



**Episode 28: Eric Pieter Jordaen**  
*Episode Transcription*

Mik Kersten (00:00:06):

Hello, and welcome to the Mik + One podcast where I sit down with industry leaders to discuss the Project to Product movement. I'm Mik Kersten, founder, and CEO of Tasktop and bestselling author of, Project to Product: How to Survive and Thrive in the Age of Digital Disruption with the Flow Framework.

Mik Kersten (00:00:27):

Joining me on today's episode is Pieter Jordaen, Group CTO at TUI, the world's leading integrated tourism group operating in more than a hundred destinations worldwide. Pieter has over 19 years of experience in providing leadership and expertise to industry leading organizations across various sectors. Now, on this podcast we have heard about many transformation journeys, but this one is truly unique. I've worked with dozens of transformations of this size and I can say that what Pieter and his team have pulled off at TUI may be the fastest and most successful move to cloud and product value streams that I have ever seen at this scale. Part way through interviewing Pieter, I actually got shivers down my spine, as I realized that TUI had truly turned the corner from travel company to technology company.

Mik Kersten (00:01:08):

Many organizations took a similar effort when the pandemic started, but TUI achieving this transformation speaks for itself and offers some invaluable insights and lessons to us all. It has been a truly amazing experience getting to work with Pieter over the past year, and I'm thrilled that he is taking this time to share his lessons with us. So with that, let's get started.

Mik Kersten (00:01:29):

Welcome everyone. I'm delighted to be here with Pieter Jordaen who is the Group Chief Technology Officer of TUI. So, Pieter, why don't we just start with how we met. This was a pre-pandemic fascinating experience. At that point you actually had already started your journey to the cloud, to digital transformation and some people at TUI were reading the Project to Product book. But why don't you tell us a little bit about yourself, how you actually got to TUI, where TUI was at when we met and the kind of business that it was doing, and then just the incredible transformation that I'd really like you to walk us through that you've really spearheaded over the course of the past year.

Pieter Jordaen (00:02:09):

Yes. Sure. So, I actually started in software in the old days. We still had web banking, the phones that flipped out and were trying to get banking to work on that screen. So, then I went into financial services. I built automated platforms for traders and stocks, insurance, investment banking. And a group of us that built the automated trading platform were finishing that task when TUI got us in because they were right at a crisis. So we came to rescue their migration to a new platform. And this was a third-party vendor and that had been running for five years and was really bad. Then we came in it was like, "Guys you, there's no way you're going to make it. You need to cut costs and scope."

Pieter Jordaen (00:02:57):

And we were just cutting and cutting, and eventually we got it live. So I then stuck around with TUI, started to help them and eventually became permanent there. And then I just started to see TUI just being an amazing company, huge company. I mean, they're one of the largest travel companies in the world, probably the largest tour company in the world. And I was seeing that technology was holding them back. So I started spearheading the migration of cloud. And at that stage, people were still like "Oh cloud is insecure." And I was like, "Come on guys, like seriously, FBI runs in the cloud. I'm pretty sure." But I realized I needed to dial all the way back and go to ground zero and start there.

Mik Kersten (00:03:46):



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The scale of your operations when you were starting on this just blew me away. In terms of the amount of planes, hotels, customers, and so on. So, when you were starting on this journey, this was not a small starting point. So, just tell us a little bit about the scale of the starting point.

Pieter Jordaen (00:03:59):

No, yeah. I think that's one precedent about TUI. So, I came in from traditional investment banks and then going into a tour operator that is operating just unbelievable numbers. I'll give you some examples: Just pre-pandemic, we were doing 27 million customers going on holiday, right. So, we have 1600 travel agencies. We operate 150 aircrafts, we have 400 hotels, 17 cruise liners, 180 regions. You don't just have an airline, you have multiple airlines. You don't just have a cruise, you have multiple cruise ships. You don't just run one hotel, you have multiple hotels. And then the distribution selling platforms to 27 million customers, the volumes is very peaky. So, actually it's a multidimensional business from an IT perspective.

Pieter Jordaen (00:04:57):

And then the intellectual side, so me coming from investment banking, looking at how this operator is doing yield management and millions and millions of price adjustments a day – maybe over an hour or so, they will do hundreds of thousands of price adjustments in one country. So that's why I stuck there.

Pieter Jordaen (00:05:19):

And then I was just looking at this unbelievable opportunity, but the oxygen just wasn't there to transform. So, that's where we started on the cloud. And it was like, "There's no way you can do digital transformation if you don't have the basics in place, right?" So, I was lucky that when we started with cloud there was a new leadership boards group level that came in, and that became the vision. "Okay, we want to be in the cloud. We want to be API first. We want to be data-driven. Big data." And that's when I started to realize I'm not the first person having to take a company to the cloud, but how would you address this? And then I was still in the markets. You had multiple countries, each operating their own stack, their own enterprise systems, right?

Pieter Jordaen (00:06:06):

ITIL, CLASIC, Regional, CIO, territory. I've got my KPIs, I've got my uptime, I've got my costs, my okay, this is what I do. right. And I buy business from vendors and we top right-hand quadrant company, right. We go play to everything. So, that was the business and the group grew through acquisition, right? So, we had so many different organization structures. So many different operating models. So many different IT systems. And then right at that time when I started on this journey with cloud is when the group decided to become an official group. So TUI Group then started not just having a bunch of companies with their majority of minority shares in, but everyone was absorbed into groups and became a proper group.

Pieter Jordaen (00:06:57):

And so, at that stage, that's when they started to really think about, "we need to do stuff once". But it was so difficult because you just could not - with legacy systems, third party suppliers - consolidate anywhere. So, I took it all the way back to, okay, we need to have the base ecosystem to build upon. So, that's how we started on the cloud journey. And I started to read all this stuff and thought I can't be the first one to do it. And I just followed a lot of Amazon's advice, which is start small. Train your people. And we did the first one. Then we did a significant enough transformation which was taking one of our regions which was responsible for 50% of our revenue, and we took their selling platform into the cloud at unbelievable speed - six months.



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Pieter Jordaen (00:07:48):

And when I was asking the guys how long it will take, they would tell me, "No, no, no, no. It will take us two and a half years." I said, "No you have six months." And it took us six and a half months. But that pushed us. And I gave everyone the confidence. We can do this. Actually, our CEO came to me and he said, "I heard you talk about scalability and stuff, but it wasn't until I saw it... Now I believe it. You just tell me." Because actually in the UK we had a few airlines collapse and suddenly those people losing their tickets and trying to fly home, flooded our systems. And if we were not in the cloud, we would not have been able to scale. But we scaled to hundreds of time on normal peak volume to be able to do it. And that was really a massive catalyst because we can talk about later, right?

Pieter Jordaen (00:08:40):

When, how IT and I'm leading that because people wanted to have, they had a desire to consolidate. But you have this conundrum of the business connected to systems and the systems is built for the business. So, how do you uncouple those? And then actually get to a place where you can say, "Alright, I have a strategy that will eventually, systematically in a controlled risk way, consolidate a group of seven, eight large countries, 15, if you take all the small countries in consolidation." And then consolidate your business towards a single product organization where you do stuff once. Right? So, that was the journey. That's how we started. And it was really at that stage when the business flipped over and saying, "We really now must do this." And there were lots of programs set up, all the MDs was in it.

Pieter Jordaen (00:09:37):

And it was so difficult because everyone is protecting still like the law. But the direction from the top was already there. Right? "We must do this. We must consolidate our markets. We must consolidate IT." And it was at that stage, actually, we were discussing the program with Amazon and they were like, "Guys, you are transforming to a proper organization. You must read this book." And actually, credit to them. They gave us the book. They actually took your book and brought a whole box in there. They were like, there's no way you will succeed without this. So they just handed it out. I read it. And the lady who was setting up the program with me, she read it. She actually was on holiday lying next to the pool, reading it. I was like, "She never takes holiday."

Mik Kersten (00:10:19):

I'd pick a different book next to the pool for the record.

Pieter Jordaen (00:10:21):

But yeah, we were just giving out the book to everyone and even the business, right? And they were like, "Now we get what you're talking about." And it gave them that mental frame of, "okay, our job is to protect the business. Our job is to manage risk, right? Our job is to protect revenue. But how are we going to do this?" Because every single big, large digital transformation program was late or costly. We didn't get what we wanted. So, it came from that traditional mindset, valid questions to ask. Right? But the Flow Framework - taking into consideration what the business wants, making what IT does visible, and giving a different way to measure, right. Instead of cost and time, right. And scope. Give me those three things, and then you never know what you're going to get. That gave them the courage to actually say, "Yeah, we can also go faster."

Pieter Jordaen (00:11:23):

And then we actually started to plan with the business, what that would look like. And that's, right at that point, that's when we met you and we invited you to come and talk, you gave a fantastic talk actually. When we were still able to fly around.



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Mik Kersten (00:11:37):  
That was one of my last flights I think.

Pieter Jordaen (00:11:38):  
So, we were all CEOs of the countries in the room. I don't think it took a lot of convincing. People were like "this is answering a lot of our problems. We know we need to measure. We know we get what we measure. We just don't know how to measure, what metrics to use." And I think what really struck was you are measuring proxy metrics, right?

Pieter Jordaen (00:12:02):  
And for me, I keep telling them, "Why do you do flow runs?" And it's like, "Because everything else is proxy metrics." And to derive reality from that is where your risk is buried in a massive program. So, I think that's the beginning and then pandemic hit us. And it became apparent that the world will not be the same, travel will not be the same. Suddenly we needed to look at massive cost savings. But one thing the business was saying, and the board decided, was this transformation, this digital transformation and consolidation of our business must continue. And we had actually more of acceleration requirement and saying, "You need to eat the stakes, because if we don't, we won't get out. We won't behave. We won't be able to compete when we get on the other side." And that's where I think everything changed.

Pieter Jordaen (00:12:58):  
And we also realized that we can't in a pandemic with half the people on furlough or in government programs, run big programs. We need to make it small, we need to take that startup day mentality into our thinking of starting the program. And that's when we started. And we met you. I think it was an answer to me. Because I'm responsible to bring this to life and not knowing how I'm going to actually expose the risk and make the right decisions, especially when you're running, really trying to take off with runway that will run out. That was my conundrum. And I think you answered that, and at least give us a framework to think about.

Mik Kersten (00:13:41):  
Pieter, I think it's just amazing to hear you reflect on it, right? Because when we started meeting regularly and working together on this, I was working with a lot of leadership teams who were saying the same things, right? Which is that this was their opportunity to double down on their digital transformation. That the business was pushing hard. And the business for many organizations, the CEO's, that the boards were pushing harder than ever, especially for the businesses that were more affected. And what to me is so amazing about what you and TUI have done is just the speed and effectiveness at which it worked. So, I think you've touched on many parts of this, but I really want to dig into some of the aspects, because I think you've got so many of the success patterns here.

Mik Kersten (00:14:28):  
And it's just an amazing combination of the things that you were doing before... the visibility had already established, right? That story about your CEO actually understanding the benefits of scaling and seeing that a tangible benefit to what happened with all those cancellations, both put in place a lot of the sort of right-thinking ahead of the pandemic, had the right kind of visibility and metrics to actually be confident that you could manage the risk of such a large thing, and then you've now come out on the other side with just a completely new cloud-based platform. And which, I think, as you and I have reflected on, is actually the right technology platform to provide a modern operating model for the entire business, right? So this is just, I think, one of the most impressive and effective transformation stories I've seen through the pandemic.



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Mik Kersten (00:15:15):

I do want to rewind a little bit, because when we were talking almost a year ago, some of the things that you were struggling with, others are still struggling with today, right? So, let's go back a bit and unpack a bit of the story. So, you mentioned the different regions, right? When you started with TUI Group in this incredible scale, the way that all of that was being managed from the architecture and a software level is that you had different regions, with different customizations, with their own databases, with their own search boxes and parameters and promotions, and all of these things which is, I think such a common thing for companies who do operate at a global scale.

Mik Kersten (00:15:55):

So, it just seemed to me and when, as we were talking through back then, it's just an almost insurmountable task to even envision how from a business level, from the GM's or whoever the leadership was, were maybe married to those customizations and those bespoke things for those regions. The amazing thing here is just how quickly they did it as well, right. To get to a region that was 50% of the business that quickly and demonstrate that this can actually scale to the whole company. How did you get that right combination of validation through the technology that this could be done? Because I'm sure lots of people thought it couldn't be done. How did you get the leadership buy-in to do it? Because people feel like they're losing things, right? They're losing things that they had easy control over in the regions, as everything's shifting to a common platform, even though of course, everyone now needs to shift to the platform that you've built. So how did you get over that first hump?

Pieter Jordaen (00:16:45):

Yeah, I think you're 100%, right. I speak to some other companies that run multi-markets, and every market has autonomy and P&L responsibility. And I don't want to make it sound like I did that, because I think it's a lot of the transformation, transformational thinking needs to come in the business. Okay. So, we went from, okay, let's just, it's just by the company, the countries. Okay. So, now I have country to country, I just had it. Now I have regions. Regions may have five countries. Okay. Every country runs their little system. And then each of the regions that someone had said, "Okay, let's consolidate." But the way they would consolidate is to say, okay, let's choose the best or choose one. Actually, we did try to take big systems and sticking them to small countries, that completely failed.

Pieter Jordaen (00:17:39):

Then we forced the small country to come to the big country and then they get upset. And then like, "Oh, that doesn't feel like a startup anymore." But then you blow your cost out of the water, because that system is really designed for much bigger. So then, so we went through all those thinking's and the steps, and we had to do that because we didn't have cloud to the maturity that we could say, "Okay, we will migrate." And we follow the normal cloud thinking as well like, "Okay. We will migrate system by system and that will give us at least scale and cost efficiencies and approaching it from a cost perspective." But I think when the pressure really started to hit, even our transformation strategy had to change. Our cloud migration strategy had to change. And we had a big program saying, "Okay, we will close all our data centers. We will migrate X amount." Which is still the target but its more how we do it.

Pieter Jordaen (00:18:39):

And I think what happened was the business got to the point where they started to realize actually great, okay, you invest 10 million, 10 million, 10 million in the market. Okay. Collectively they deliver features to your customers. You invested 30 million as a group, but you only move forward 10 million in total customer benefit. Okay. So, the other 20 million effectively is lost. It's money you could've used to do something else. And that realization came into the business all the way to the top. And I was the director



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from the top. Now I'm going to take my business. I want to consolidate, look for opportunities to consolidate and look beyond your P&L, look beyond how do we do stuff once. That's it. Simple, right?

Pieter Jordaen (00:19:37):

And that really changed force in different thinking and saying, "Well, you can't have that small autonomy anymore. You need to think: You are a group. You are massive. You need to think at scale. But you need to allow for the autonomy to exist within certain areas of your business for innovation." So really the product organization match that. Because you can now take your business, you can break it up into domain, so products or business areas that can innovate within the space. But what it absolutely requires is someone that was very broad. I'm responsible for every system in the whole region to go to someone as a technology leader, very deep understand cloud, understand very detailed technology stacks. But also can be owner of a technology domain and/or a business domain. Transform that and set up a program organization around that.

Pieter Jordaen (00:20:38):

So, the program organization matched what we tried to do, and the acceleration requirements help the business to shift. And I think it was great because IT was ready. We were talking about one IT. We were talking about domain organization, it's just. Okay, how do we call them the domains now? So, when you hit us we already were on that journey saying, "Okay, if one IT needs to exist, this is what it would look like." We took to operate model. We said, "Okay, you will have this domain, this domain, this domain." Okay. And these domains have quite distinct boundaries as clear capabilities. And so, and when we did that, we didn't have a single business organization to marry it with. We knew if we want to do stuff once for somebody we, for the business, even if we have free pre-customers, markets, countries, we as IT only wants to do it once.

Pieter Jordaen (00:21:36):

But that model then really helped the business do all sorts of, well, actually we do the same thing three times over. We do the same thing five times over and why? And this is interesting. They were saying, "Well, Pieter, We can't transform until you give us a platform that allows us to do it once." So, that broke that conundrum or the deadlock of saying, "Okay, if IT is leading with a platform that allows the business to then consolidate around that business domain, right." Let's say pricing. How do we price? Everyone actually is pricing pretty much in some sort of variance. It's actually unbelievable how many different ways you can come up with pricing an airline seat. But you know, we all selling the same thing. We selling our own planes three different ways. So how do we make that equal?

Pieter Jordaen (00:22:28):

How do we make it So it is one. So that by also building the system once, we forced the business to come in and say, "Okay, well we're not going to build your 15 systems, 15 times over, we're going to build one, which one do we need to build? Tell me, what is the current pricing model? Well, how are you going to consolidate around X? How are you going to consolidate around Y? Okay." And that forced them to start to think about at least around the business capabilities. So, we stopped talking about organization and the people, which is always really the dilemma, right? I'll come back to that and how that is difficult, but say, taking people off the picture, I'm building a system. And that system will have very one clear rule. A capability exists once. I don't have five documents services unless there is a real specific need for regional things like payment services or that everything else exists once.

Pieter Jordaen (00:23:34):

But that then forced the business to come and say, "Oh, okay, well, how do we do it now?" Now, they would want to go away and think about it for three months and do hundreds of workshops. That's how we



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used to do it. So like, no you're going to need to. We are going to make a second rule, we are going to move fast. We're going to move in increments and we are not going to make one way decision unless we have to. And some we had to. Like what will your pricing model look like? Okay. How will you deal with X or will this, there's a few big ones we did bump. And then we said, "Okay, we're going to start just like the success we did with our first migration, we're going to do and deliver the first thing." Super simple.

Pieter Jordaen (00:24:12):

So, we actually started with a global hackathon, right? So we, the pandemic hit was okay, we need to build the MVP. How are we going to do it? People can come into the office. Okay. What are we going to do? So we had three days of hacking and we just broke up the universe and said okay, "you take this problem, you take this" and around each one of those domains, we built a MVP. Guys were hacking Lambda functions, blah, blah, blah. All sorts of things. Yeah. Conceptually, this is how it grew up. And we realized actually, most of all the knowledge is there. The experience is there. The technology is definitely not the problem. Okay. If we don't try and drag something old into the future. And that's when our cloud technology, our cloud migration and the strategy for the platform changed from, okay I'm picking the best of all my systems and then trying to create the Frankenstein to, I'm going to build net new because I will get there faster.

Pieter Jordaen (00:25:06):

And our whole strategy was actually then not about lift and shift or pick a system and force a market onto that system. It was like, was the most optimum way for me to deliver what the business wants in this domain? How will I break it up? And then that was the start of the global program. The global program now delivered in small stones, and we're running across multiple countries, single teams, global teams, global. We take two teams, global engineering teams in a product organization in a pandemic structure where everyone's working from home, doing global increments. We have increment days. We have demo days. Everyone is synced on when they deliver what, and that really changed the whole way of how we approach it. Because it was IT leading and the business realizing we need to provide an answer fast. Otherwise, we know we won't get there.

Pieter Jordaen (00:26:12):

We can't go away for three months. What is the answer? What do we build? And that forced them to really start to break down the universe into smaller bits, which then started to marry with the whole agile mindset and actually delivering in increments. So, suddenly the pandemic opened up the opportunity to go fast and actually demanded to go fast. It created some challenges. But that was the start of how we shifted from traditional lift and shift, consolidating your business around people. But no, consolidate your business around your product and the capabilities that makes up your product, your domains, your business domains, your product set, and the capabilities of individual process to deliver to each other. And then the business like, "Okay, I can do that. I can talk about pricing. I can talk about documents, service. I can talk about my selling platform," rather than saying, "I've got this huge universe that needs to migrate all together."

Pieter Jordaen (00:27:16):

And suddenly you can take each one of those components. You can create migration path, you can create an MVP. You can figure out and it's still a large challenge. And I think this is then where the Flow Framework became a must for me when that ramped up to genuine large global scale. But trying to answer that question of first of all, what where many companies are like, how do I do everything at once? You can't, you need to break it down. But even then you have large problems in needs. Sell each product area, each domain that you then have to stick together because eventually it needs to be created, a unit for operating a business that's existing. So, a lot of things came together for us. We had a lot of things in



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place, but that shift happened right as the pandemic started. And I changed the way we did the program massively.

Mik Kersten (00:28:09):

Yeah. And Pieter it's just fascinating, right? Because so many organizations out there right now have very similar business goals during the pandemic. It's just amazing that they've come from this mindset is like, we're going to cloud, right. Whereas you did something different, right? It's like, we're actually going to shift to product and cloud. And this is the amazing thing, right? If you're just measuring proxy metrics, using your old ITIL metrics using just telemetry, you're not focusing the way you are, we're just looking at how are we going to deliver to the business? How we're going to execute this big transformation program but make the risk visible and making the end of the business value visible. The fact that we have much better time to value, much better flow time by shifting this.

Mik Kersten (00:28:51):

We have much better scalability. We have much better elasticity when cancellations spike and these other things happen. And it is the organization I'm seeing, again, just taking this cloud is the goal mindset are just completely, they end up fascinating as you say, in a lift and shift, right? Because they're not having that conversation with the business, how this provides a new operating model and platform, an opportunity for the business which means they're actually just lifting and shifting the old workloads, the old applications, the old ways of doing things. And this is by combining cloud and product thinking and flow, it is amazing how you've pulled this off.

Mik Kersten (00:29:32):

And I want to dig into one more crux because you speak of these things. Like I appreciate, you know how hard they are because we've had all the conversations. But the fact that you approach this and you got somehow from going from this hackathon and net new to again, at 50% a region that's 50% of what you care about to what's meaningful to TUI supported. So just dig into that a little bit more, because I think so many organizations with these massive large portfolios, right. That everyone understands that those need to change, those needs to transform. But the speed at which you went again from hackathon to net new, to 50, 60% of your business, it's and it's not easy doing net new, right? It's not easy. I think you've got very advanced thinking in terms of how platforms need to look, how product investment means platform investment, right? Because the platform ultimately is the most important product. So how did you, again, the investment in the core platforms, which I understand was underway, but the speed at which you went to running this much of TUI's business, I'd like to better understand.

Pieter Jordaen (00:30:37):

Yeah. And I think the investment was there, but still it was, "Okay, I need to run a program. Tell me the systems I'm going to use." Because I know my systems, right? And actually we had a problem because you have all these incumbents providing new capabilities. But by design, they blurred the domain lines so that they can sit across your whole organization. And then that makes it very difficult for you to innovate, to maneuver and change and do things. Right? So, when we started with the hackathon, we started to look at the system. We realized okay, there's certain capabilities already there. So we already moved syncing to the cloud. They are providing, they're really the base of 50% of our sales. This to someone are there as were programs that were already on the go.

Pieter Jordaen (00:31:28):

But they had like really no end-to-end connection. There was transform the system into consolidate around X, consolidate around Y. But it's not a holistic view of your end-to-end holiday product or your end-to-end platform that provides a holiday prologue because we sell cruises and flights and hotels or



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packages. So for us, that is a value stream end to end that is made up of products underneath it. Product entities of our platform. So components of our platform. So, that shift happened because we suddenly had a very different view of risk. Where I think in the past, if the business was still selling, making billions of revenue, their starting position is how do I protect my revenue? How do I reduce my risk? Suddenly the risk is I'm not going to be competitive. And actually, I don't have people buying holidays or flying anywhere anyway.

Pieter Jordaen (00:32:32):

So actually, you need to move now. I want you to move now. And that suddenly might potentially free four year program strong to, okay. You have a year and a half. Okay. Or a year or however long, whatever the opportunity is moving the window of reduced traffic, use it. Okay. So, that was the catalyst. And then how we ended up doing it was really have a lobe of a store go back to I like that startup mindset or the day one mentality. Okay, Amazon teach that quite often. Day one mentality. And we borrowed a lot of that. So, you don't solve a problem that you don't... Don't go and solve a problem that you don't face right now, solve the problem for what you need. Get stuff out of the door. So a lot of the services was brand new.

Pieter Jordaen (00:33:24):

They like, "We're not starting from here, well we building it brand new." But the business models was there and the architecture thinking was there. So it didn't take us very long to actually like, "Okay, yeah we know, we all know what morph looks like, go, go, go. What can you do?" And then stitching that altogether. Your flow from your data, from the bottom to the top and then building the increment. And then we start to realize the increments is key to us delivering this. And so we set it up and we call it actually programmed increments and we run six weeks and then a programming convenience and portfolio planning for what is happening is again, next increment. So each team is running their to expense. So they don't have to really consolidate too fast or demo too fast, but they need to, after six weeks be able to consolidate and bring everything together into end.

Pieter Jordaen (00:34:21):

So what it did was it gave us a constant evaluation of the risk of what we running to deliver on time. So what you would do in a normal agile team, we're doing just at massive scale, which is like hundreds of developers. And we just organize around. We will have, we call it global sprints. So we actually have increments. And right at the end, we have a three-day day global sprint where everyone consolidate and then have a demo. A whole day where we demo what everyone delivered end-to-end. And we actually demonstrate the product end-to-end. And even if that is, "Hey, I bought this API and look, I took this data. I did this to it. And I passed it on. That's your demo." We are not building a program, we are building a product. A platform that's delivering genuine customer value. So we focus on what the customer needs.

Pieter Jordaen (00:35:13):

And that then ends up becoming your other problem because you start off with what you know. You start off with, well, this region, I know I saw this type of products. And now I have all these ancillaries and all these insurances and all this and that. So, in order for me to go live. I need all of that. Is that MVP or not? Right. So, then I actually started to break the universe down into increments. You see how the universe of the business is changing. And they could suddenly break up their capabilities into increments as well. So actually, I don't need this until I fly. So why do I have to deliver now? Why am I even discussing this capability? Because number one, I don't have all people flying right now. Number two this is only relevant when someone returns from a holiday.

Pieter Jordaen (00:36:05):



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So we could also start to change the way the businesses is. And even now, you can see after every increment how they start to break up their portfolio thinking into incremental deliverables. And it still it's, that is where the flow mindset really is hitting the road right now. Because it's like out of the sea of things I can deliver, which is the most valuable. And I can't really start with the final product in mind, even though I know what it looks like. I need to start of where is the thing that will unlock value flow to my business next. So if I start from zero, I can't tell, " Yeah, well, let me spend tons of time to talk about the color of my dashboard in my car." No, you first must have a chassis. If you don't have a chassis, you can put wheels on it. And if you don't have wheels, you can't then figure out.

Pieter Jordaen (00:36:59):

So, literally you need to build like that. And everything else gets deferred because what is unlocking my data flow? What is making my data flow from my system? What then lets me price? What then improves my search? What then lets me book? What then let me pay? What then and breaking up your user journey like that. And it's built incrementally your platform to the point where you, okay. Now I have a minimum viable product. Now I can add all the other capabilities. And actually that was what really changed and allowed us to deliver fast, still allows us to deliver fast. But then now unlocked the moment we delivered and the best is like, we see this window, we need to go, go, go suddenly we started with a smaller market. Okay. And now it was a conscious risk decision because going live smaller market, you don't have so much customers to worry about. You don't have so many routes. You don't have so many hotels. Okay.

Pieter Jordaen (00:37:58):

But from a complexity perspective, pretty much the same as everyone else. But as we then deliver, we said, "Okay, what's it going to take now to bring my biggest region on board." Not just the country. How do I bring my whole region on board the new platform. And I can't and again, start from, "Okay, I need all these things. No. How do I take that incremental thinking?" And then again, say, "Okay, I know I will be with my increments. My pro-maturity will be X. This is the most valuable thing to my market. So therefore it needs to go into my increment planning." And that really starts to force the market is in okay, "What is the most valuable from a revenue perspective, from a customer retention perspective, from a brand perspective. why is it that I need to deliver next." And to do that for multiple markets all at once.

Pieter Jordaen (00:38:50):

So suddenly I'm thinking not what's this region. So no one's really fighting anymore about, "Oh, this is precious for my country." They're like, "Why is the most valuable thing for this whole region?" So, that the negotiations is more around, okay, I need to consolidate I have a region may consists of five countries, right? What's special about this region. Okay. This business model, because these people are living in Ireland, UK. Okay. They traveled different to Germany. They traveled different to France. Okay. Now you're focusing on genuine customer differentiating parts of your business and you deliver what makes the difference in the matter. Of course, the businesses is, okay this makes X for me. So I must have it. But the incremental deliverables also removed the risk, but it's also piling on by having this. I think Andy Jassy said in the re:Invent is, "If you really want to innovate, you must have aggressive top-down goal. Focus on the customer. Don't complex. Don't make it complex."

Pieter Jordaen (00:39:54):

And I was like, I read this. I'm really proud of us. Okay. But then now that automatically creates a problem because like you say, now suddenly the business, it was the biggest region says, "Okay, we want to come next. And here is your date." Now my question is do I have the flow? Do I have the throughput to actually achieve that? And I know I'm taking on technical data to give you dates, right? This is literally the conundrum you have. Suddenly it's like okay, the most successful you are, the harder the pressure or the



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demand is. And the answers of these questions, you just can't get through story point measures. Okay. It's like, "Just why is the net effect of a technical debt in one component of my platform to the end-to-end flow."

Pieter Jordaen (00:40:41):

And that's the hardest part of doing this. Is the multidimensional complex that we talked about even in your products that you need to have this view of the consolidated platform. All these components makes up my platform. But also I have this component that's actually shared across multiple work streams. Which one will slow down if I have a bottleneck here? Where do I invest my resources, my money, or focus? Where do I have architectural programs that will unlock a whole bunch? And so, it does become a really complicated matrix of demand versus throughput and trying to keep that whole system literally flow by unintended from making sure I have enough requirements, enough decisions from the business and consolidated capabilities, enough architecture, just enough to make, to feel too free of my increments while I'm delivering net new. Every increment is really then the big challenge.

Mik Kersten (00:41:40):

Yeah, Peiter. And Pieter, don't worry. We'll get those cross-cutting flow of views too you soon, [crosstalk 00:41:44] you need them. I think the thing that just really struck me as you were speaking is a year ago, when I was meeting with you and the executive team, I was meeting with a company that wanted to be a technology company and saw the value on that. And it was on the journey. The way that you were just speaking, the way that the business has changed, the thinking and understands flow and value and the importance of feedback and the feedback loop and the standardization, simplification, smaller batches. It completely blew me away right now, that I am actually talking to a company that is a technology company and that's in the span of a year, right? That is a fundamental shift to the operating model that's been driven by the right marriage of business, customer focus and technology. And yeah, this is exactly the hallmark of what it looks like. So that is-

Pieter Jordaen (00:42:38):

Correct. And Like when our CEO was saying, "Hey, we turning TUI into a platform company, digital platform." So and people's like, "What does that look like? Okay. We know we don't even have a framework for it. Right?" And then when we consciously make decisions, we will control our intellectual property. We will build some things ourselves. Again, we like other things we... But we made a rule. It's that we will focus on things that matters to us as a business. Let's solve business problems. Let's not bolt any plumbing. Okay. And this is literally the first thing we do in the program. I said, "Everyone got to Amazon, that's it. We have one platform, one ecosystem, and everyone built it." Second rule is you don't build anything in Amazon that's already there. I don't want you to build piping and vent mechanics. And you use what's there.

Pieter Jordaen (00:43:27):

You use the highest possible service you can to deliver the customer value as fast as possible. And that really changed it, that needed a massive shift in architects. Because from, in a very old universe where you were risk averse, you're like, "Okay, let's design multicloud."

Mik Kersten (00:43:45):

Yeah, yeah, exactly.

Pieter Jordaen (00:43:47):

Okay. Actually that's so counterproductive because you're putting a lower level principle at the highest possible point, right? So you making them the first principle to chase after. Multicloud is mine. Because I



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may want to move anyway. Listen, you already locked in. You locked into Oracle. You locked into SAP. Okay. Try to move away from them. Can you do that in five years? Okay. So actually, and the things you're trying to develop you will probably rewrite that anyway in two years. So your half-life of your platform is not even worth the investment to try and run multi-cloud.

Pieter Jordaen (00:44:22):

So where you have big risk. You already taken on those risks and turn it into five year, 10 year, multi-year lifetime contracts with big suppliers. The things you building is because you want to build it and change it all the time. So, just use the ecosystem as accelerator and focus your energy on delivering customer value. And that is what we, that really changed us. And you could see the teams that actually started with some systems that we started off in the past. It was, and the teams are sort of net new. I like actually Greg said that in his previous podcast of you're saying, "It's not just server-less, first. First try serverless and instead functions and almost all this services, it's just like, "Yeah, I can achieve that with step function." Every architectural diagram coming across my blood is now serverless step functions.

Pieter Jordaen (00:45:15):

And that really enables us to adapt quickly, reduce our risk. I mean, all the previous risks you try to manage, its reasonable IT organization just is absorbed by the ecosystem because you are paying for managed services. So now I can argue, take the front and of course then creates different problems that you just can't have. You can't hire good architects, security engineers, fast enough. Okay. So then you have a training issue and luckily then we saw that and we started to train our engineers when we adopted started cloud four years ago. So we actually, we're already at a tipping point where we had enough critical mass internally to be able to deliver capabilities and we could then substitute with the hardware things where you don't necessarily have to experience. So, we have people now that has done large programs, they're working for us and we have training programs for the guys thats emerging, right. But they are learning by seeing and doing, and it's this, there's no substitute for that, yeah.

Mik Kersten (00:46:24):

Yeah. And Pieter see it all sounds obvious when you say it. But I spent half an hour earlier this week with a technology executive at one of the largest manufacturers who was telling me they're going multi-cloud because it's lower risk. And all I'm hearing is that, what that's way higher risk. If you actually focus not on the old ways of looking at risk, but if you focus on the flow of value and time to value and being able to level on separating core from context, right? And we're using every service multicloud is the completely wrong way of thinking, right? You're going to take much longer to get there, much longer cycles to feedback. And it's, again, I think it's this combination that you have of products, value, streams, flow, and cloud architecture that actually got you there. But it is fascinating to me that the old architectural ways of thinking that I think we encounter a lot, make multi-cloud seem like lower risk and better value.

Pieter Jordaen (00:47:19):

Yeah. And I think it starts with the white paper. I can't remember the name of the book on the cadet, but it was about Pixar, right? And actually how Pixar is fundamentally different from other businesses and why. Right? And I read that book and actually I used that. I gave it to all my technology, heads of technology and engineers. I said, "You must read this and this is the story of Pixar, right." Written from, within internally when they started as the first company to deliver digital animation. And how they started by how they failed. But every failure was a breakthrough for the next. So you can see it through their animation. So, they were trying to do something, okay. It didn't work. Oh. But we can now animate this particles that in and of creating them the ability to create hair. Right?

Pieter Jordaen (00:48:14):



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So then you can see how, but they never saw, they never managed risk. Every other business starting position is how do I manage my risk? So every, if I do a business case, it's like, okay, what's my risk. So how do I manage my risk? Okay. I give you a fixed budget. I give you a fixed cost.

Mik Kersten (00:48:32):  
Right, right.

Pieter Jordaen (00:48:32):  
Where you say no, how do I leverage? And give the ability to innovate and the freedom to innovate. Because you try to, by saying, starting with risk as your first position, your highest principle. I need to manage my risk. Risk in delivery. You basically saying, "I don't want you to make mistakes." And Pixar realized that's part of the creative process, is to make mistakes or to iterate over something. So, I'm going to give them credit. I actually borrowed the law of my processing from them because they had, they actually discuss in their book, how they set up this think tanks where people can go off, they can be creative.

Pieter Jordaen (00:49:12):  
They get the high level direction from the senior people that says, "Okay, go try this out." Then they go try it out. And then they had demo days. You had to come back and demo where you are all the time. And it's quite scary because anyone of the senior people will ask you a question. Directors and using the right names. Head of animation will ask you, "Okay, what about that emotion that doesn't come through?" And that creative process and critical thinking actually forced them to then improve the product. And in the net result is they did meet all the dates that was given to them by the investors and say, "I want to have." But they made the biggest breakthroughs or mistakes. And in their minds what you would normally would try to say, we would never have discovered this capability and use it in the next movie, because we would have stifled the creative a process.

Pieter Jordaen (00:50:07):  
So, that is the only way you can progress is by doing and making mistakes. And then by trying to remove mistakes, that is counter-productive. Massively counterproductive, right? So managing risks can't be your first starting position, right? You are, actually It is approximately in itself. It's the biggest proximity because your risk is the fact that you don't have visibility and you put something on as soothes you. I'm managing the cost. Don't worry. I'm managing the timeline. Well, no, no, no, no. I'm managing the scope. Like you just created a massive black box where you have like, something's gonna jump out, but it will for sure as hell not be what you designed. So you must have that creative open process where you can constantly look at it and adjust and change. But that is not by saying risk is my highest neat. Now, flow and visibility and constant creativity is the only way you will actually get what you want at the end, at the cost you want, on the time you want.

Pieter Jordaen (00:51:18):  
And it sounds hard, but actually that's a huge shift for business saying, well, so now I say, "No, no, your risk is different." Okay. The risk is that you don't make decisions fast enough. That's my biggest fear. Right? Make decisions fast enough. Okay. That's a tangible risk I can address. My biggest risk is that I can't hire engineers fast enough. Okay. I can do something about that. Bottling your risk and wrapping it in a project with down cost in scope, like your hide, all that, all those risks still exist. They invisible to you. Right? And that's why I like the Flow Framework because it makes your critical areas. It's about to blow up in your face, visible. So, you don't have enough engineers because look at your technical debt, okay. You don't have enough X. You don't have enough Y. You need more people in this space. You need more people in that space. Right.



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Pieter Jordaen (00:52:13):

Your feature delivery isn't fast enough. Okay. Why? Okay. All we know is this is not making the decisions fast enough is. Is engineers are making, developing fast enough? Is the architects behind? But you can see it. And then that is the visibility is key. It's absolutely key. And is it, do we have a hundred percent, right? Absolutely not. Right. So, but I think it's the starting position that you must change the starting position from a managing the creative process. Right. Rather than on managing risks.

Mik Kersten (00:52:47):

Yeah. I think that, that was, that's awesome. I think I could not agree more. In the end. All we're doing with all these efforts with products, with flow, with cloud that's what Agent Cockcroft calls, just applying the theory of constraints to your OODA loop. Your observe, orient, decide and act group. But just fast decision-making, fast flow, fast feedback and fast failure. Right? So that was so well put. So we're almost at time. I do want to ask you because you and I have been just to me, it's been fascinating looking at the flow across your value streams. We've seen the fact that you're through this in the last month, that your pipeline and delivery requirements have now tripled. So can you just tell us a bit about what's going on? What's next? Then and any other, I mean, you've had I think enough inspiring and critical thoughts that a lot of people will take some time to digest in this transformation, but yeah. What's what's next?

Pieter Jordaen (00:53:38):

Yeah, exactly. That's next is I think success. Success breeds more success, right? So I think, yeah, part of the pandemic, we must deliver faster. We must consolidate and I think it's the right thing. The business believes in it. So therefore the requirements of doing more, moving faster right? Is the right business decision. Right? So, the scary bit is managing it for us for a small set of requirements is it's manageable, but suddenly triple and why triple is because when I say triple is really in size of our, in the regions, that's actually delivering value to the business. Okay. So like I said, you start with a risk based approach, you start with a small countries, et cetera, about suddenly you say, okay, well, if my big business stays outside of this, I can't consolidate fast enough. I can't actually save the cost fast enough.

Pieter Jordaen (00:54:41):

So my net benefit to the overall group is delayed by a month, a year, I guess, actually months because everything works in holiday seasons. So, suddenly you go from, okay I want to take my smallest market to no, I must take my biggest market. I must take my biggest market because I have delayed benefits if I don't go first.

Mik Kersten (00:55:02):

Right. That's right.

Pieter Jordaen (00:55:03):

Right, so that's a huge shift from saying, "Okay, no, no, no, no. They didn't have most risky because they make the most money. So let's leave them out." So like, "No, no, no. Put them in, put them in first and let them go first." Okay. Which law, even that, which is the core parts of that region's business, make that go first. Because that's how I'm going to get my business benefits. That's how I'm going to get my IT benefits.

Pieter Jordaen (00:55:27):

This is how I'm going to get my invest ones and give to everyone, right. This is how I'm going to invest 10 million. And I get 10 million net new to all the markets, right? So suddenly I had going back to my example, 10, 10, 10, they move forward 10. Suddenly I can say, "No, I'm going to save 10. I'm going to invest 20. And I move forward 20 in net new features for my customers. So that's suddenly the mindset is



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saying, how do I, if I stay outside, I have to continue to invest 30 and only move forward by 10. I want to invest 20 and move forward by 20 and save 10. So that is the shift and what that now needs. And what that requires now is visibility, even more visibility because suddenly, you will have to make lots of trade-offs. Suddenly this decision-making process is going to have to be even more critical, more expedited.

Pieter Jordaen (00:56:26):

And so, I think the good thing is we have the process, we have the people and people are really, I'm amazed by just how much change you can see in a month. Right? So going live with the first system brand new way to operate. Brand new way to deliver. Brand new way to operate because you don't have a team in a country in an office, like no one is in the office. So, now you need to operate the global platform in Amazon globally, with people of every single country. So, there's so many innovation that also needs to go hand in hand with the transformation. But that's the beauty of it. Is you do what is the next thing you need to do? Rather than saying, "I will take my ITIL processes and I will then dissected."

Pieter Jordaen (00:57:12):

And I spoke to also my company. It's like okay, what's my support process like that's your biggest worry. Right? You like to go for, but to go, why? Because they took ITIL, I told it's like, okay, well, ITIL is[inaudible 00:57:24] managing my risk? It's just like, those two worlds does not even talk the same language. You can't marry them. So, you must start differently. So that's where we are. The triple throughput is going to be required. But I don't think it's triple the effort. I think the effort has gone into the thinking of how to structure? How to create visibility. So what we do now is okay, increase clarity on ownership so that we can improve decision-making and increase visibility. So deploying the right tools across all the, and where we could get away with, I think, isolated pockets and people reporting and say, "Yeah, I'm on time."

Pieter Jordaen (00:58:07):

Now suddenly it's like, well, I know you're on time here, but what does it mean if you're not on time? Because suddenly you affect not just one deliverable, one work stream. You affect 15 potentially. Because I'm delivering Wirefly for delivering my next one. I'm dreaming two markets coming after that. And then some of that is reused by all five of them. So the dimensions is just increasing. So, the visibility of what you need to the knock on effect, the impact of slowing down your flow is increased, massively increased. And that's really what we focusing on right now. If you say what's next is improve visibility. Improve decision-making because the business now, so I can know this is an incremental process, but the risk is not managed by putting time and cost, the risk is managed by visibility, right?

Pieter Jordaen (00:59:02):

And having early visibility. That's your goal, is I want to make a decision before it's a crash. I want to do it right. Or if I need to or mitigated it because I can see it's coming and the teams are getting better every month, they're getting better. We're seeing staff making trade-offs, the business is getting fantastic at no. Okay. This is, if I have to choose these three, this is the first one we need to do. And listen, I'm not to talking about small, like a red or white button. I'm talking about like enterprise wide capabilities has been built at warp speed, right? Dan needs to talk to 15 other services. So our whole platform is service-orientated, event driven. And there's so much alignment that needs to happen at warp speed. And maybe one server's going late on one small capability can cause pricing not to work or this not to work or that not to work.

Pieter Jordaen (00:59:57):

And that's the rescue. Now I have to manage this saying, why is my, not my dependencies but my what will, what affects my flow? Right. And I think that's even now we change our language internally. It's, so



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this is not a dependency. It's something that affects the flow, right? I'm not dependent on you. I just need to know that my flow is slowed down because I can't see what I need to start my process. So, it was really about someone not being done yet with what I need to be able to start and that's complexity that we're working in right now, but I think it's just taking what we have and scaling. And it's not, we're not scaling more programs. Program stays the same. The increment program stays the same. We still deliver increments. So we have all of their products. Every single one of them is running in parallel. They deliver increments, but there is one team delivering to all three of those business values. And we're measuring all of them the same. So it's about scalability on the ground and throughput, that's now the decision-making process that we need to undergo.

Mik Kersten (01:01:10):

That's awesome. And the fact that I can tell that one of your big worries is now the cost of delay of moving other regions, other parts of TUI, to this new platform. That's exactly the great outcome. That is and again, amazing because I think to see, and to be a part of a seeing TUI becoming a technology company at this rate is just incredible. So any quick last words of advice before we wrap.

Pieter Jordaen (01:01:32):

Yes. Start. Right. Seriously start. So I did an investment course once and there's okay, if you know, who's the greatest investor? Well, Warren Buffet. Okay. So if you could ask him anything, okay, well, Warren Buffett's saying right. And people do that. Ask him like, if you can give anybody advice, what would it be? He would say, "Start the mess yesterday." Okay, So that's my bias. Start, because even the companies I talked to, they're thinking this, they're sitting and thinking. And I think they're thinking themselves a paralysis because the task is a week and they naturally, that's what you need to do. You need to take your business, break it into smaller chunks and then just start building sold small things. It's okay. What can I deliver with this? And you will be amazed. And don't solve problems that doesn't exist yet, that you haven't faced.

Pieter Jordaen (01:02:27):

I would say that's the next thing then the next biggest problem is, okay, well what about this in the future? But you don't face that right now. You're facing something completely different. That is a massive distraction. And I think it's actually a luxury. For me that's a luxury. And it is a weakness to create excuses in your mind of actually facing and be brave and take action, right? Don't be a coward face your program, deliver what you need to do right now and solve that problem. Because that problem will probably change tomorrow. There will be another one, but you need to change facial problems, make a decision, move forward. And I'm going to quote Elon Musk. He said, "The starting position is that his design is wrong. How does he make it less wrong over time?" Okay. And I quote that all the time.

Pieter Jordaen (01:03:17):

I said to the guys, "This is very different to saying my design is right. Don't start with the supposition that your design is right. Decide what you need to do next and accept it's wrong." Okay. And you going to have to come back and fix it? And it will become less wrong and over time it will become less wrong. So my platform design isn't right. It's wrong. Okay. The question is, what decision do I need to make next to move and to make it less wrong? And that changes the whole way you architect, the whole way you design, the whole way you deliver. Because again, it's not about managing risk, avoiding failure. It's actually, you must fail in order to progress. So that's my last words.

Mik Kersten (01:04:01):



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That is awesome, Pieter. And we, I think we will have to check in again a little down your journey, but it's just incredible what you and TUI have achieved. So thank you so much for joining. And yeah, I think people are going to get a ton out of what you've shared here. So thank you so much.

Pieter Jordaen (01:04:18):

You're most welcome. Thank you very much for, I think introducing and solving, I think you answered on solving a genuine problem. Not accepting proxy is good enough. And I think that's really the key. Yeah, we need to be brave and fix... Even agile is not perfect, right? Agile is also wrong. Scaled agile is not perfect and we need to continually fix it. And the world is changing and the technology is forcing us to deliver differently and we need to face those things. And so thank you for also being an intellectual, trying to solve a genuine problem that everyone's trying to avoid to work around. It definitely made, gave me the courage to push ahead. Because I knew this was the ability I hate [inaudible 01:05:04] visibility. I can make decisions. So thank you. Thanks for having me.

Mik Kersten (01:05:07):

I'm so happy to hear that. And it's yeah, it's been so great partnering and more great stuff ahead. So, all right. Thanks everyone for listening. You can find Pieter on LinkedIn and then hopefully he'd be sharing much more of his sage advice here. This is, this has been wonderful. So, thank you.

Mik Kersten (01:05:25):

A huge thank you to Pieter, for joining me on this episode. For more, follow me on my journey on LinkedIn, Twitter or using hashtags Mik+ One or #ProjectToProduct. You can reach out to Pieter on LinkedIn. I have a new episode every two weeks. So hit subscribe to join us again. You can also search for Project to Product to get the book and remember, all author proceeds go to supporting women and minorities in technology. Thanks. Stay safe. And until next time.