Steps to Agile Success

by Alex Singh

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A Net Objectives Essential White Paper

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WHAT TO ATTEND TO

When it comes to transforming an organization to Agile at scale, it is far too easy to get caught up in the details of implementing a methodology and its associated practices and lose the focus on realizing desired Business value. To lose sight on what you are trying to achieve and why. The goal of a transformation is never to implement Scrum, or XP, or SAFe®, or what have you; rather, the goal is always to get better at achieving the value that matters to the organization. Having well-defined outcomes and a plan for achieving those outcomes is key to keeping the transformation effort on track.

Simply training employees on the mechanics and implementing the recommended practices often does not lead to, nor guarantee, the desired Business results.

Net Objectives has helped dozens of companies transition to Agile at scale. In our experience, companies struggle when they start out focusing on the "how" and fail to appreciate the "whys" that underlie the practices. They do not understand which bits can be adapted, which can be jettisoned, and which practices and tools could enhance the process. As Al Shalloway, CEO of Net Objectives says, "Practices are designed to solve a problem in a context. When challenges occur, look at the intention of the practice. Then, using principles, look for an alternative to the practice."

GOAL: IMPROVE FLOW, QUALITY, AND VALUE DELIVERED

Reducing the principles of Agile and Lean to their essence, the goal is to focus on, and continuously improve, the effective, efficient, and predictable delivery of customer value. Development teams strive to delivery more-and-more value with minimal waste; managers in turn seek to create an environment of dependable, unimpeded, measurable flow. Success requires a focus on three critical aspects: flow, quality, value. And continuous improvement.

Focus on: Flow and Predictability

Flow is the regular, never-ceasing, forward progress of products, services, and information to the customer, who might be an external client or user or an internal stakeholder. It is work moving from one step to the next, within the value stream, without delay or rework. Improving flow often involves removing roadblocks that delay or prevent the continual forward motion and throughput of work.

Closely related to flow is predictability. Predictability implies the ability to accurately answer, "When will it be done?" Making your process more predictable and being able to reliably and consistently meet delivery commitments is the first step in building trust with business partners, stakeholders, and customers. However, before worrying about predictability, you first need to ensure that there is complete transparency and visibility so that managers and team members can see what is really happening in order to make informed decisions.

Without visibility, it is nearly impossible to make and keep commitments with any degree of certainty. Attempts to improve flow simply become shots in the dark; it is not possible to see and evaluate the effects.

The last aspect of flow is the notion that people are engaged and productive when there is a match between their skills and the complexity of work required -- lack of required skills can lead to fear and stress; mundane work to ennui. Self-organizing teams should keep this in mind when allocating or self-selecting items to work on.

Alex Singh Alex Singh is a Lean-Agile coach guiding, enabling, advising and assisting in difficult environments with limited options, in particular large organizations as they embark on their enterprise-wide agile transformation journey. His goal as a coach is not only to help organizations meet their immediate objectives, but also to set them on a path of continued improvement and self-sufficiency. He engages with a client to help them where they are rather than impose a standard solution upon them. He strongly believes in and advocates continual exploring, experimenting, learning, adapting, improving.

Follow Alex at @alexagile

Focus on: Quality

Quality is assessed by the customer. The quality of a product or service is the degree to which a set of inherent characteristics fulfil a need or expectation that is clearly stated, generally implied, or obligatory. It is more than simply being free of defects. Quality involves meeting customer expectations. And yes, some of these expectations can be subjective. Interestingly, performing higher does not necessarily mean higher quality if the buyer balks at buying the unasked for add-on functionality.

It is a common misconception to believe that you have to go slowly in order to produce quality work. But, speed and quality are not dichotomous options and they should go hand-in-hand -- you can get better quality and a higher rate of work completion. Companies that invest in automation and in preventing defects (vs. finding them at the end of the development cycle) find that quality does not have to be compromised for speed. Quality affects flow. When work is not done right the first time, when quality is not built into the process (vs. checking for defects after the fact), and when the product or service does not meet the customer's need, we end up with rework and defects that have to be addressed. This unanticipated rework makes it harder to be predictable, impedes flow, and delays completion of work. Speed and quality are not mutually exclusive.

Focus on: Value

Value can be a fuzzy concept. It can be viewed from different perspectives: customer, business/organizational, operational, and individual and each will have likely have a different understanding of value. Imagine how each perspective might think about the "pizza delivery business."

- A pizza maker competing with other pizza makers for a single job at a local pizza store
- The manager of the pizza shop
- The owner of the pizza shop to whom the manager reports daily or weekly
- The customer who ordered a couple of pizzas to be delivered to her home

What is perceived to be "value" by one role may not be by another.

Some companies make the mistake of losing sight of who they are building the product or service for -- delivering business/organizational value is important but being uninformed about what customers' value is extremely dangerous. To complicate matters, value is not constant — things can become more or less valuable over time depending on the circumstance.

Once you have agreed on what value means and who is being provided that value, you need to define the minimal cohesive increments of functionality that together will meet the needs of the target customer by either solving a problem she has or by making her work easier, better, or faster. To do this, you have to take the time to understand your customers and stakeholders, their problems, their needs, their actual usage of the product or service. This practice of customer discovery is deceptively simple: form hypotheses about the product, about the problem that your product solves, and test these hypotheses with those who could be your potential customers to verify, iterate or exit. An "I already know what customers want" attitude, based on their perception of market opportunity, is a good indicator of failure. Additionally, you need to verify or refute your product's value proposition, its sales road map, business model, etc. After all, you don't want to develop something if it isn't worth it to your enterprise.

Lastly, defining a clear value metric across all the portfolio of work being considered makes it possible to sequence the order of implementation of the minimal cohesive increments based on Cost of Delay or another mechanism.

FIVE STAGES TO ORGANIZATIONAL AGILITY

Now let's turn to achieving Organizational Agility. Agile, particularly at scale, involves deliberately improving the following (in order):

1. Visibility
2. Predictability
3. Time-to-market (Flow)
4. Value / Outcome driven
5. Organizational Agility

All steps are underpinned by cycles of: assessing, defining the improvement strategy, training, and coaching.

1. Visibility

Visibility presupposes a culture of transparency, openness, and safety (protection from retribution and loss of reputation, health, money, and relationships). Without such a culture, you will not have true visibility and visual management will be a sham. Michael Ballé, in The Lean Manager, defines Visual Management as "seeing together, so we know together, so we can act together."

2. Predictability

With clear visibility you can begin to gauge and improve the predictability of your overall process. Predictability implies the ability to accurately answer, "When will it be done?" Making your process more predictable and being able to reliably and consistently meet delivery commitments is the first step in building trust with business partners, stakeholders, and customers. Predictability can be gauged by studying Cumulative Flow Diagrams and work item completion time scatter plots. These give you a baseline to start from.

It is important as a first step to regulate the arrival rate of new work to the completion rate of work. Work should not be started at a faster rate than work is completed. If it does, then you are faced with a situation of ever increasing WIP and lengthening cycle times -- the perfect recipe for increasing unpredictability. Stabilize the system (prevent cycle times from increasing) to have any hope of achieving the goal of predictability.

3. Time to Market (Flow)

Once you have a baseline and a sustainable stable system, you can begin experimenting with a view to increase flow and predictability. A fundamental approach is to begin by removing impediments. Use the scientific method. Determine what to improve, propose a hypothesis (an impediment to remove), plan the implementation, define expected outcomes, implement the change,

compare the actual results to those expected, and then determine next steps: Persevere, pivot, kill.

Improving flow (to shorten the cycle to discover ideas, develop and deliver solutions, and validate learning) can be discerned by the increasing speed of progress of work items from left-to-right on the work-flow visualization board and by the lack of large buildups of work somewhere in the process. It is enabled by ensuring alignment around intent while granting autonomy around actions (self-organizing teams).

4. Value- or Outcome-Driven

While value is important, it has been mentioned fourth for a reason. If the delivery system is broken, inefficient, or unpredictable, it makes little difference what is fed into that system or in what order. With a stable, smoothly flowing, system you can now really start focusing on ensuring that you are providing the most value possible.

Improve your capability to define and deliver working solution increments that meet customer needs and solve their problems. Use a clearly defined purpose and these sequenced increments to align business, technology, and operations. You will likely run into challenges with how funds are budgeted and allocated to projects and/or products. Having conversations with Finance about alternate approaches will now be much easier because you (IT) already have a track record of execution and predictable delivery.

Being value- or outcome-driven implies building the right thing, being focused on product rather than execution, and having the skills to figure out earlier what to make. Start with the end in mind then ask, "What experiments can be run to impact the outcomes?", "What capabilities do we need to develop to realize the outcomes?", and "What behaviors do we need to develop?"

5. Organizational Agility

There is a laser focus on identifying measurable goals, determining probable success factors, identifying necessary conditions for those factors to occur, and implementing a plan that helps create the required necessary conditions.

Leaders are proactive in designing organizational structures, rules, and policies that enable agility throughout the organization. Agile practices have permeated the culture and have eliminated most or all of the business pain points. Finance, budgeting, HR, and governance groups are all agile and can work with agile artifacts for satisfying audit/governance needs.

Everyone understands the dictum that "Lean is not about removing waste but about problem solving towards a vision!" and without prompting continually strives to improve himself, the process, and the organization. This is also where leaders can set challenging goals for teams and help them improve via self-development learning cycles.

AN APPROACH TO ACHIEVING THE AGILE AT SCALE

Table 1 provides a little more information on steps 2-4 discussed above for improving your organization's ability to deliver value to customers. Over time move from Level 1 to Level 3 for the three areas: Product, Team, Management.

This journey is not easy and can easily take you a couple of years or more to become truly nimble and customer-focused. There is significant additional detail about the practices recommended and behaviors required for each of the nine cells above.

CONCLUSION

While this document provides a high-level view of the approach we recommend, it doesn't go into all the detail needed to move from stage-to-stage (visibility to predictability to flow, etc.), what aspects to pay heed to, and how to sell and implement the changes.

We would love to continue the conversation with you. Reach out to us if you would like more information or if you think you aren't seeing the business benefits you had originally envisioned before starting on your Agile journey.

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Table 1. Steps to realizing Agile at Scale

Level	Product choose the right thing	Team do it predictably, safely, efficiently	Management do it sustainably
1	Limit work arrival rate to completion rate. Prioritize work quickly based on relative value.	Predictably deliver high-quality working product.	Keep teams stable and staff roles effectively engaged.
2	Let market needs drive what gets built and in which order.	Improve delivery frequency and smoothen flow of valuable product to customers.	Build cross-functional teams and help them focus on value, flow, and quality.
3	Transition to a product focus and ownership.	Continuously improve ability to deliver.	Inculcate a culture of continuous improvement.

BUSINESS-DRIVEN SOFTWARE DEVELOPMENT

Business-Driven Software Development is Net Objectives' proprietary integration of Lean-Thinking with Agile methods across the business, management and development teams to maximize the value delivered from a software development organization. This approach has a consistent track record of delivering higher quality products faster and with lower cost than other methods.

Business-Driven Software Development goes beyond the first generation of Agile methods such as Scrum and XP by viewing the entire value stream of development. Lean-Thinking enables product portfolio management, release planning and critical metrics to create a top-down vision while still promoting a bottom-up implementation.

Our approach integrates business, management and teams. Popular Agile methods, such as Scrum, tend to isolate teams from the business side and seem to have forgotten management's role altogether. These are critical aspects of all successful organizations. Here are some key elements:

- Business provides the vision and direction; properly selecting, sizing and prioritizing those products and enhancements that will maximize your investment.
- Teams self-organize and do the work; consistently delivering value quickly while reducing the risk of developing what is not needed.
- Management bridges the two; providing the right environment for successful development by creating an organizational structure that removes impediments to the production of value. This increases productivity, lowers cost and improves quality.

BECOME A LEAN-AGILE ENTERPRISE

Involve all levels. All levels of your organization will experience impacts and require change management. We help prepare executive, mid-management and the front-line with the competencies required to successfully change the culture to a Lean-Agile enterprise.

Prioritization is only half the problem. Learn how to both prioritize and size your initiatives to enable your teams to implement them quickly.

Learn to come from business need not just system capability. There is a disconnect between the business side and development side in many organizations. Learn how BDSD can bridge this gap by providing the practices for managing the flow of work.

WHY NET OBJECTIVES

While many organizations are having success with Agile methods, many more are not. Much of this is due to organizations either starting in the wrong place, such as focusing on the team when that is not the main problem, or using the wrong method, such as using Scrum or kanban because they are popular.

Net Objectives is experienced in all of the Agile team methods (Scrum, XP, Kanban) and integrates business, management and teams. This lets us help you select the right method for you.

LEARN TO DRIVE DEVELOPMENT FROM THE DELIVERY OF BUSINESS VALUE

What really matters to any organization? The delivery of value to customers. Most development organizations, both large and small, are not organized to optimize the delivery of value. By focusing the system within which your people are working and by aligning your people by giving them clear visibility into the value they are creating, any development organization can deliver far more value, lower friction, and do it with fewer acts of self-destructive heroism on the part of the teams.

THE NET OBJECTIVES TRANSFORMATION MODEL

Our approach is to start where you are and then set out a roadmap to get you to where you want to be, with concrete actionable steps to make immediate progress at a rate your people and organization can absorb. We do this by guiding executive leadership, middle management, and the teams at the working surface. The coordination of all three is required to make change that will stick.

OUR EXPERTS

Net Objectives' consultants are actually a team. Some are well known thought leaders. Most of them are authors. All of them are contributors to our approach.

Al Shalloway   *Alan Chedalawada*   *Guy Beaver*

Scott Bain   *Max Guernsey*   *Luniel de Beer*

SELECTED COURSES

Executive Leadership and Management

Lean-Agile Executive Briefing

Preparing Leadership for a Lean-Agile/SAFe Transformation

Product Manager & Product Owner

Lean-Agile Product Roadmaps

PM/PO Essentials

Lean-Agile at the Team

Acceptance Test-Driven Development

Implementing Team Agility

Team Agility Coaching Certification

Lean-Agile Story Writing with Tests

Technical Agility

Advanced Software Design

Design Patterns Lab

Effective Object-Oriented Analysis and Design

Emergent Design

Sustainable Test-Driven Development

DevOps

DevOps for Leaders and Managers

DevOps Roadmap Overview

SAFe®-Related

Implementing SAFe with SPC4 Certification

Leading SAFe® 4.0

Using ATDD/BDD in the Agile Release Train (workshop)

Architecting in a SAFe Environment

Implement the Built-in Quality of SAFe

Taking Agile at Scale to the Next Level

OUR BOOKS AND RESOURCES
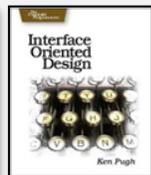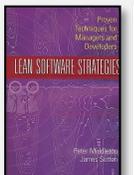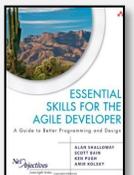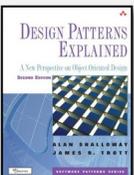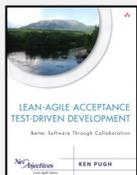
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