

Scaling Agile to the Enterprise

Enabling the Agile Enterprise

Strategically Aligned, Throughput Focused, Human Powered

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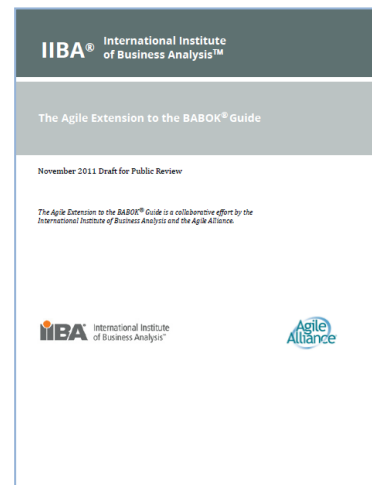
Agile
Enterprise Analysis



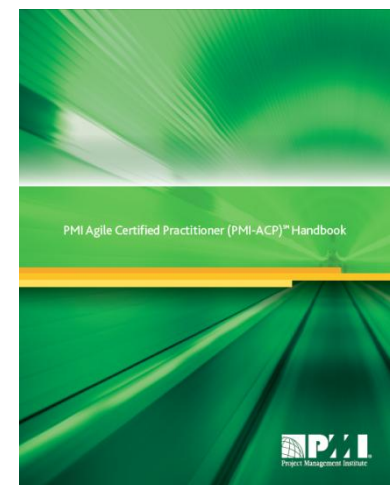
Scaling Agile
to the Enterprise



OPM3: Deputy Project Manager
PMI Agile Community of Practice: Leader
PMBOK Software Extension: Vice Chair



Core Team
BABOK Agile Extension



Steering Committee
PMI-ACP

Agenda

- Underlying Theory of Agile
- An Enterprise Agile Approach
- The Agile Competency Model
- Enterprise Agile Transformation

You already know this

WHAT IS AGILE

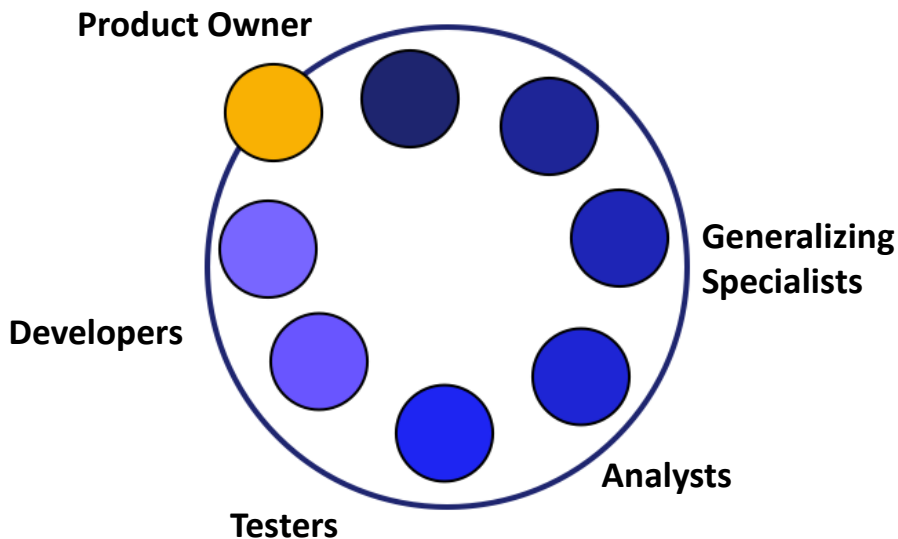
Agile Manifesto

We are uncovering **better ways of developing software** by doing it and helping others do it. Through this work we have come to value:

- Individuals and interactions *over process and tools*
- Working software *over comprehensive documentation*
- Customer collaboration *over contract negotiation*
- Responding to change *over following a plan*

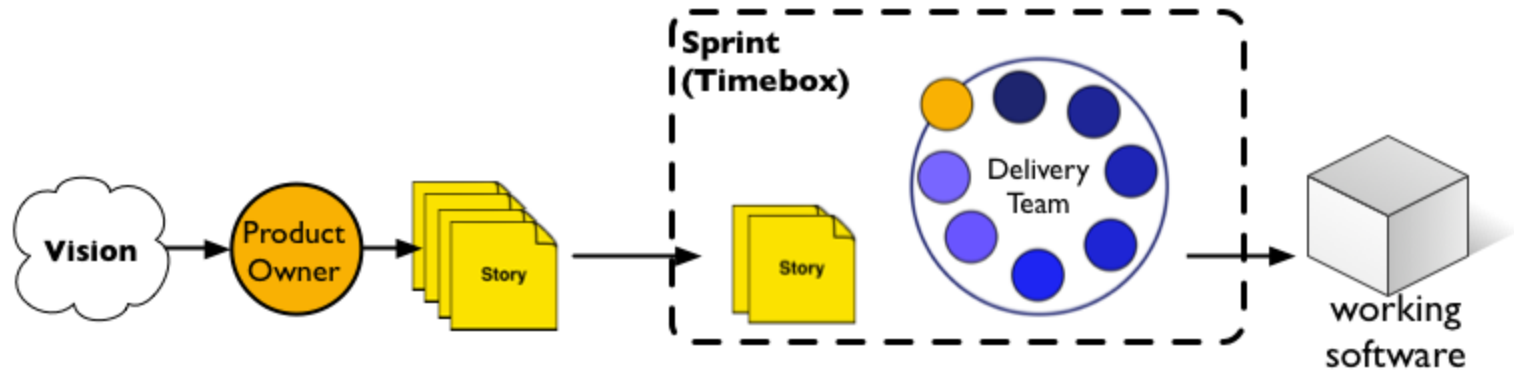
That is, while there is value in the items on the right, we value the items on the left more.

An Agile Team



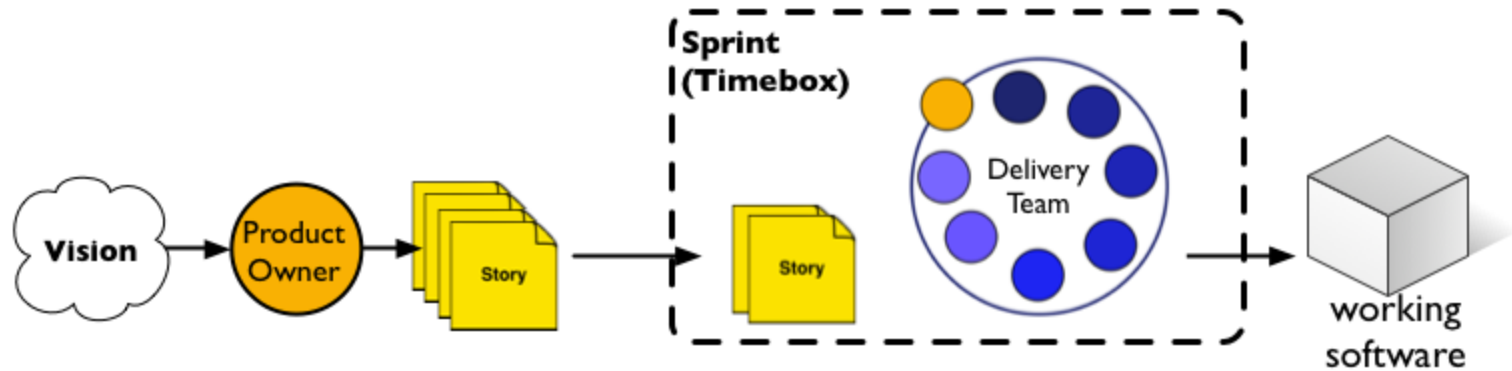
- Everything needed to deliver an increment of value.
- Works together as a unit to deliver increments of working, tested software.
- The organization provides environment and support they need.
- Teams aren't formed around each project – the teams are persistent and projects are brought to the teams.

Agile Cadence



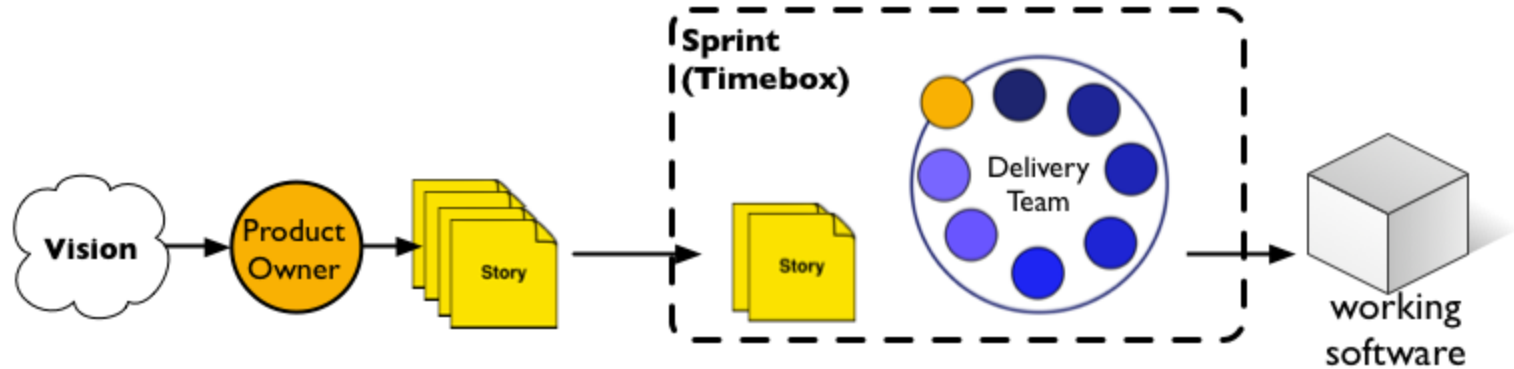
Establish a vision for the future.

Agile Cadence



The product is broken down into a roadmap and progressively elaborated into a backlog of stories. The backlog is groomed and prepared for the for the delivery team.

Agile Cadence



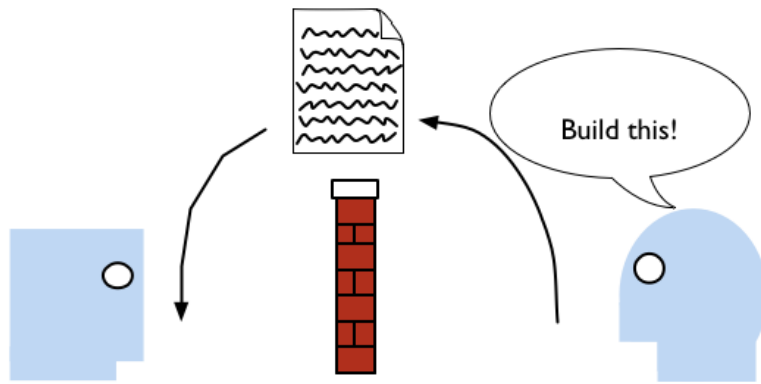
The delivery team works together to deliver an increment of working, tested software every iteration.

100 Years of Management Theory out the Window

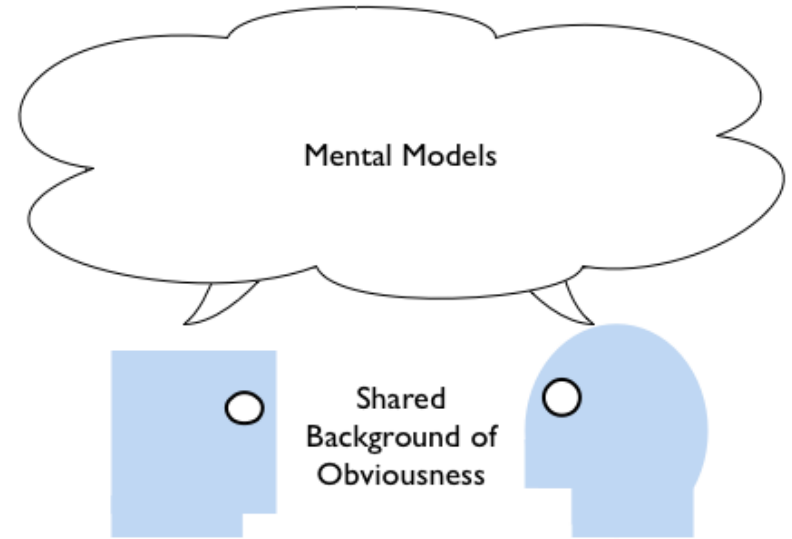
AGILE UNDERLYING THINKING

Underlying Thinking

People and Interactions



Sufficiently documented



Community

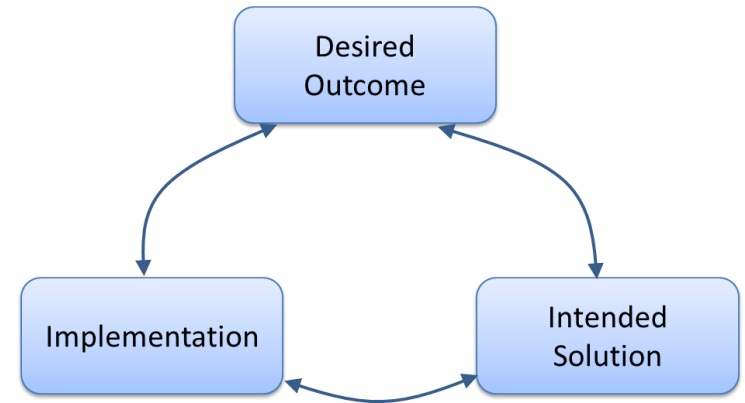


Underlying Thinking

Knowledge Acquisition



Linear process

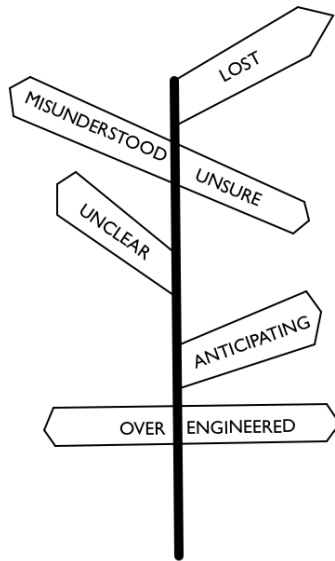


Learning driven process

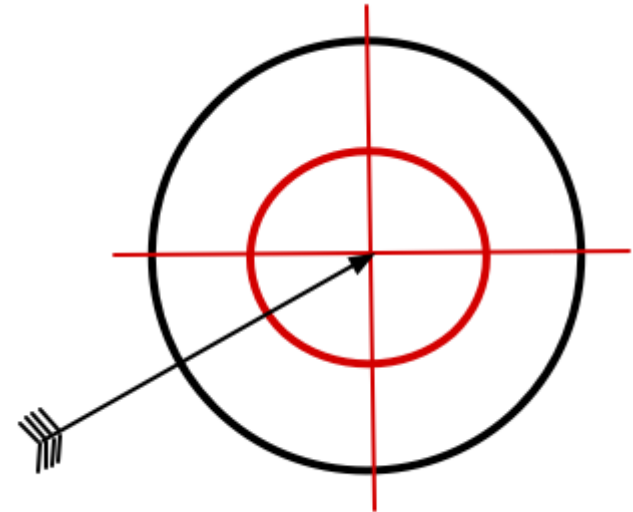
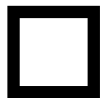


Underlying Thinking

Value Focus



Anticipating everything
while ignoring technical
implementation

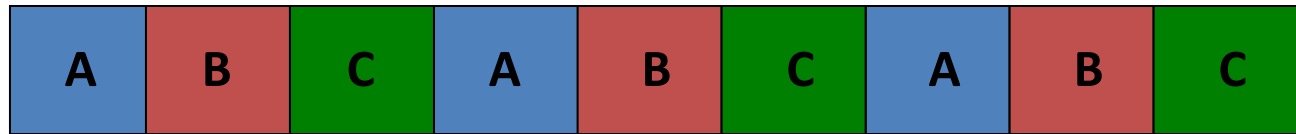


Intentionally balancing
outcome and
implementation

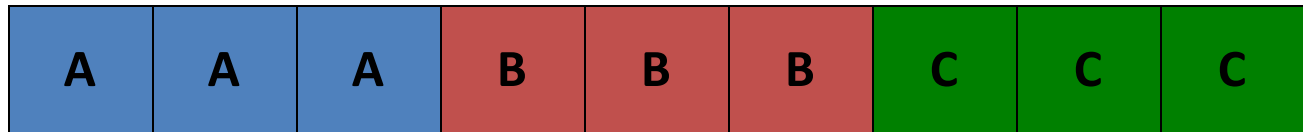


Underlying Thinking

Flow Trumps Utilization



Perfect upfront plans that optimize resource utilization



Empirical Process Control

Why would you want to do this?

ENTERPRISE AGILE

Enterprise Agile?

- Agile within the constraints of the enterprise
- Lots and lots of Agile teams
- Agile at scale

It can include all of these...

But its not Agile for the sake of Agile

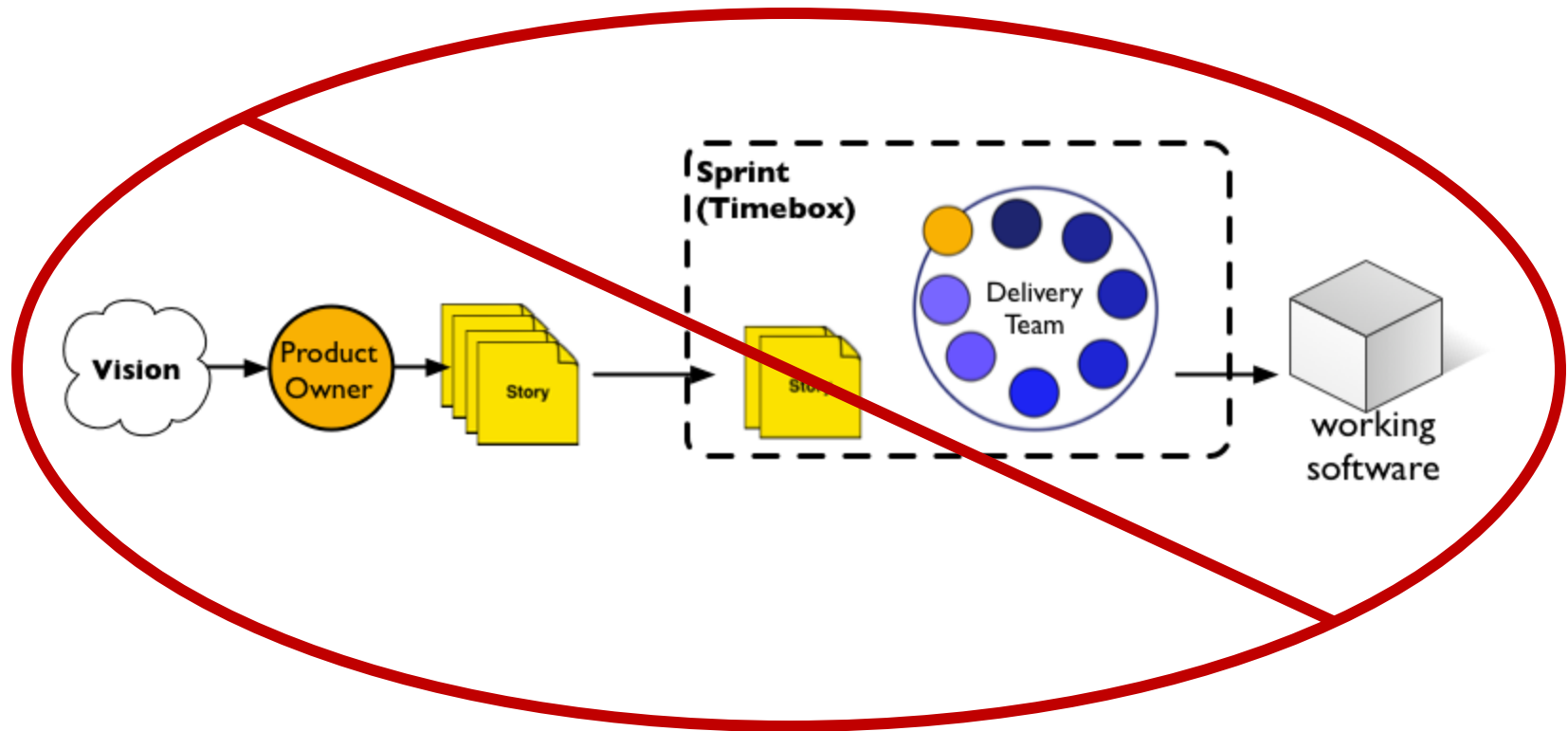
Enterprise Agile

- Exploit Agile competencies along with Lean concepts across the entire product organization resulting in faster time to market, higher quality products, more efficient delivery, and higher predictability to **create a sustainable competitive advantage**.

Challenges with Scaling Agile

- "Perception of Safety" through Utilization, Control, and Accountability
- Leads to an emphasis on processes and tools, comprehensive documentation, contract negotiation, and following the plan

Scale disrupts what makes Agile work



- Flow of Value, Knowledge Acquisition, Focus on value, and People and Interactions are not the focus

Scaling Agile to the Enterprise

- How do we scale Agile to the Enterprise...
- to facilitate flow, knowledge acquisition, focus on value, and people and interactions at the execution level...
- while providing the safety of predictability, transparency, and return...
- and improving quality, adaptability, and time to market.

Enterprise Agile

Levels of Planning

Delivery Teams

Multiple delivery teams predictably delivering from backlogs prepared by product owners.

Enterprise Agile

Levels of Planning

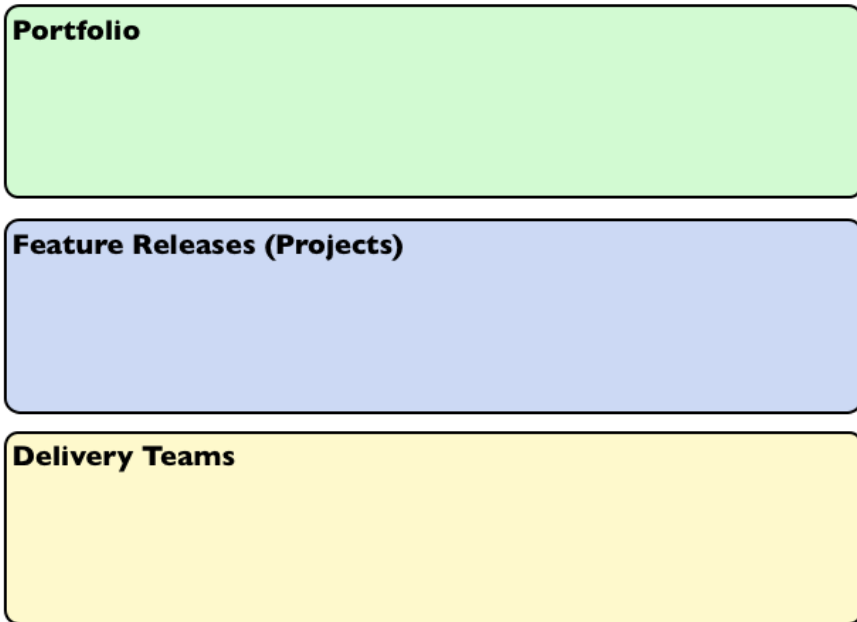
Feature Releases (Projects)

Multiple product owners – or product owner teams focusing on the flow of features to release.

Delivery Teams

Enterprise Agile

Levels of Planning



Rapid predictable delivery allows the portfolio to be dynamically allocated as needs emerge.

Enterprise Agile

Levels of Planning

Strategy

New strategic options exist that can be exploited for a competitive advantage.

Portfolio

Feature Releases (Projects)

Delivery Teams

Enterprise Agile

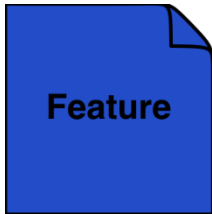
Requirements Artifacts



Small enough it can be developed, tested, and made potentially shippable in 2 days to a week.

Enterprise Agile

Requirements Artifacts



Allows communication between the customer and the development team in terms both can understand.



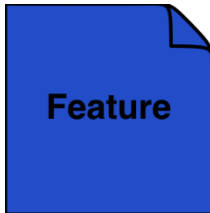
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Enterprise Agile

Requirements Artifacts



Contains all the work to make progress toward a specific business goal or strategic theme.



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Enterprise Agile

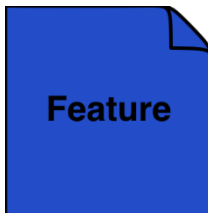
Requirements Artifacts



Initiatives which drive the enterprises investment in systems, products and applications.



Contains all the work to make progress toward a specific business goal or strategic theme.



Allows communication between the customer and the development team in terms both can understand.



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Enterprise Agile

Requirements Artifacts

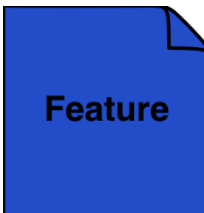


Each increment of value creates context and constraints for the level below



The 3C's

- Card (Container)
- Confirmation (Acceptance Criteria and Sufficient Elaboration)
- Conversation



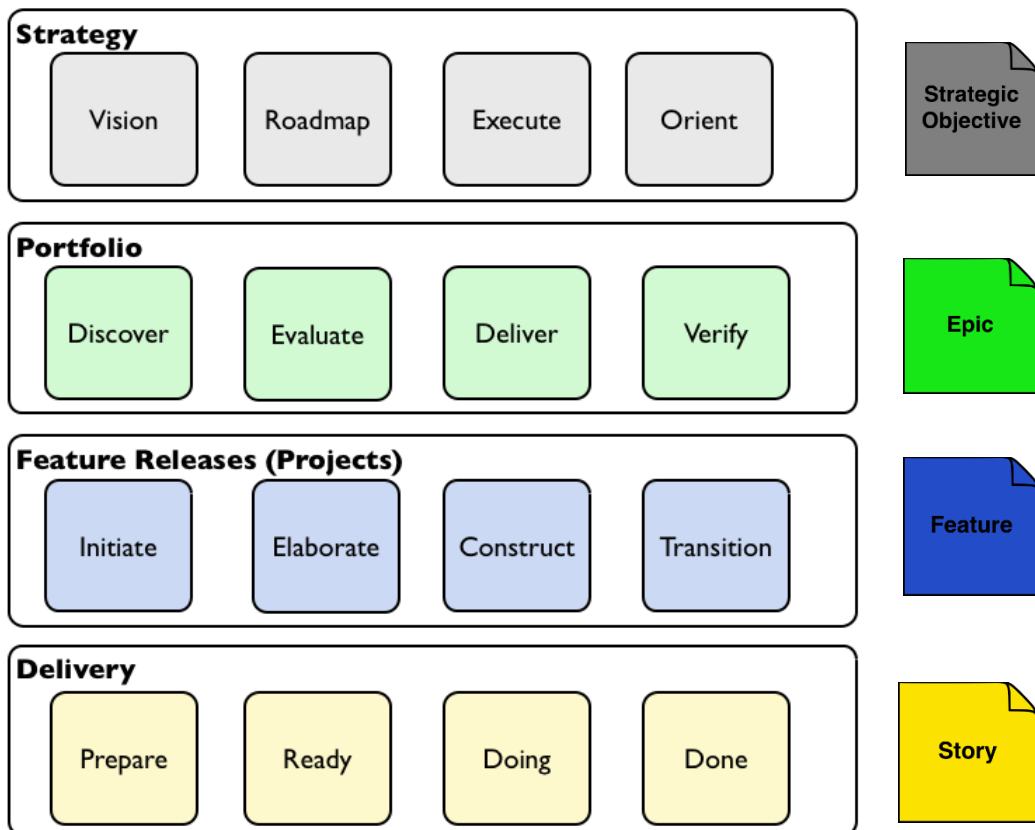
Generally

- Increments of value must be prepared prior to planning
- Don't commit to an increment of value that isn't ready
- We want to get each increment of value done before starting more



Enterprise Agile

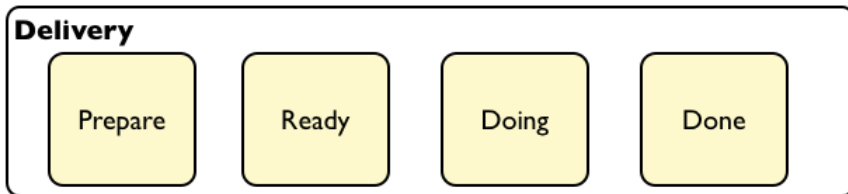
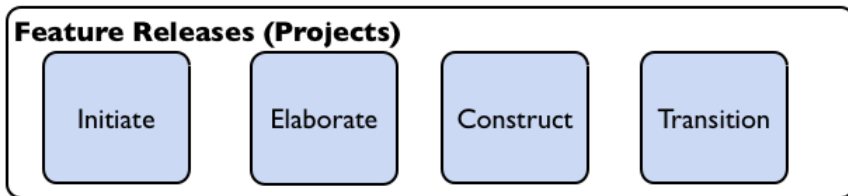
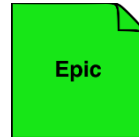
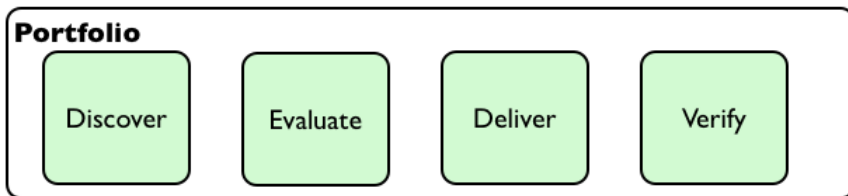
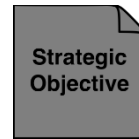
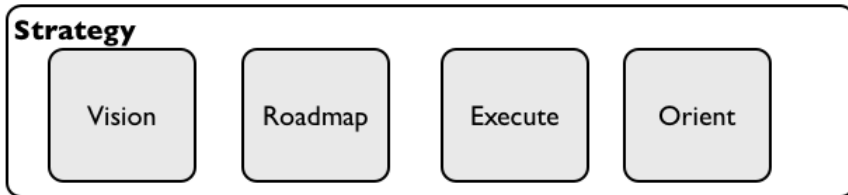
Maintain Underlying Thinking



- **Flow:** Each increment of value has a lifecycle.
- **Value Focus:** Each level sets constraints and context for the level below.
- **Knowledge Acquisition:** Facilitate craft, invention and collaboration while maintaining predictability.
- **People and Interaction :** There are teams at each level. The teams also form around the overall goals of the organization.

Enterprise Agile

Continuous Feasibility and Risk Management



Do we know what to build?

Do we have the capability, capital and the will to do what it takes?

Do we understand the customers needs?

Do we know how to build it?

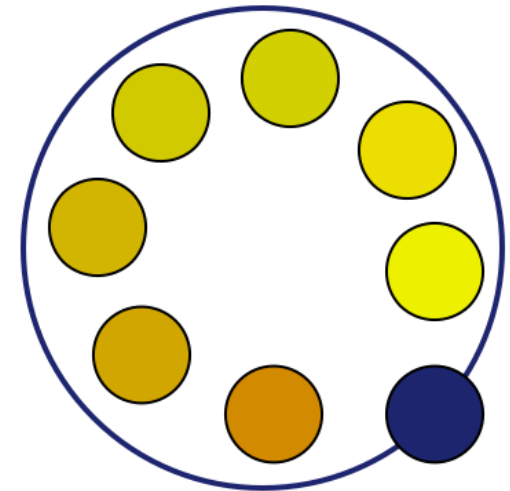
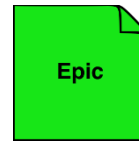
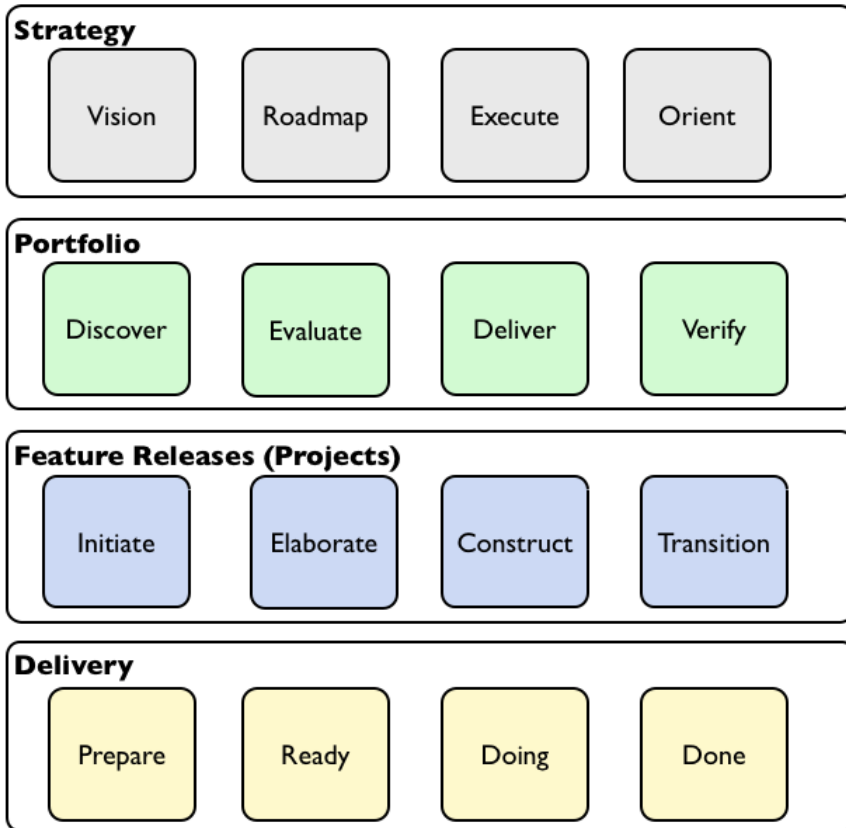
Do we have the ability to get feedback throughout?

Have we met the need already?

Are we paying attention to external risks?

Enterprise Agile

Product Owner Team



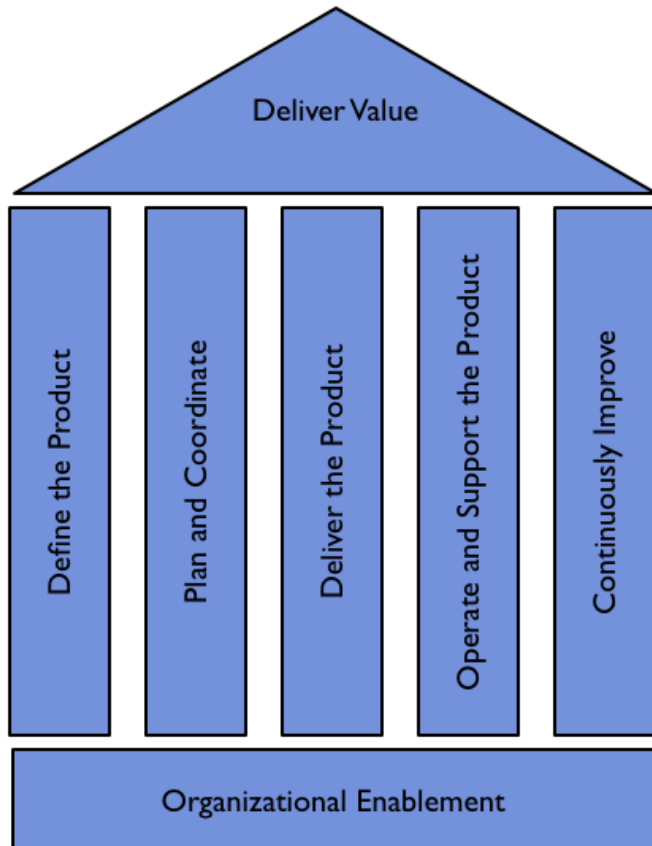
Product Owner Team

How do you get there?

SCALING AGILE

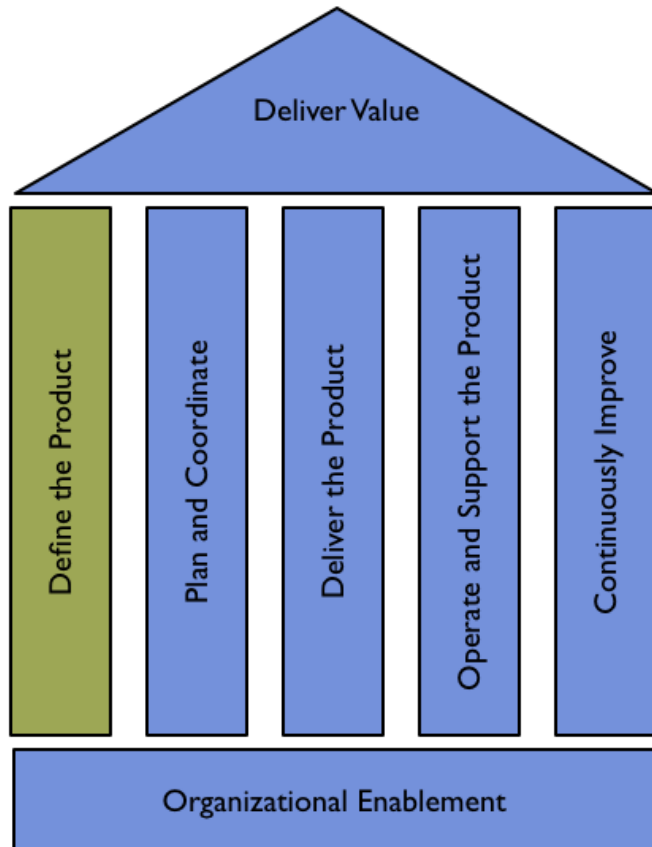
Agile Competencies

The competencies are integrated and evolve collaboratively to maximize the overall performance of the team



- **Define the Product** - Do the highest value work.
- **Plan and Coordinate** - Align work, workers, and stakeholders
- **Deliver the Product** - Collaborate to deliver the product reliably
- **Operate and Support** – Support frequent releases and product feedback
- **Continuously Improve** - Intentionally improve performance.

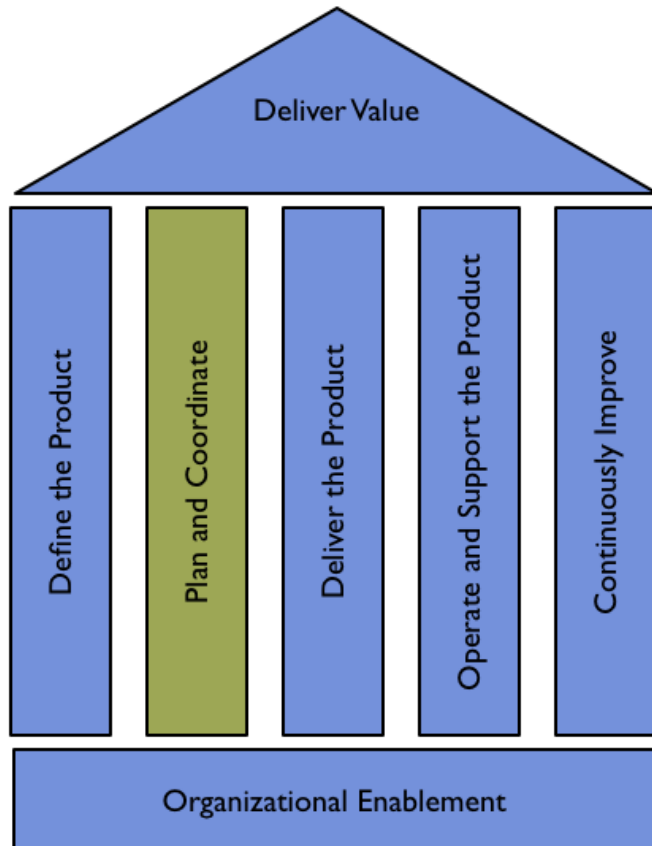
Define the Product



Focus on the highest value work

- Establish a vision
- Define a roadmap
- Create a backlog
- Estimate size and effort
- Prioritize backlog
- Accept the product

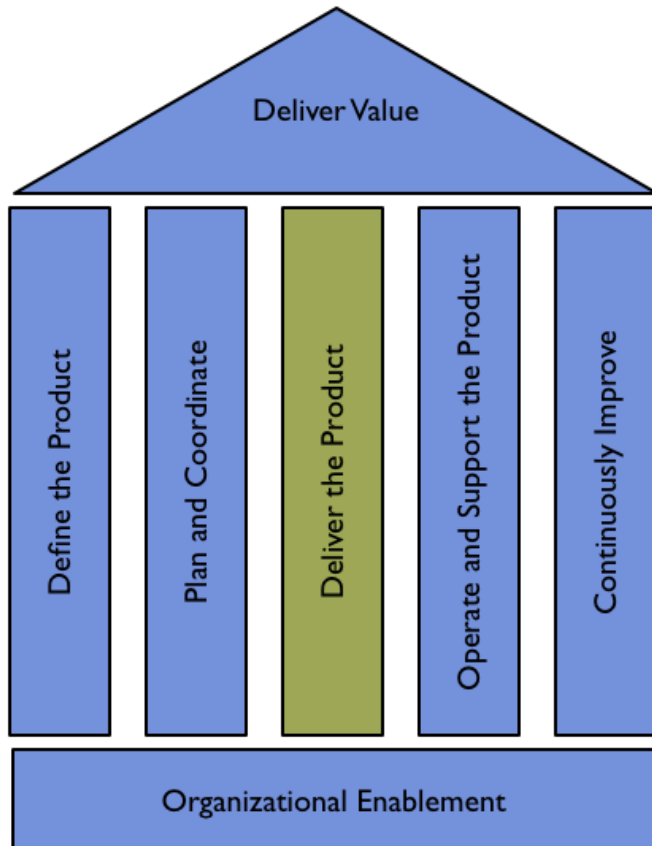
Plan and Coordinate



Align work, workers and stakeholders

- Establish a planning cadence
- Define activities
- Establish a delivery cadence
- Make work flow
- Make and keep commitments

Deliver the Product

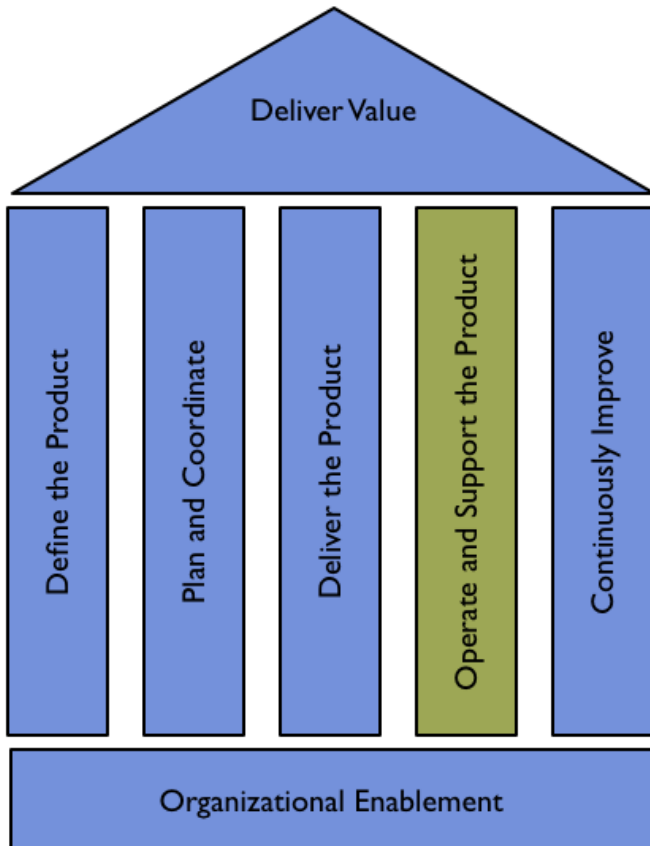


Deliver the product reliably

- Define the solution
- Build the solution
- Test the solution
- Manage trade-offs
- Deploy the solution

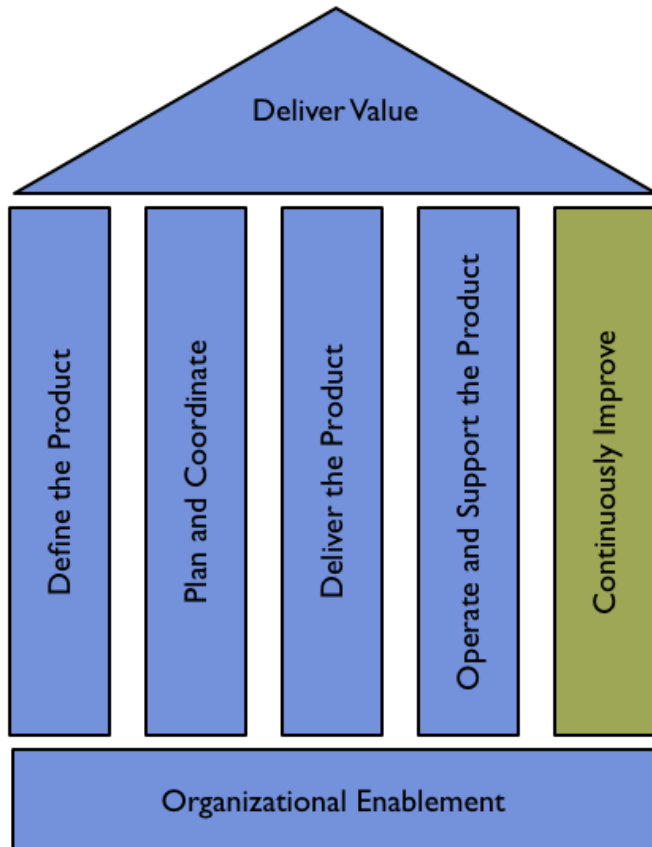
Operate and Support

Frequent releases and product feedback



- Transition the product
- Support users
- Operate the system
- Maintain continuity

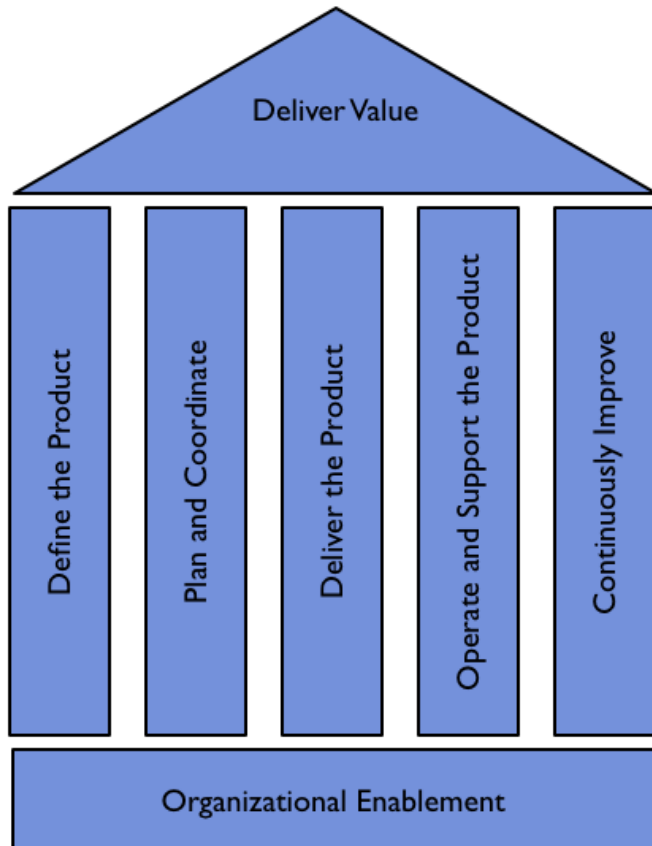
Continuously Improve



Intentionally improve performance

- Evaluate performance
- Plan improvements
- Prepare for change
- Implement change
- Reinforce change

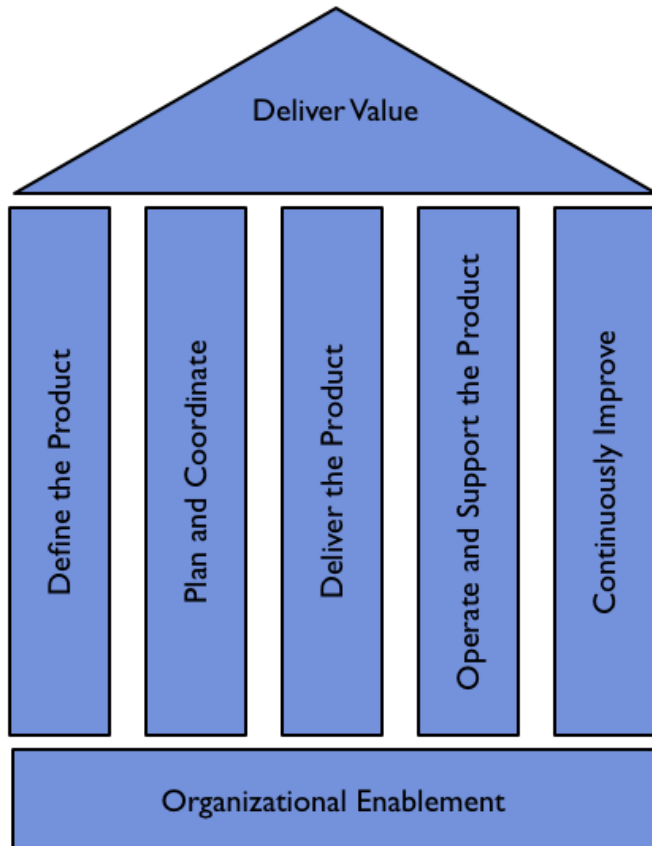
Organizational Enablement



Shaped by:

- Organizational Structure and Policies
- Practices
- Underlying Thinking

Organizational Enablement



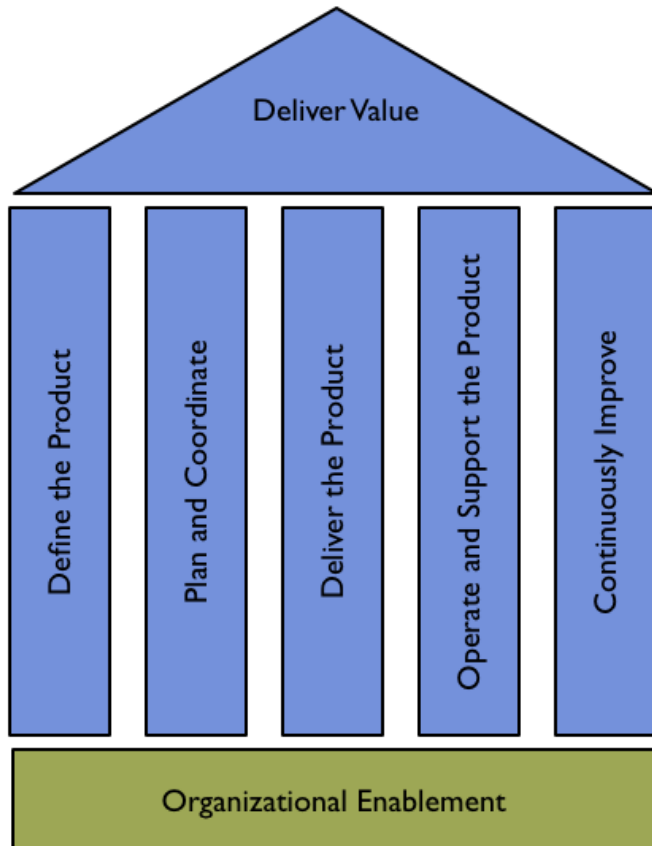
Shaped by:

- Organizational Structure and Policies
- Practices
- Underlying Thinking

The ability to shape:

- Organizational Structure and Policies
- Practices
- Underlying Thinking

Organizational Enablement



Design the system to maximize value delivered

Organization Structure

- Form teams
- Align incentives

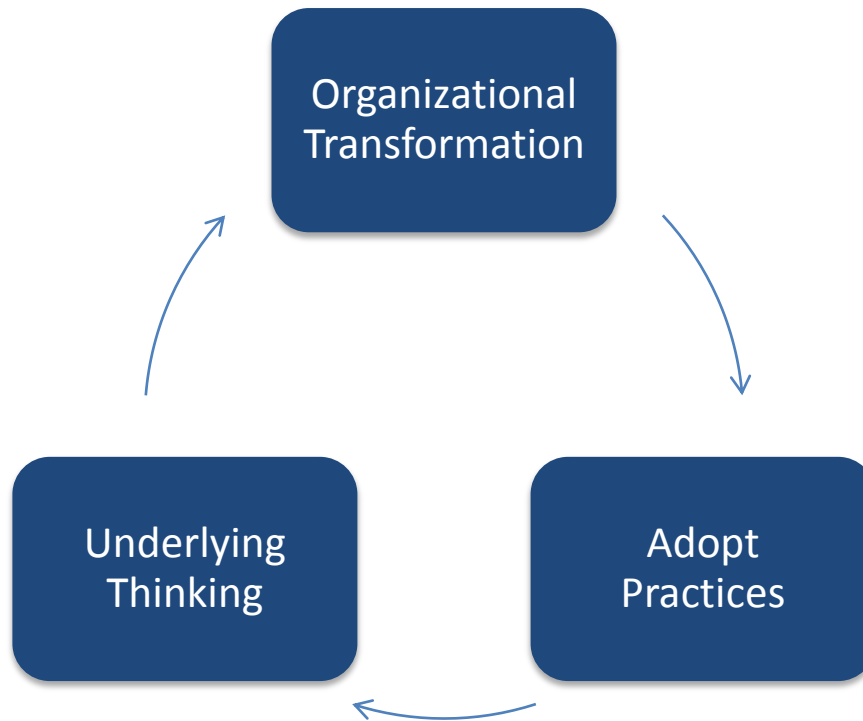
Practices and Tools

- Develop team competencies
- Develop practice competencies

Underlying Thinking

- Support teams
- Ongoing coaching

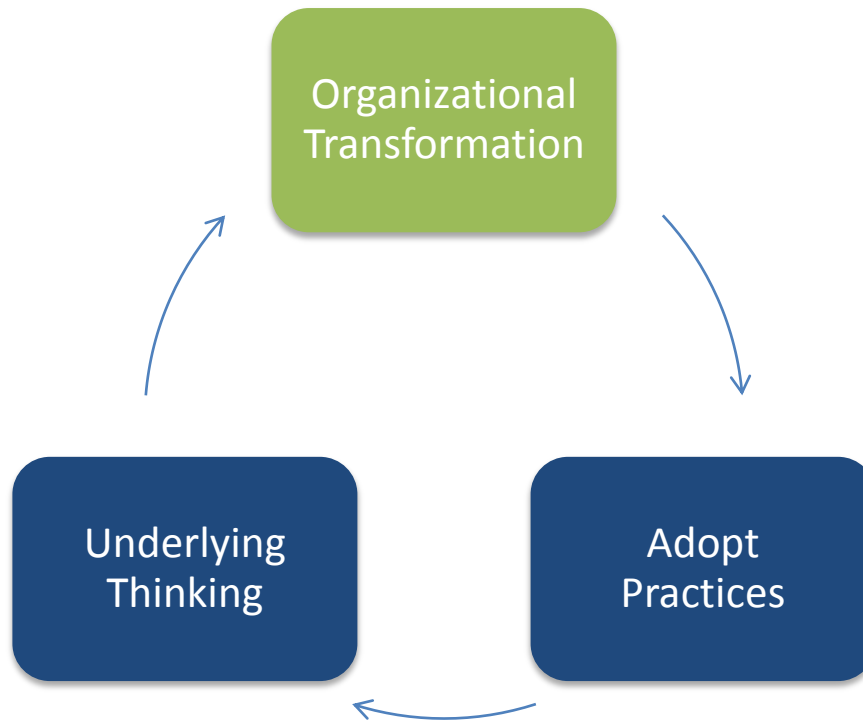
Transformation Cycle



Introducing Agile is Iterative and Incremental

- Changing some of the physical structures in our organization
- Teaching people new ways of working
- Helping people internalize how and why agile really works...

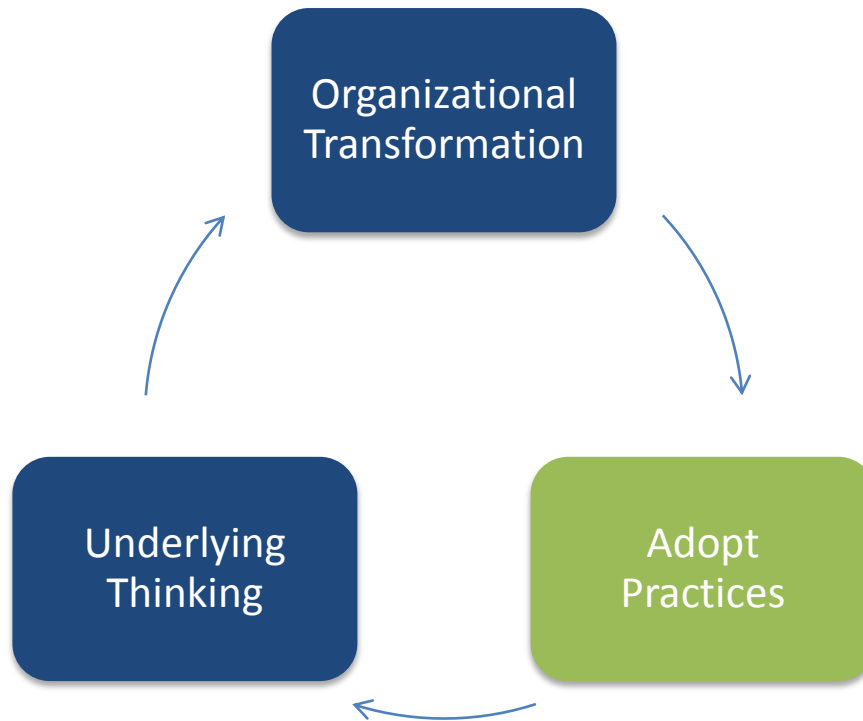
Transformation Cycle



Organizational Transformation

- Establish a top-down organizational design pattern and roadmap
- Make changes to the structure of the organization, build Agile teams
- Establish policies and working agreements

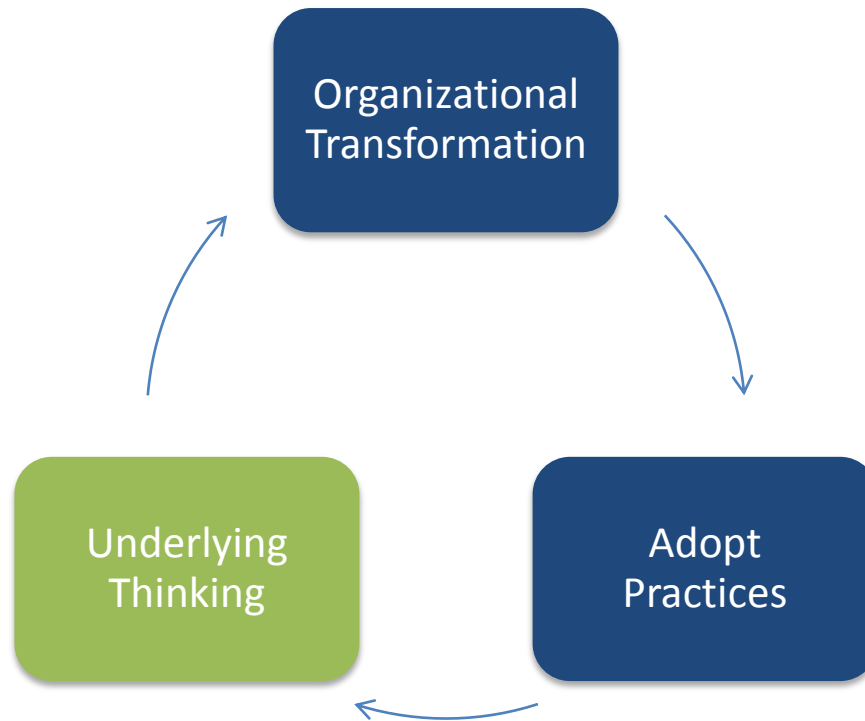
Transformation Cycle



Adopt Practices

- Defining Value
- Planning and Coordinating
- Delivering Value
- Operate and Support
- Continuous Improvement

Transformation Cycle



Underlying Thinking

- Develop a greater ability to deal with ambiguity and inspect and adapt
- Expand underlying theories of Agile practices and organizational design
- Explore underlying beliefs of flow, feedback, focus and shared understanding

Transformation Cycle

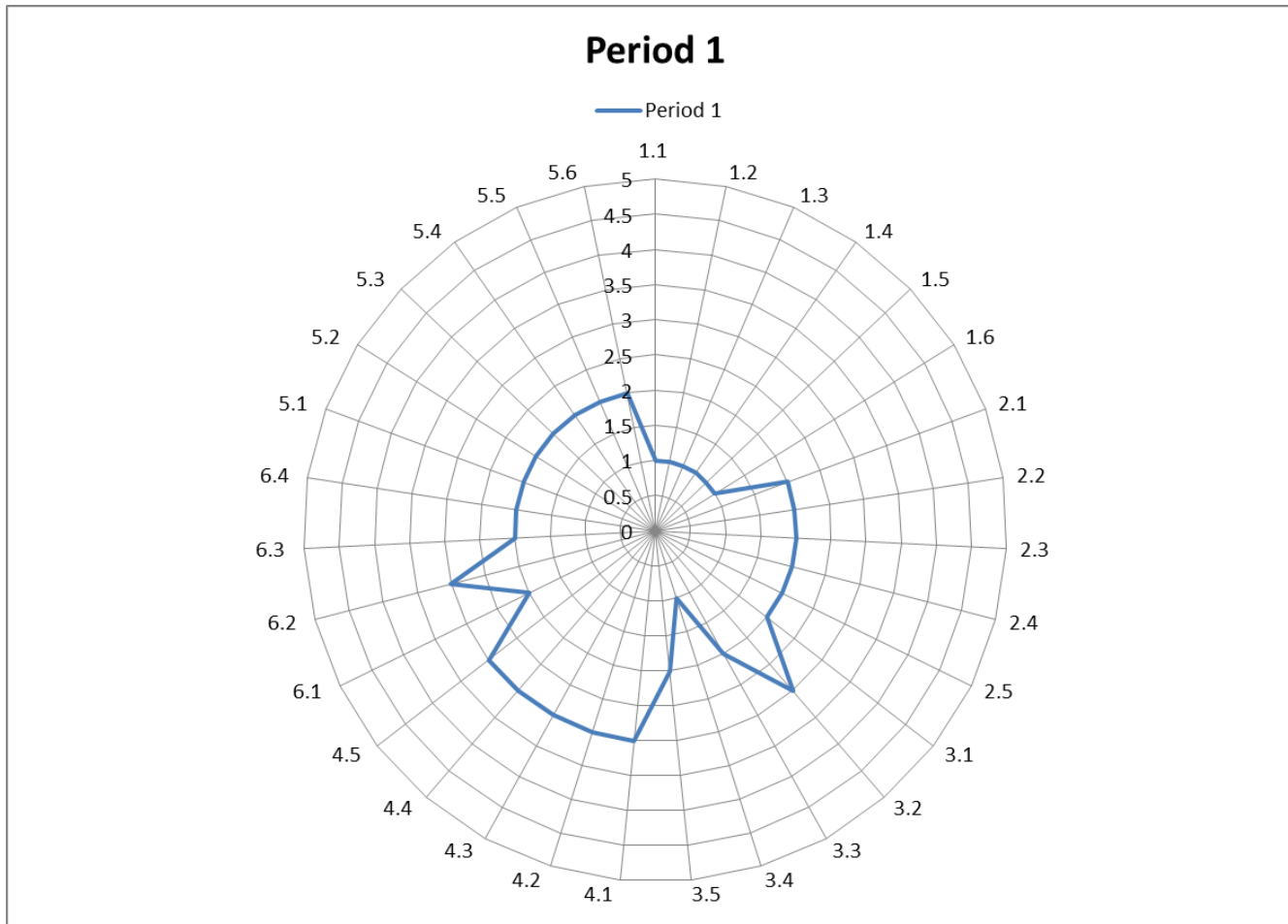
- **You have to address all three aspects to achieve sustainable organizational change...**

Evaluate Performance

- At each relevant level of scale – Determine if each competency is congruent with Agile.
- Determine if a competency performing at 1-3 is resulting in a significant constraint in the delivery team level.

1	Pre-Implementation	It doesn't exist, there is no process to do it in an agile fashion, and there is resistance to having it.
2	Beginning	People get that it is needed but aren't doing it
3	Recognizable	We are doing it but not effectively
4	Stabilizing	It is there but driven by an individual
5	Sustainable	It is institutionalized, there is a way to make sure it is done sufficiently, and it happens without coercion.

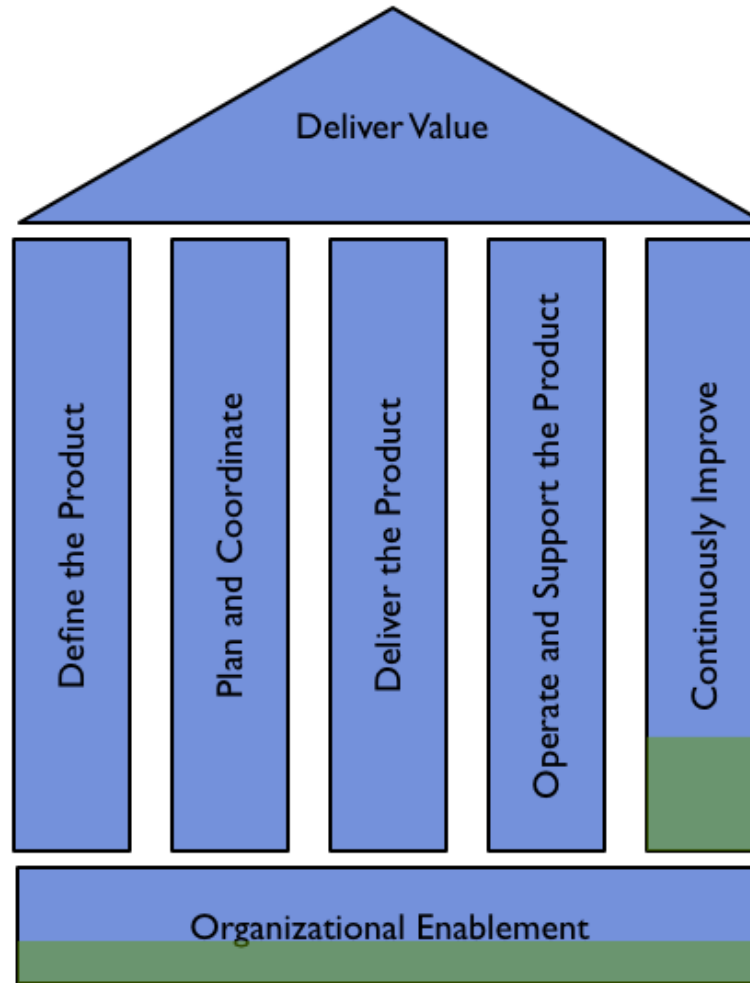
Evaluate Performance



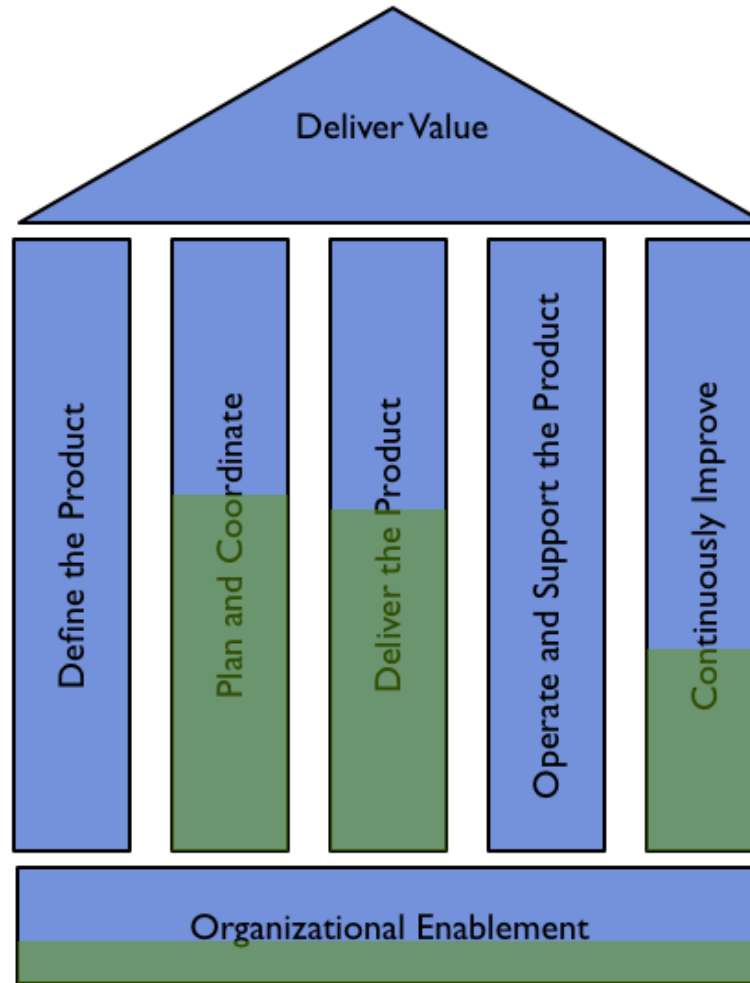
Transformation is Incremental and Iterative

- An Engineered approach to Agile can be challenging in the Enterprise
- Create safety around agile
- Create safety around the transformation
- Make changes – earn trust – check the balance of safety and enablement – determine the next change

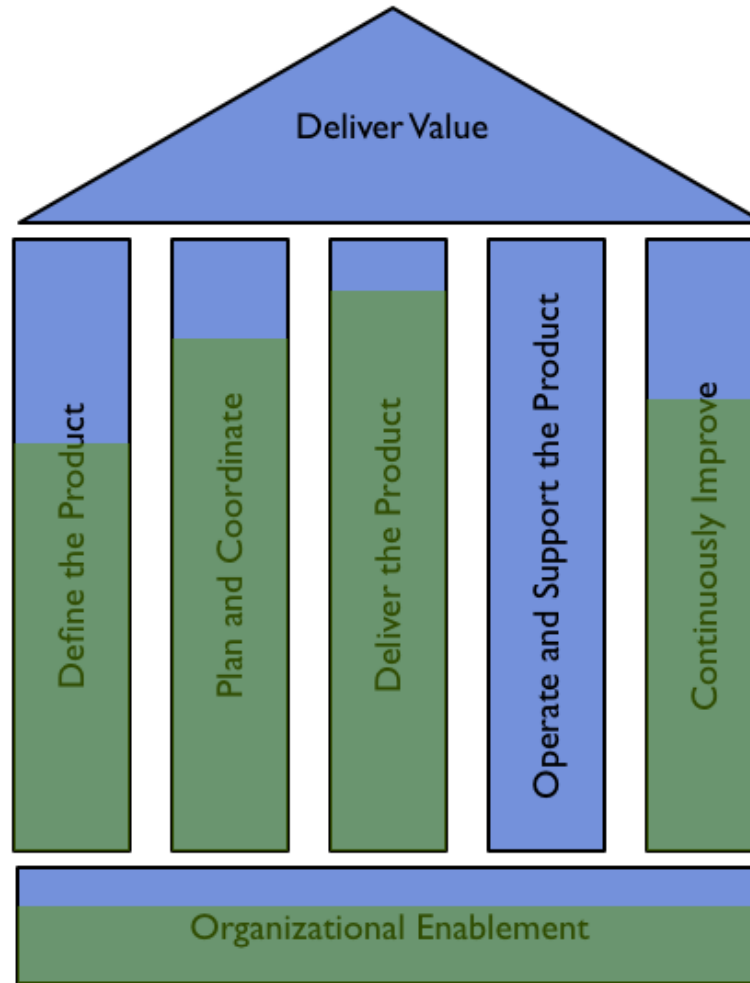
Incremental and Iterative Improvement



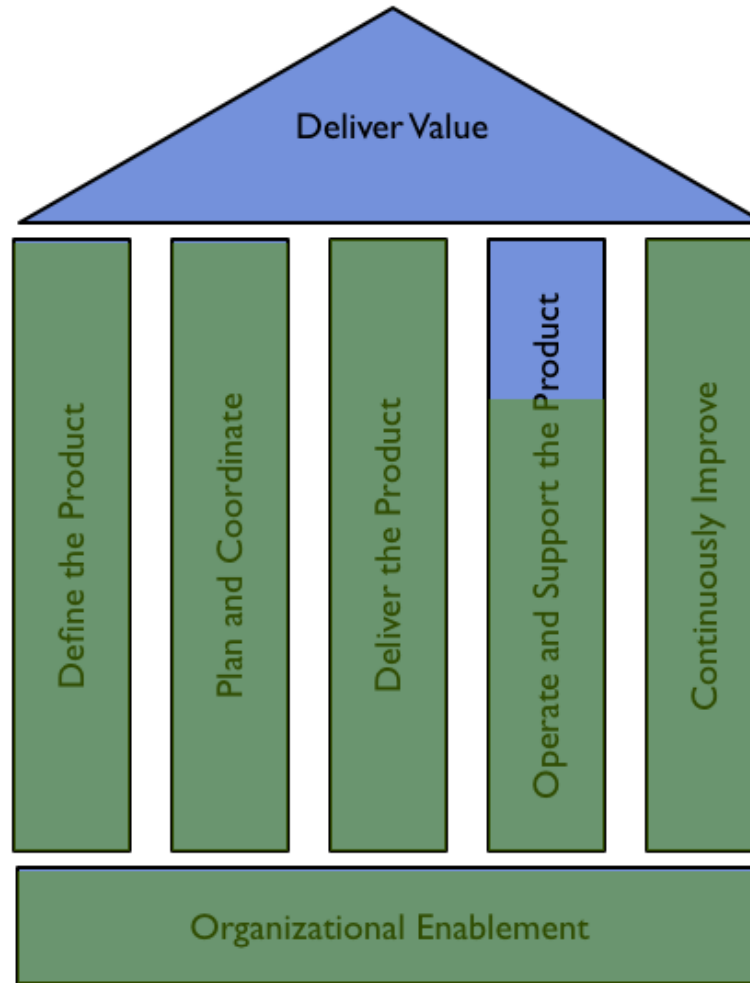
Incremental and Iterative Improvement



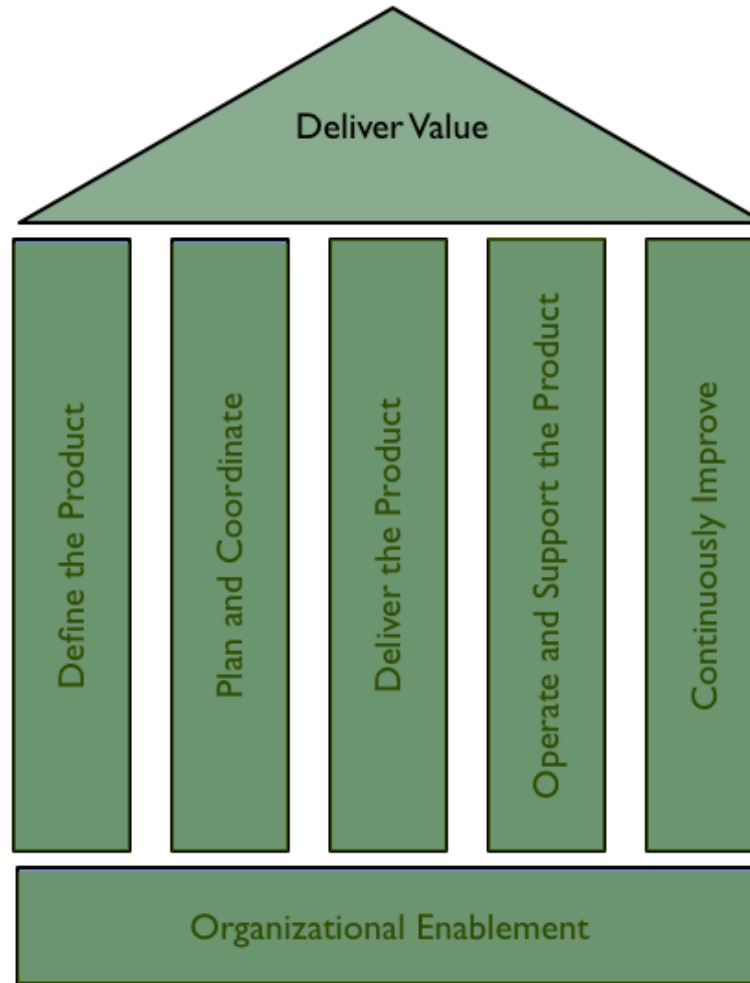
Incremental and Iterative Improvement



Incremental and Iterative Improvement



Incremental and Iterative Improvement



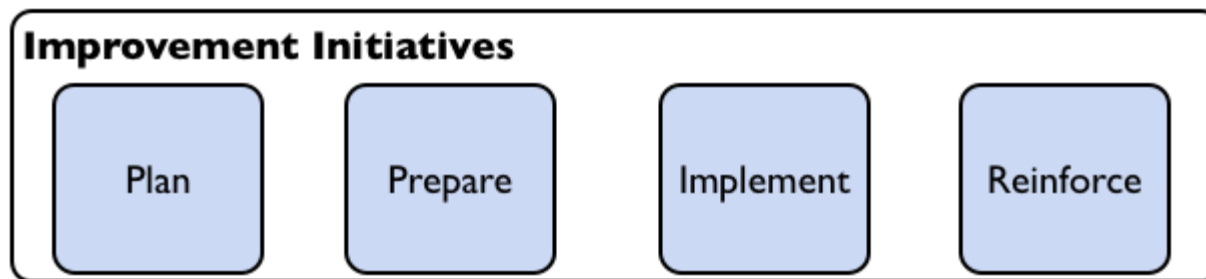
Run Change Like an Agile Project

People and Interactions: Balance practice and policy change with organization change management execution.

Knowledge Acquisition: Move forward as rapidly as the organization can assimilate the change - determine when to freeze the change and manage the dissonance around the change – balance the dogmatic with the pragmatic.

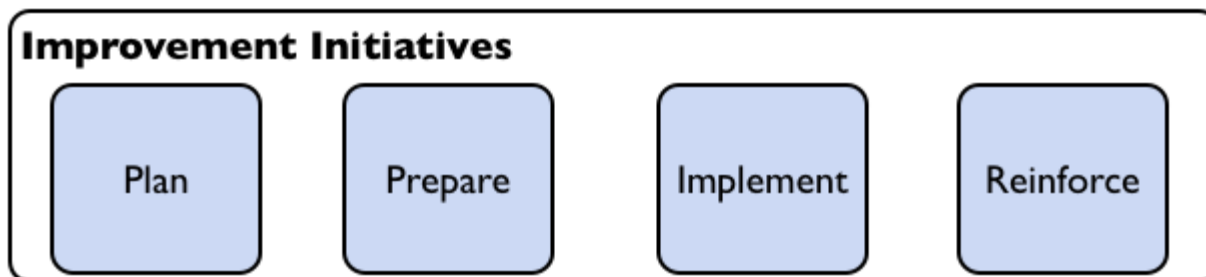
Focus on Value: There are multiple levels of value – figure out what is perceived as valuable and focus on delivering that.

Flow: Limit change in progress – smaller change – finish what you start.



Scaling Agile to the Enterprise

- Plan the change



Plan

Scaling Roadmap

Themes

- Flow
- Knowledge Acquisition
- Focus on Value
- People and Interactions

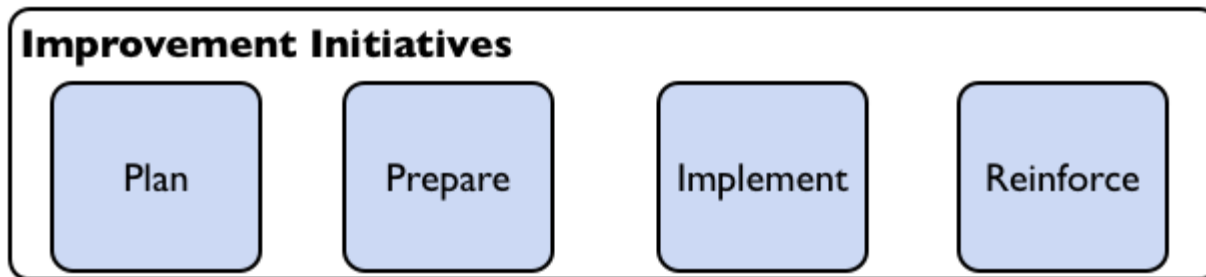
Levels of Planning

- Where is the constraint?
- What can you influence?
- Where do you need to establish trust?



Scaling Agile to the Enterprise

- Plan the change
- **Prepare for change**



Prepare Collaborative Problem Solving

BEAM TEAM PROBLEM SOLVING REPORT

Title: Plan 02-01 Improve Job Cost Tracking

Prepared by: Dennis Stevens
 Prepared for: Vishal Shivdasani
 Date: 12/9/2009

4.3.3:
Record Actual
Job Costs

4.3.7:
Produce
Management
Reports

Current Situation/ Problem Statement

The processes being used to manage labor costs are ineffective and will not scale. Accurate data and timely reporting of project labor information is critical to achieving the operational excellence required to achieve profitability and sustainable growth. Reference Beam Team Information Flow – Current State

Goals/Targets (How will we measure success?)

Accurate and Timely Operational Data available to field management
 Data available to support Field Incentive Program
 Effort to deliver IC & Hourly Time Reporting
 Significant Improvement in Labor Cost portion of COGS
 Only perform work in Labor and Expense handling that is necessary to support the business needs.

% Hrs Paid/ Hrs Budgeted is reported daily for CRI.

Analysis (List Root Cause of Problem-5 Why)

No "source of the truth" on Job Cost Information
 Job cost data in MAS 200 is not timely – nor appropriately granular
 There is no audit capability of IC hours, Hourly hours, and Travel expenses
 Data warehouse information is not useful
 Expected Hours/Cost data is not matched up with Actual – can't be used to drive incentives
 Reconciliation is difficult for IC hours and other direct costs
 General Field Managers are too busy to audit labor and travel costs and are in not in a position to do so
 Significant effort is spent coding labor and expenses to Job Cost Codes but the Job Cost data is not particularly useful nor widely utilized. Manual auditing ineffective.

Proposed Solutions (consider more than one)

Proposed Solution (Name – Description)

Collect labor data daily from the field in Mile26.
 Hourly labor posts time in E-Time and is reconciled daily at corporate. Field managers address exceptions only.
 Benefits: Obtain reliable data. Team Leads focus briefly and daily on labor hours. Reduce Field management focuses on managing instead of payroll admin. Redeploy resources to support CRI spike.

Updated: 4/21/10

Data Collection	Mile26	E-Time	Reconcile
Employee, Job, Store	Preloaded/ Ability to select from list	n/a	n/a
Salary Hours	Team Lead	n/a	Automate
Hourly Hours	Team Lead	Rep	Automate Exception List/ Corporate Analyst
Hourly Travel	Team Lead (may eliminate pay for travel)	Rep	Automate Exception List/ Corporate Analyst
Temps/IC	Team Lead	Temp. Or Timesheet	Automate Exception List/ Corporate Analyst. Or temp vendor reconciles.

Implementation Plan (steps for selected solutions)

Step	Deliverable	Responsible	Due	Reviewer
1.	Develop program in Mile26 to capture labor hours. Establish user team to support development.	Synaptus		
2.	Simplify E-Time Use (no job cost code) Develop program to import E-Time daily into Mile26.			
3.	Create audit/ reconcile reports			
4.	Procedure to maintain required data including schedule information, Project Budget hours, employee list, into Mile 26			
5.	Management report to communicate labor cost performance daily and weekly to Field Mgt (RM, PM, TL)			
6.	Simplify payroll and Invoice handling in Mas200 (Job Cost).			
7.	Process to produce data to Pay IC's from Hours Entered			
8.	Provide accurate data to support incentive program			
9.	Training Plan to assign accountability and Train everyone on the new processes			
10.	Produce exception reports for senior leadership and the controller			

Follow Up (management checklist, scorecard, project board)

Reliable Job Labor Hours Reported
Supports Field Incentive Program

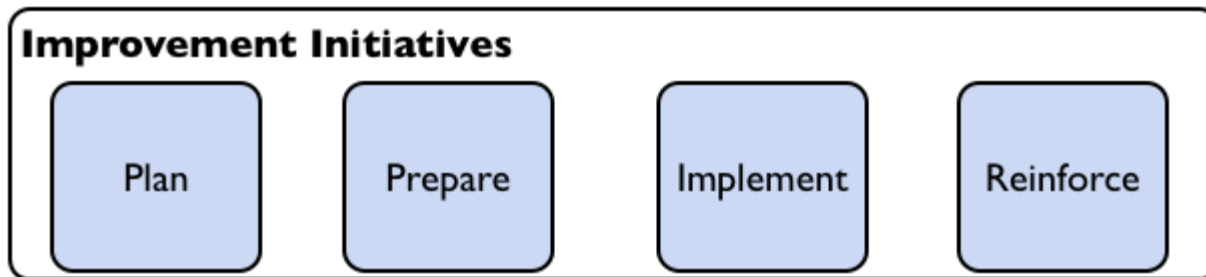
Prepare

Perform Organization Change Management

- Define the change management (resistance management) strategy.
- Stakeholder influence mapping may be useful.
- Develop an appropriate sponsorship model.
- Identify and prepare appropriate training, coaching, and resistance management plans.
- Socialize the initiative plan using the sponsorship model to gain support.

Scaling Agile to the Enterprise

- Plan the change
- Prepare for change
- **Implement change**



Implement Change

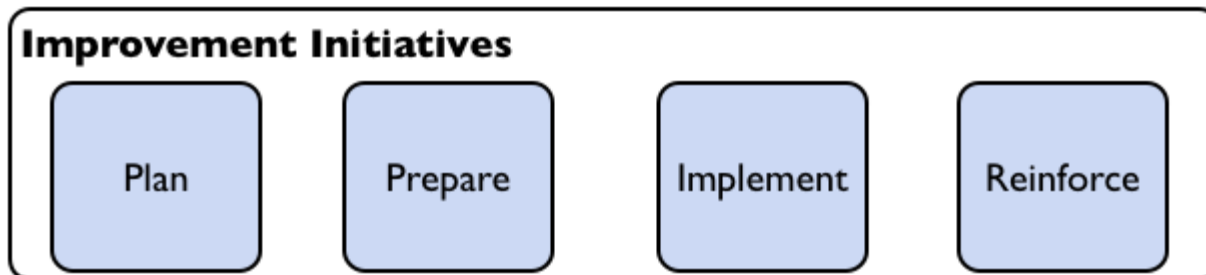
Address all three aspects of change

- **Underlying Thinking:** Coach and train the people directly impacted by the change and their managers on Agile underlying theory and outcomes
- **Practices:** Collaborate to derive a best viable practices
- **Organization Structure:** Facilitate exploring potential situation appropriate policies and organization structures based on the current constraints in the organization

Small Initiatives: Each initiative should be 6-12 weeks

Scaling Agile to the Enterprise

- Plan the change
- Prepare for change
- Implement change
- **Reinforce change**



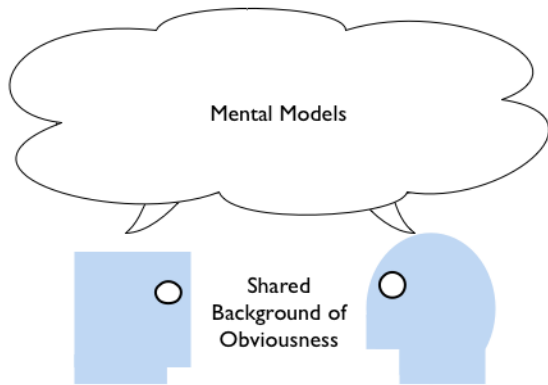
Reinforce change

- Review the impact of the change, assessing performance data and gathering input from impacted stakeholders.
- Celebrate successes.
- Make plans to take corrective action when the result is not achieved.
- Transition the overall process to operational management to ensure sustainable change is in place.
- Review the change process recognizing lessons learned and new opportunities.

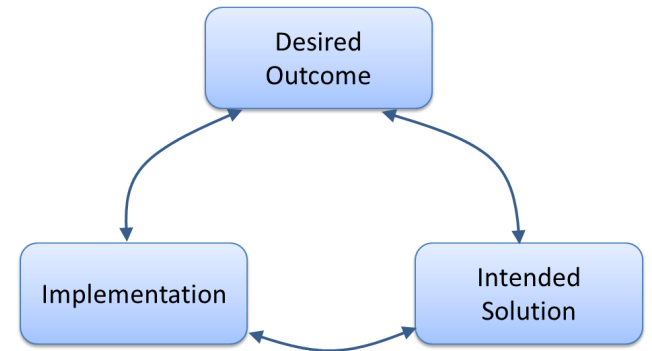
A simple overview

SUMMARY

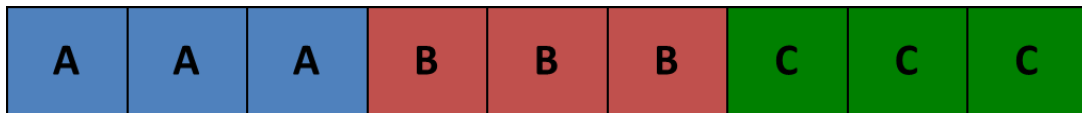
Protect what makes Agile work



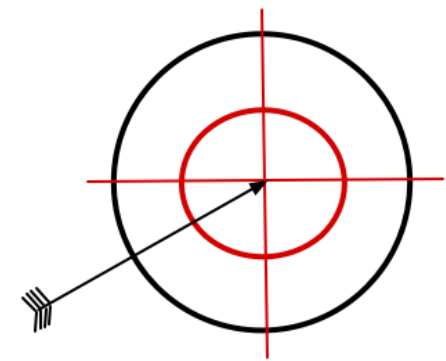
People and Interactions



Knowledge Acquisition

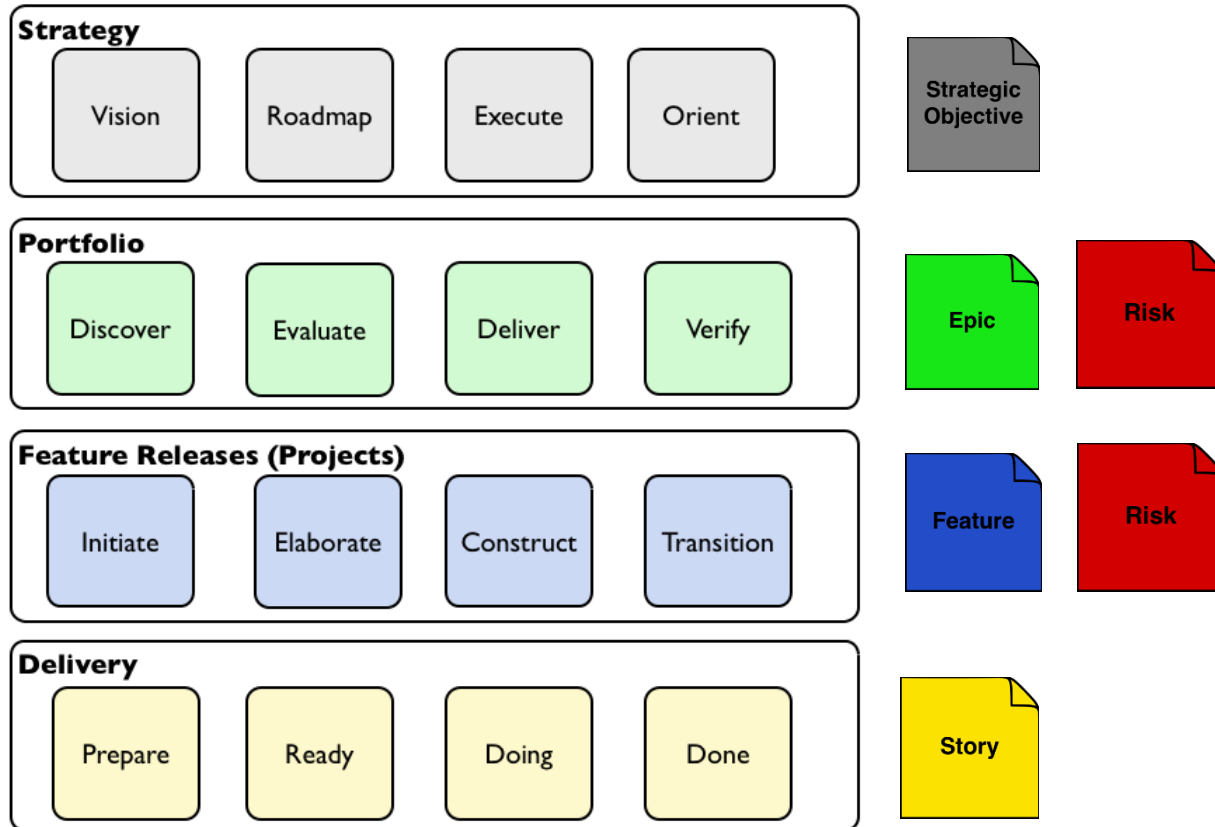


Make Work Flow

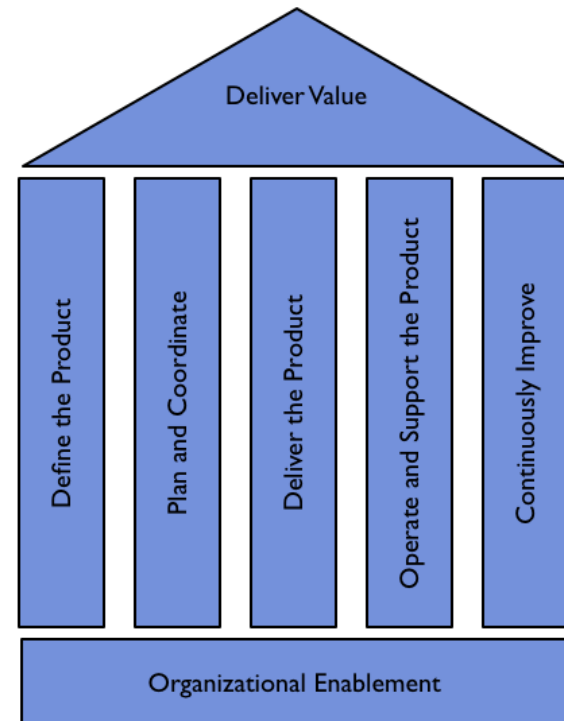
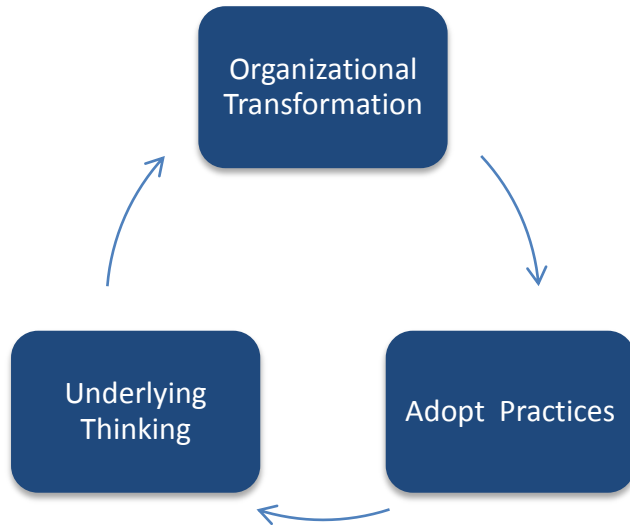


Focus on Value

Create safety at project, program and portfolio level



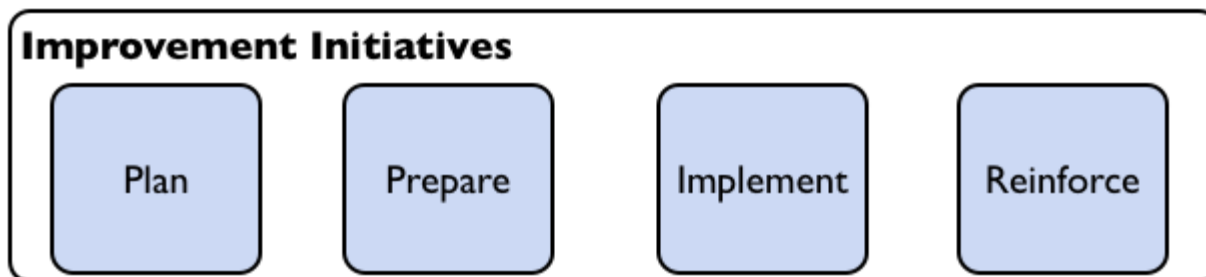
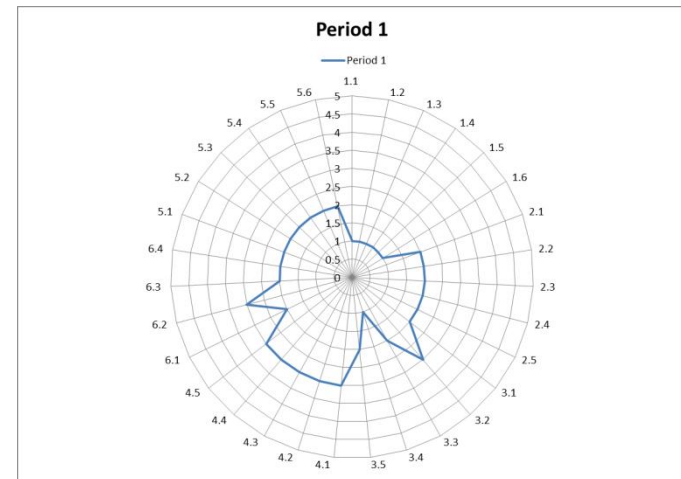
Address the whole “system” in transformation



Follow an incremental and iterative approach

Use an intentional approach to scaling – and manage it like an Agile project

- Plan the change
- Prepare for change
- Implement change
- Reinforce change



Questions?

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