

# Making *Jaws*: Lessons in Agility for Financial Institutions

In July of 1974, a 27-year-old Steven Spielberg was sure his career was over. Armed with an unfinished script, a sinking shark, and a film crew ready to film ocean footage for the first time ever, a young and ambitious producer set out to bring Peter Benchley's bestselling novel, *Jaws*, to life.



The rest, as they say, is history. Spielberg has since been forgiven for going over budget and over schedule; likely because the film's \$470 million in global returns was more than enough to justify the \$9 million in costs. And certainly, Spielberg's creative genius and touch for suspense drove this masterpiece of a story. But perhaps the production team also tapped into a workstyle that best allowed for a creative genius to shine.

*How is the making of Jaws similar to Agile Project Management and what lessons can be learned from the chaotic workstyle on the Jaws set from 45 years ago?*

## Insights:

- Start with an Unfinished Script ●
- The Shark Does Not Need to Work Yet ●
- No Substitute for Filming in the Ocean ●

### What is Agile ?

A project management style, based on short "sprint" cycles and continuous feedback that considers both strategy and implementation simultaneously.

## ● Start with an Unfinished Script ●

When beginning a project, traditional project management methods call for thorough system design and preparation. Whether it was youthful ignorance or creative genius, Spielberg began filming *Jaws* with a completely unfinished script.

Carl Gottlieb, brought in for the rewrite, was often rewriting the script and finishing scenes late into the evening to be ready for filming the next day. Other writers and actors were brought in to assist, with stories of actors themselves contributing and improvising key lines. “We’re gonna need a bigger boat”, arguably the most famous line in the movie, was written on the spot by the actor, Roy Schneider.



“We’re gonna  
need a bigger  
boat.”

Great leaders and managers utilize the value of a team’s brainpower. With a flat system of organized chaos, leaders can empower employees, foster critical thinking, and fuel engagement. This structure, or rather lack of structure, stimulates adaptability and sparks collaboration. Perhaps counterintuitively, this environment also creates more individual accountability as team members are empowered to make informed and data-backed decisions without elevating to higher management.

*‘With a flat system of organized chaos, leaders can empower employees, foster critical thinking, and fuel engagement.’*

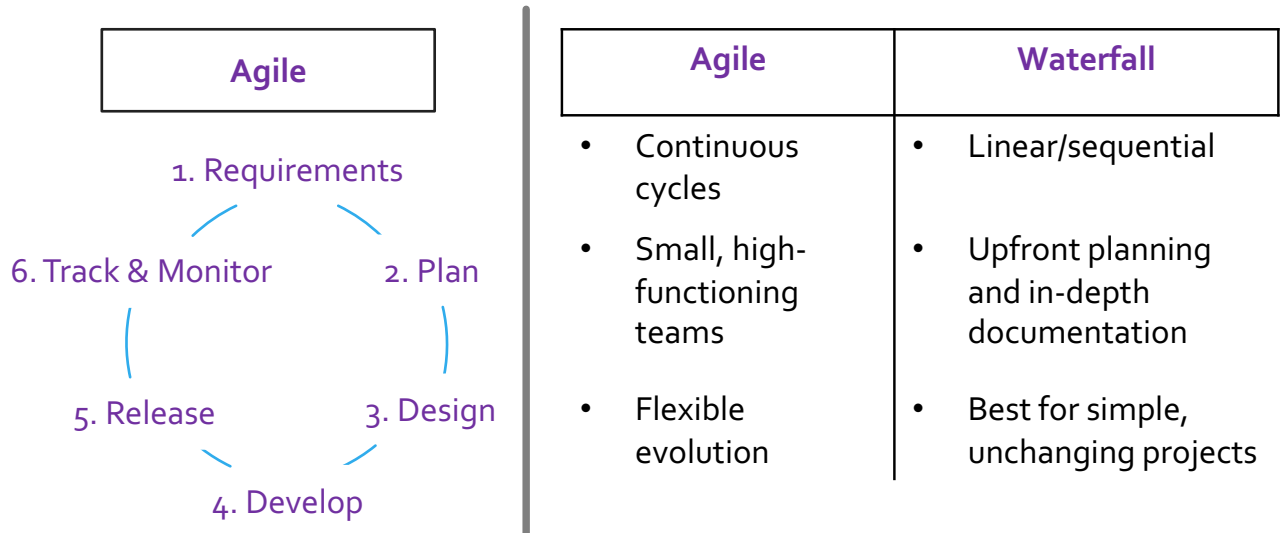
**Insight:** CEOs must set a vision and then step back to let empowered employees create the script. Financial institutions are driven by procedure and regulated in an attempt to temper risk, so creative production in a true Agile style is almost impossible. But with a clear vision and employee empowerment, financial institutions can borrow some “agility” from the Agile style and perhaps get beyond basic lending decisions to deliver creative value to shareholders.

## ● The Shark Does Not Need to Work Yet ●

Non-software project management methods require perfect scripting of the finished product at kickoff. After all, in manufacturing and construction style projects emerging from the Industrial Age, one could not put up drywall without framing the house. However, the *Jaws* production team's assignment and the challenges of today's age are different.

"I remember being on the set for the first shark test, and it simply sank", said producer David Brown. "Everything that could go wrong with the shark, went wrong." Often, projects run into great adversity. Thankfully, this team's leadership allowed for adaptability.

Traditional Waterfall project management prevents returning to a previous phase as challenges arise; therefore, the only way to revisit a phase is to start the entire process over from the beginning. Agile project management welcomes change, and backlogs leave room for unexpected tasks and adjustments. Such a structure allows team members to focus time and energy on matters vital to creating value for the project and the achievement of a final goal.



**Insight:** Embrace failure and learn from it. Financial institutions have memorialized "dashboards" and board-level governance reporting over the past decade. While important, these tools are well-lagged to actual market events. Risk managers thinking independently on the ground and within the businesses are best equipped to handle market challenges as they are occurring. Ultimately, financial institutions can best mitigate risk and develop new products / services with empowered employees able to make changes and correct failure as it's occurring.

## ● No Substitute for Filming in the Ocean ●

Traditional project management requires a certain amount of handholding and preparation before launching a new business or product. Part of Spielberg's genius was his perfectionism and determination to "shoot the film in the Atlantic Ocean not the North Hollywood Tank".

Nothing about this process was easy. Previously, film had not been shot in the ocean due to the effects of Mother Nature, and the limited capability of film equipment in the 1970s. Among other problems, the mechanical shark actually deteriorated in the saltwater. It was best described by one cast member saying, "most of the hydraulic valves on the shark were powered by electric solenoids... when they dumped it in the water, everything fried".



In order to achieve maximum success, businesses and products must be tested in the ocean, not the North Hollywood Tank. There is truly no substitute for the live feedback and discovery that takes place in the real environment. Rooted in the core of Agile is flexibility, adaptability, and an iterative approach to the development processes during live releases.

*'In order to achieve maximum success, businesses and products must be tested in the ocean, not the North Hollywood Tank'*

Although 'shooting in the ocean' may prove extremely complicated and require multiple adaptations and iterations, it ultimately provides for great dividends in the final product. Businesses and products receive vital feedback in an iterative environment that requires developers to craft toward perfection.

**Insight:** Operate in the real world as soon as possible. Too many regulated financial institutions struggle with 30-year-old systems and processes while new technology waits in the wings for budget and massive planning / design efforts. The nimble financial institutions of the next decade, which operate in the real world as soon as possible, will ultimately lead the way and generate the most value for shareholders.

## • Takeaways •

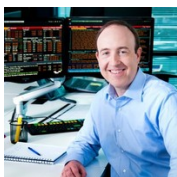
### Chaos of Production and Assembly of a Masterpiece

The *Jaws* production stage was an environment of chaos and adaptability, which ultimately produced a masterpiece. Such an environment resembles Agile project management, an iterative approach to business and a best practice in today's Age of Technology. The main benefit of Agile is the ability to respond and adapt to issues in real-time.

Financial institutions can learn a lot from the Agile project management approach. Much like Spielberg creating *Jaws*, banks and insurers do not need to specifically adopt an Agile framework. Rather, "operating with agility" can become a framework for both projects and overall daily management of an institution. Specifically:

- creating **institutional vision** for empowered employees
- building culture that **embraces** and learns from **failure**, and
- operating in a **real-world environment** as soon as possible

will enable firms to become more agile. Through such agility the next decade's leading financial institutions will emerge, ultimately delivering the highest shareholder value.



**Charles Rierson** Managing Principal

Mr. Rierson was most recently Managing Director and Co-Head of Financial Institutions Consulting at Situs where he built a bank consulting business on top of Situs core loan advisory capabilities.

Previously, Mr. Rierson was with Regions Financial Corporation where he served as Managing Director & Chief Operating Officer of Regions Capital Markets, a division of Regions Bank, as well as Chief Executive Officer of Regions Securities LLC. Rierson also has experience with The Federal Reserve Bank of Atlanta and Wachovia Bank. He has expertise in all of the bank credit businesses (corporate & real estate), loan syndications, derivatives (interest rate, credit, & equity), fixed income & equity capital markets, and mezzanine & private equity funds. Responsible for the buildout of the operations group at Regions Capital Markets, Mr. Rierson oversaw all technology for the group as well as the implementation of several systems including ACBS, which successfully integrated data flows between Capital Markets and the overall loan system AFS. Mr. Rierson's diverse commercial banking and capital markets background as well as his extensive banking network bring a new perspective to a full service consulting practice for financial institutions. Mr. Rierson earned a Bachelor of Arts degree in Math and Music from Duke University and a Master of Business Administration degree from Duke University.



Abelian Partners was created by former bank executives to provide practitioner consulting solutions to financial institutions.