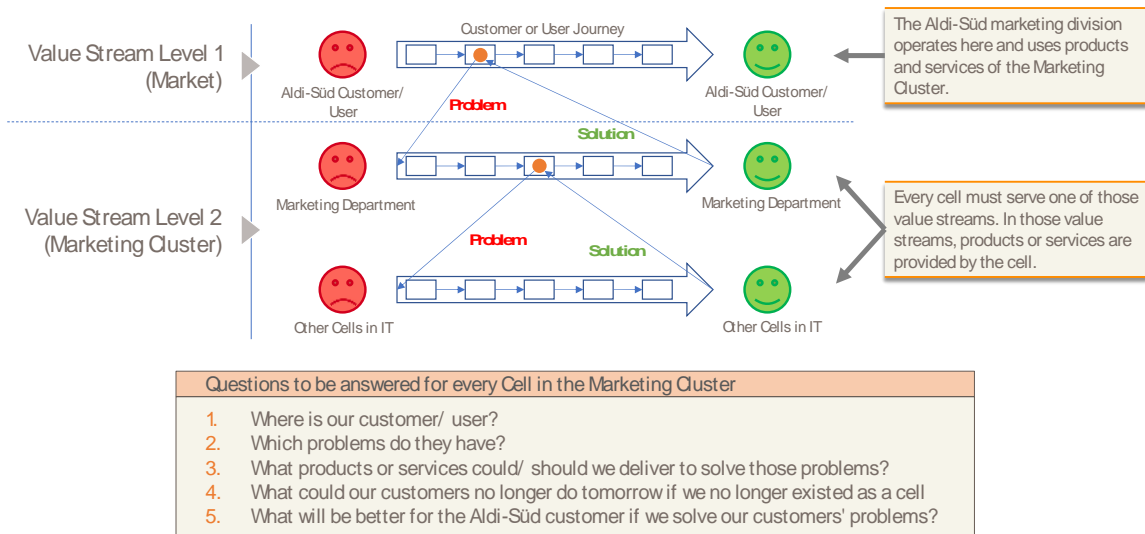
In order to adopt real customer focus in companies and to be able to implement end-to-end, a new premise now applies: The closer all functional areas in the company operate to the local optimum, the less value the company delivers to markets und customers.

I would like to briefly mention a small analogy from the world of soccer to illustrate how work is still done in companies today. Let's imagine that a coach decides to send 11 goalkeepers into the game during the first 15 minutes, who are then replaced by 11 defenders from the 20th minute until the end of the first half. In the second half, the 11 midfielders then alternate with the 11 forwards respectively, but are never on the field at the same time. So only separate teams of experts are active on the field at any one time. Would the coach sit in his coach's chair for long? Probably not. But we have been operating this way in companies for decades.

Companies urgently need a new structure that enables end-to-end. I now reflect these thoughts on your marketing cluster.

Slide 8

What could these ideas now mean for a cell structure in the Marketing Cluster?



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You see here again the value stream levels and the value streams, but now adapted to you.

Your Aldi-Süd customer operates at the value stream level 1. This is also where the people from the marketing department operate. On the one hand, they are supposed to serve the Aldi-Süd customers with campaigns so that they often come to Aldi-Süd, have a great shopping experience there, and buy.

You operate in your cells in value stream level 2. You provide the people in the marketing department with products and services so that they can serve the customer even better.

So each cell in your cluster has a clear link either into the marketing department, where the internal customers sit, who are served out of the cell, or into other cells in your cluster or another cluster maybe. These would also be internal customers that are served.

For this, the questions listed on the slide are essential for each cell.

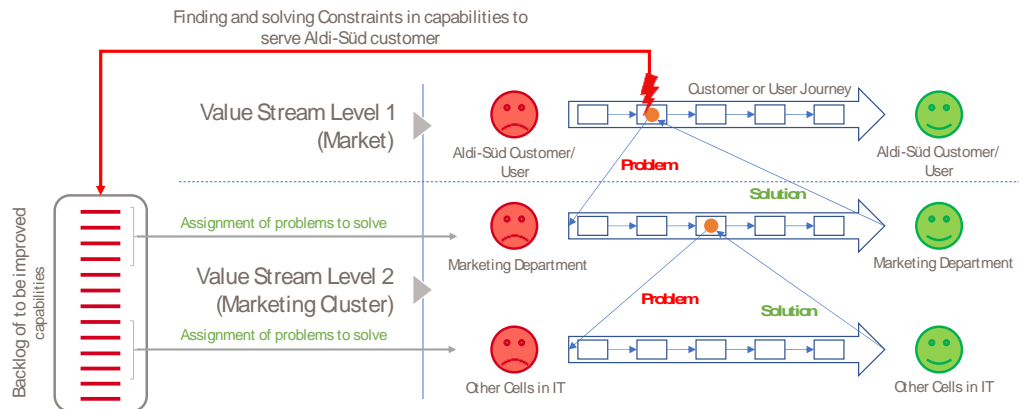
1. Where is our customer/ user?
2. Which problems do they have?
3. What products or services could/ should we deliver to solve those problems?
4. What could our customers no longer do tomorrow if we no longer existed as a cell
5. What will be better for the Aldi-Süd customer if we solve our customers' problems?

Among other things, Event Storming will help you answer the questions. A little more about that in a moment.

But first a view on how you could prioritize and plan what should be done when and in what order in your cells.

Slide 9

What could these ideas now mean for a planning in the Marketing Cluster?



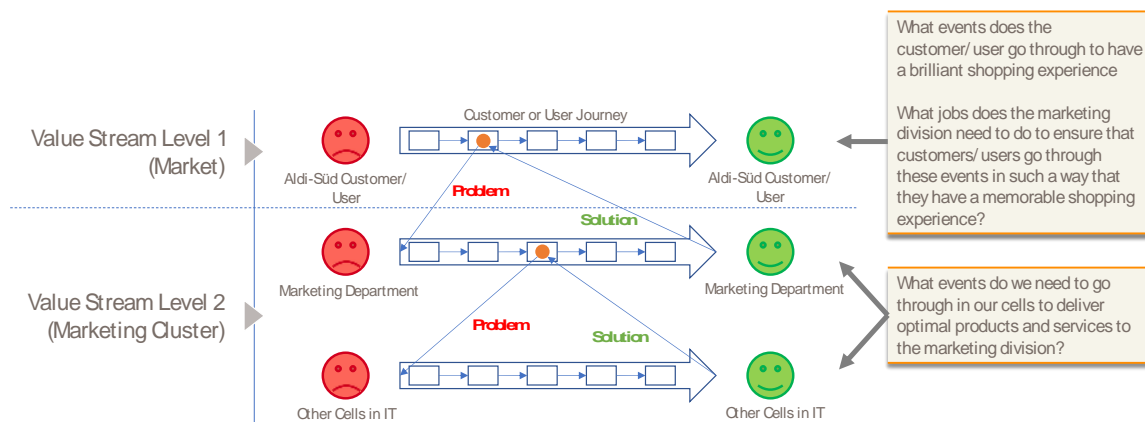
The starting point for deciding what should be fundamentally developed further at Aldi-Süd should always be the customer journey, with the question: "Where are our capabilities not yet sufficient to offer our customers an ingenious shopping experience".

From this, problems are defined that are to be solved in value stream level 2 and packed into the large Aldi-Süd backlog. The problems that have something to do with marketing, i.e., where it is determined that the Aldi-Süd marketing department does not have sufficient tools or data to address customers in a targeted and personalized manner, are assigned to the respective cells in your cluster. These cells then have the task of solving these problems by serving products or services that are then used in value stream level 1, in the marketing department.

Each cell in your cluster has a clear mission to improve the shopping experience of Aldi-Süd customers through the products and services it provides.

Slide 10

„Event Storming“ as a method to understand customers/ user and the value streams more and better.



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„Event Storming“ is a method to help you to understand customers/ user and the value streams more and better.

In value stream level 1, i.e. in the customer journey, you should focus on the following questions.

1. What events does the customer/user go through to have a brilliant shopping experience?
2. What jobs does the marketing division need to do to ensure that customers/users go through these events in such a way that they have a memorable shopping experience?

These answers will then help you for the question in value stream level 2, which is about your work in your cells.

1. What events do we need to go through in our cells to deliver optimal products and services to the marketing division?

In this sense I wish you a nice event storming and I hope I could inspire you a bit with my thoughts. Thank you.

contact information



boris**gloger** consulting GmbH

Conny Dethloff

Senior Management Consultant

T: +49 (0) 15144137381

E conny.dethloff@borisgloger.com

SELBST SICHER ZUM ERFOLG 