



# TomTom on its way to become a world class software company

**“We became aware that TomTom had to change from a excellent hardware company to a world class software company, making internal software components available externally. It was clear that the agile way of working, especially SAFe, would be essential for shorter cycle times and bring innovation faster to the market.”**

**Han Schaminee, SVP Location Technology Products, TomTom**

TomTom is a global leader in navigation and mapping products. Since 2004 this multinational sold over 75 million PNDs (Portable Navigation Devices), made real-time traffic information services available in 37 countries and delivers maps which already cover 118 countries reaching more than 4 billion people. Within the total of 4,000 employees, 80 teams are responsible for the development and innovation of all the products of TomTom.

Han Schaminee: “As the market of PND’s was getting saturated, our new strategy changes the focus from only delivering whole devices to also selling components separately. We sell many PNDs and also fitness products. Each component should have the right innovation and quality, and therefore be sellable on its own and easy to integrate in other products. To cope with this change from a hardware to software company, we had to be world class in all our software practices and the delivery of software products and services. This awareness ignited the World Class Software Program.”

## **Safe® roll out challenging, but very successful**

By adopting the Scaled Agile Framework (SAFe®) the product unit Navigation was able to deliver the completely new PND Go500 within 1 year with the best quality at introduction ever. This great result quickly triggered the SAFe® adoption at the other product units. A large scale program was initiated to “Roll out more SAFe®!”. To execute such a program in a professional way TomTom selected Xebia for its extended Agile coaching expertise and consultancy skills for the overall change of the organization.

## **Challenge**

Since 2008 TomTom suffered from the market decline of Portable Navigation Devices. To keep their market leader position strategy and focus changed from selling only whole devices to also delivering (sub)components. Besides changing from a hardware to a world class software company this required even shorter innovation cycles and better market responsiveness.

After a successful project within the product unit Navigation TomTom rolled out the Scaled Agile Framework approach to the other product units. It was a challenging journey to independently improve product ownership, delivery and collaboration among 80 teams spread over 8 locations, in 7 countries and 3 continents.

## **Solution**

Xebia trained and coached all the teams on SAFe® and agile practices, and together with TomTom expanded the change program with product management, craftsmanship and human resourcing. Thanks to the support of Xebia the internal coaches were well prepared to meet the ambition of TomTom to drive this organizational change independently from external support. And enabling TomTom to become a world class software company.

## **Results**

TomTom delivers components every 2 months. These components are used in an end product. The time to market for this integration took before over 1 year and has now been reduced to 3 weeks. The target has been set for 2 days. In the last 6 months all features were delivered as planned while more than 50% of the feature roadmap changed based on customer feedback and changing market insights. With the reduction of cycle time and better business responsiveness this change program contributed to substantially slowing down the decline (since 2008) for TomTom in the saturated Portable Navigation Devices market in the last 2 quarters.

## SAFe® and Product management became TomTom's leading change pillars

Xebia managed the entire rollout from the beginning and started with coaching a small number of teams. As the number of teams gradually increased, the need for an overall transition board grew. This new board was created and consisted of both TomTom (team) managers and Xebian consultants. After a few months this intensified collaboration proved to be a winning formula. Therefore it was obvious for TomTom to promote the initial SAFe® change program to the World Class Software Program (WCSP). The WCSP had 3 clear goals to achieve for the organization: 'Clear Ownership', 'Continuous Improvement Mindset' and 'World Class Software Practices'. To achieve these ambitious goals the WCSP had defined 4 pillars:

1. *Scaled Agile Framework (SAFe®)*; the organizational wide rollout.
2. *Product management*; a key role for a product company as TomTom and it needed improvement.
3. *Craftsmanship*; how to do design, code and review software with the right quality.
4. *Human resources*; best practices in hiring and retaining talent as well as in leadership.

Due to the promotion of the SAFe® program to the WCSP and the involvement of multiple product units across the world a new governance model was required. With Xebia's support a cross-unit collaboration on both team and management level had been created for pillar 1 and pillar 2. Additionally to make the WCSP a success, TomTom had setup a steering committee with representatives from all product units and owners for each pillar, who met every 4 to 6 weeks.

**Han Schaminee** "... getting the best people in is one of the key success factors in becoming a world class software company."

## Xebia ensures TomTom's own capability of Continuous Improvement

An important precondition for TomTom was to be able to facilitate their own Agile continuous improvement without external support. Therefore Xebia immediately started to train and prepare the internal coaches for their role as World Class Software Program Ambassadors.

Xebia trained 3 groups of people (in total 30 people) in becoming a WCSP Ambassador. Each Ambassador received a customized Agile coach training of 6 days combined with an on-the-job coaching program in between training days. This training included the specifics of SAFe® within TomTom, change management, dealing with resistance and how to make change happen within TomTom.

**Han Schaminee** "During the course of program the role of change agent was added, similar to a Black Belt in a General Electric program, driving the organizational change."

The education of the ambassadors by Xebia was combined with intensive coaching and training of 80 teams, located across 8 different offices in 7 countries and across 3 continents. In this daily collaboration the relationship between TomTom and Xebia grew based on trust and easy communication. Combining this with the "Hands-on experience" and the "pragmatic approach" of Xebia it matched well with TomTom's engineering culture of "can do", "hands-on", "no theory" and "no-nonsense" mentality. In the end the productivity, predictability and product quality significantly improved.

## About TomTom

After the launch of the first Portable Navigation Device (PND) in 2004 TomTom has been one of the key players in the market of navigation and mapping products. TomTom's mission is to empower movement every day for millions of people around the world. TomTom also creates GPS sports watches, as well as state-of-the-art fleet management solutions and industry-leading location-based products. Their business consists of four customer-facing business units: Consumer, Automotive, Licensing and Telematics.

Since 2004 TomTom has sold over 75 million PNDs, employing 4000 people in 37 countries divided over 56 offices. Daily hundreds of millions of probes contribute to TomTom's Traffic service and real-time traffic information service is available in 37 countries. Their maps cover 118 countries reaching more than 4 billion people. And 400,000 professional drivers are powered by TomTom's fleet management solution. Since 2005 TomTom is stock market listed at NYSE-Euronext Amsterdam.

"Xebia has done a great job in training our Ambassadors in being the internal coaches for Tom Tom."

Han Schaminee

**Han Schaminee** "To survive in the future it is essential to deliver high quality with very short innovation cycle times. Only by innovating very fast, listening to the customer and being very responsive to changes in the market, we can win this. The Scaled Agile Framework is essential in this."

### **Impressive results put TomTom back on the 'Map'**

The results of the World Class Software Program so far were:

1. *The time to market for integrating individual components reduced from 1 year to 3 weeks;* before rolling out SAFe® it took 1 year to integrate released components/features into product delivery to the customer. Recent integration and delivery of such components can now be done within 3 weeks. TomTom's ambition is 2 days.
2. *50% more features released;* in the last 6 months all features were delivered as planned while more than 50% of the feature roadmap changed based on customer feedback and changing market insights. The understanding on what to expect from product management has increase significantly in the whole organization.
3. *Gaining market share and slowing down the decline of PND's in the market;* with the reduction of cycle time and better response to changing market needs this program contributed to substantially slowing down the decline (which started in 2008) of in the saturated Portable Navigation Devices market in the first 2 quarters of 2014.



"This shorter cycle time of bringing innovation to the market, that shows the market that when people are not happy with a feature or a feature is missing you can deliver it the next month, has definitely payed off."

**Han Schaminee**

## 'Xebia: people first.'

### **About Xebia**

Xebia is an international IT-consultancy, project- and outsourcing company, which is specialized in agile, enterprise and mobile software development and continuous delivery. Xebia helps customers to accelerate their business, improve quality thru craftsmanship and always using cutting edge technology. Making the difference in all our assignments with a worldwide team of more than 450 committed professionals each motivated by the drive to be the best in their field. Xebia strives for the authority position in the market. For more information: [www.xebia.com](http://www.xebia.com).

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