Objective Agility

What does it take to be an Agile company?

Final version

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Allan Kelly

- Training & Coaching for Agile adoption and deepening

- Author:
  - *Changing Software Development: Learning to be Agile*, Wiley 2008.
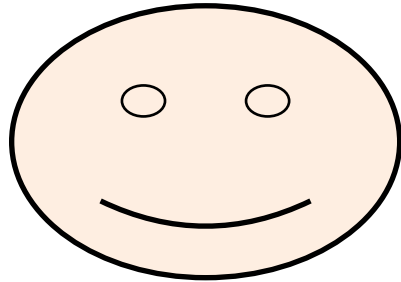
> IT Workers are the prototype of tomorrows Knowledge Workers

97 Things Every Programmer Should Know, Henney, 2010

Context Encapsulation in *Pattern Languages of Program Design* volume 5, 2006
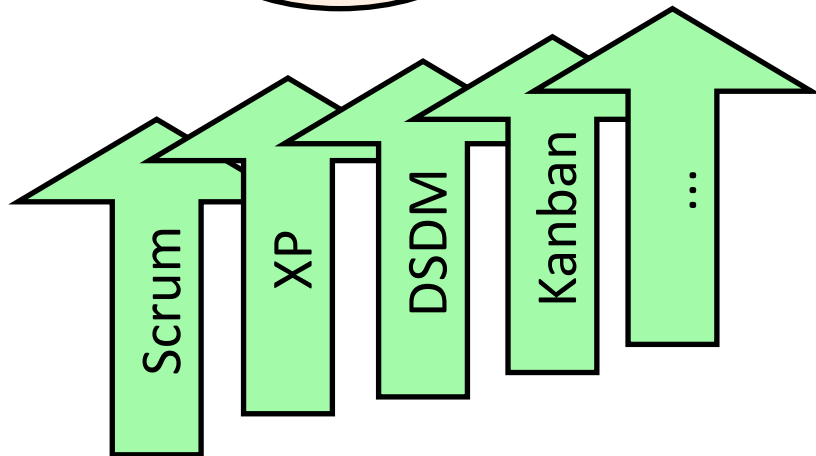
Agile, Agile methods & Agile toolkit

The State of *Agile*
(our objective)

- Quick on our feet
- Deliver quickly
- Respond to change rapidly
- Seize opportunities

Scrum

XP

DSDM

Kanban

...

Agile Methods
Promise to create the state of Agile
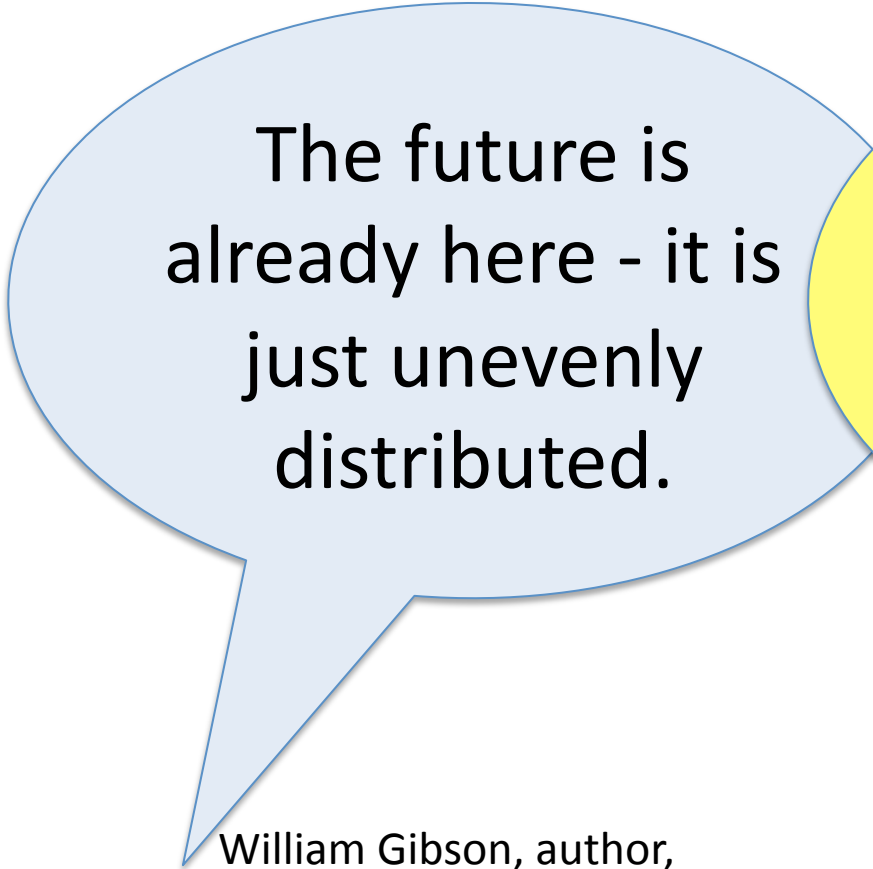
The Agile
Toolkit

- Test Driven Development, Refactoring
- Iterations, Time boxing
- User Stories, Feature injection
- Retrospectives, ...
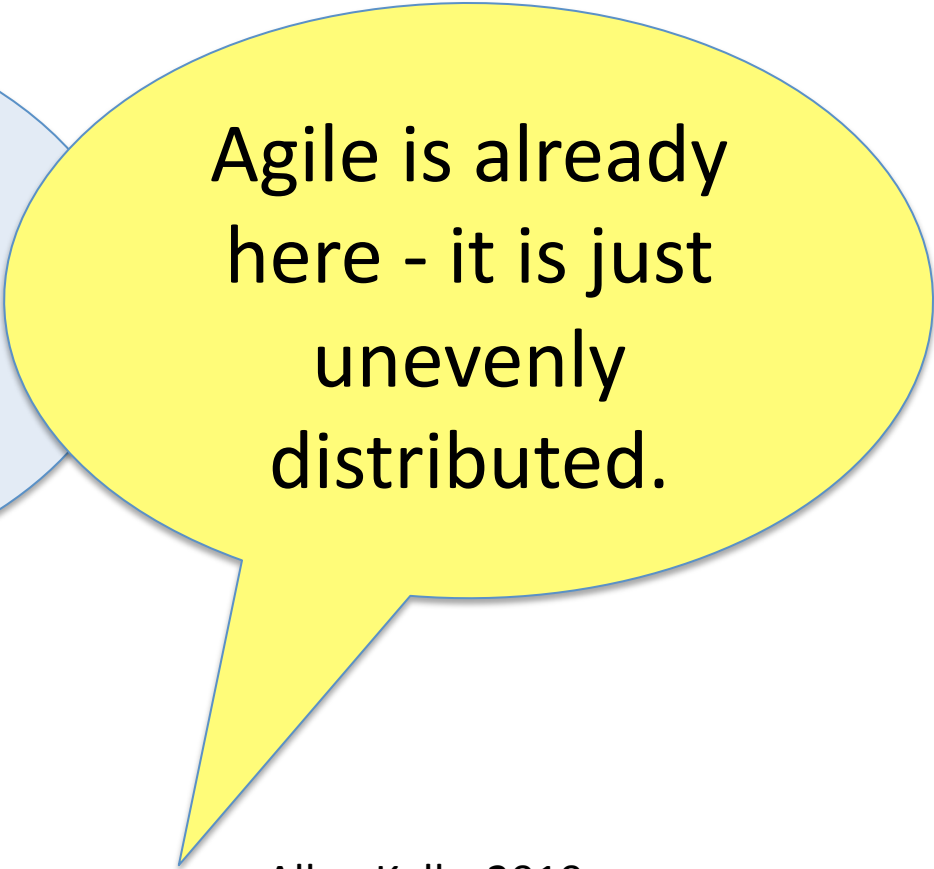
Where do you find Agility?

- Sprinkling Agile dust does not make everything right

- Agile paints a picture of sweetness and light
  - An aspiration

- Agile is a reverse engineered term
  - A term used to describe where we want to be

Where is Agile?

The future is already here - it is just unevenly distributed.

William Gibson, author, NPR interview 1999

Agile is already here - it is just unevenly distributed.

Allan Kelly, 2010

(Waitrose)

Agile is already here - it is just unevenly distributed.

- Many companies exhibit some Agile characteristics
  - Easier for small companies to be Agile

- Large companies
  - Agile in some ways
  - Maybe not in others

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Defining Agile

Agile is what both the latest business strategy and software development methodology aspire to be.

Professor Donald Sull of the London Business School … defines [Agility] as a company's ability consistently to identify and seize opportunities more quickly and effectively than rivals.

Financial Times, 20 November, 2007, "Agility: Flexibility takes over from planning"

Repeatedly demonstrate agility - not a one off

Why do you want to be Agile?

- Fashion?
  – Everyone else is doing it?

- Reduce costs?

- Improve ROI?
  – Meaning?

- Avoid IT failure?

- Today:
  – Agile means better
  – Better IT delivery

- Tomorrow
  – Agile creates new opportunities
  – Competitive advantage

Strategy, Portfolio & Operational

Strategic Agility	• Patience: wait for right opportunity • Boldness: to act • Small probes: small acquisitions, alliances, minority stakes	Santander
Portfolio Agility	• Cultivate new opportunities; cull failing ones • Tools to evaluate projects; make difficult decisions • Develop internal staff and managers	GE
Operational Agility	• Exploit opportunities, cut-costs faster than competitors •Spot opportunities: systems to gather and share information • Act on information: processes to make decisions	ZARA

Donald Sull, McKinsey Quarterly, December 2009, https://www.mckinseyquarterly.com/Strategy/Strategic_Thinking/Competing_through_organizational_agility_2488

Today - Operational Agility

Operational Agility	• Exploit opportunities, cut-costs faster than competitors • Spot opportunities: systems to gather and share information • Act on information: processes to make decisions

Where we are today
• IT centric
• Scrum for Project Management
• XP for Engineering
• Lean for Improvement

Tension with non-Agile
• Portfolio
• Strategy
  "Are we there yet?"

Portfolio Agility

Portfolio Agility	• Cultivate new opportunities; cull failing ones • Tools to evaluate projects; make difficult decisions • Develop internal staff and managers

- End annual planning cycle
- Iterative Portfolio review
  - Regular schedule – monthly, quarterly
- Projects & Teams demonstrate:
  - Value added v. Cost
- Align with
  - Strategy, Risk profile, Resourcing

RIP: 14 September 2008

Remember: Agile is Empirical

- Can't know
  - How long it will take until you start doing
  - How many people you need until you start doing
- Teams have responsibility
 - Give them the tools, give them the problem

Do a little – Measure - Adjust

Deming / Shewhart cycle
PDCA: *Plan, Do, Check, Adjust*

Simple Portfolio recipe

- 10th of each month
  - Management by rhythm
- Each team 15 minutes
  - Benefits delivered this month
  - Cost this month
  - What's next?
  - Alignment to strategy (*why do this?*)
  - Requests, impediments, new opportunities
- Action: *Status Quo, Grow, Shrink, Close*

Agile Strategy
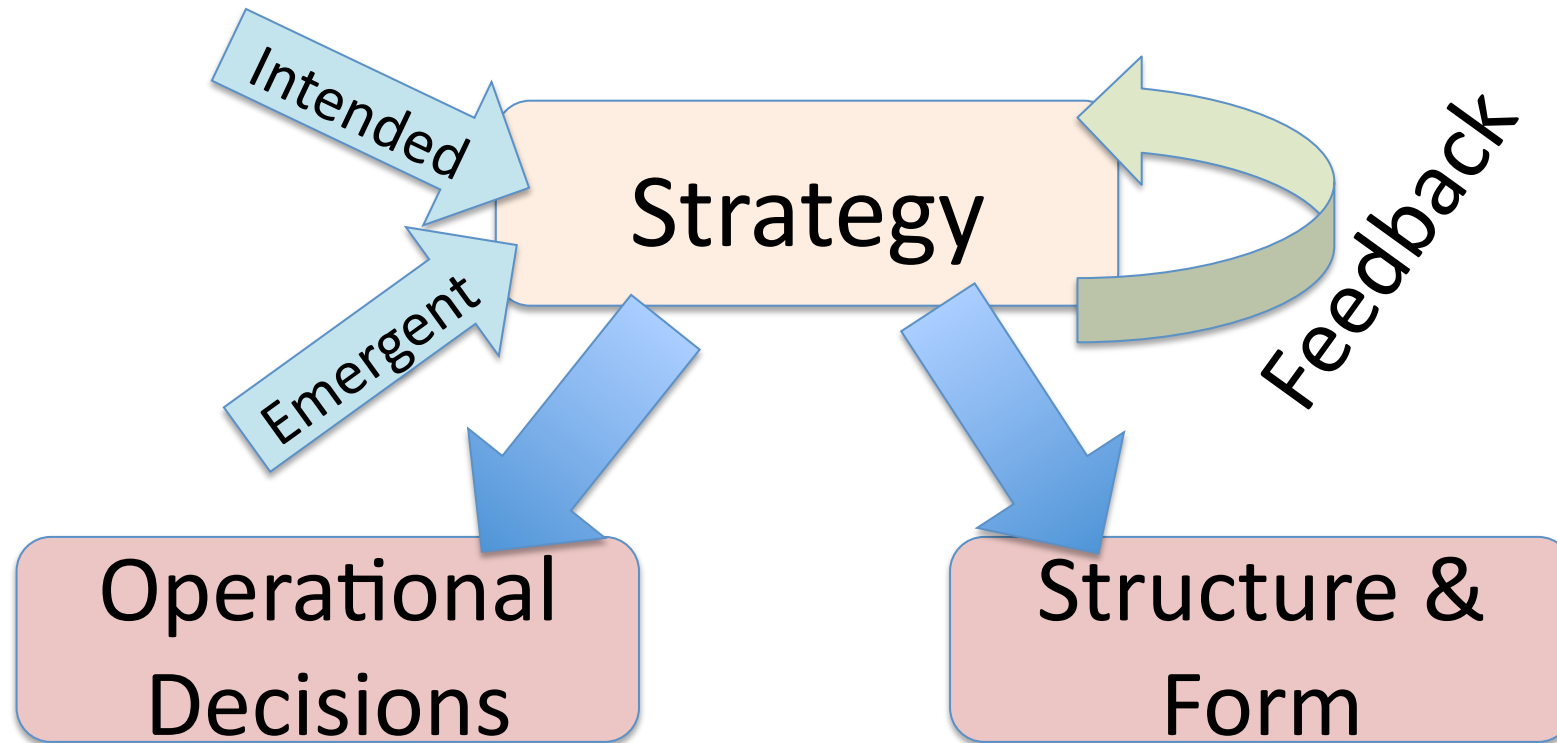
Strategy realized in Operational Decisions and the Structure/Form of organization

Strategy: Operational Decisions

- Thousands of small decisions make difference
  - Between Agile or not
  - Between strategy alignment or not
- Know the decisions you can delay
  - And those you cannot
  - Avoid early commitment
  - Recognize value in options

Strategy: Operational Decisions

- Fail fast, fail cheap
  - Experimentation over planning
  - Modern tools (+ Agile methods) = cheap to try
  - Only way to know is to try
- Know thy customer
  - Who are they?
  - What problems to they have?
  - What problem do you solve?

Strategy: Structure & Form

- Resource strategically
  - Keep <u>teams</u> together
  - Start small, grow slowly
  - Shrink to close
- Vertical teams with responsibility
  - End-to-end delivery
- Balance Managers to workers
  - Avoid too many Chiefs and too few Indians

Strategy: Structure & Form

- Limit Work In Progress
  - End salami slicing people between projects
  - More WIP, Less delivered
  - WIP makes it hard to see issues
  - Task switching is expensive
- Focus on outputs
  - Not inputs
  - Value add over cost

Strategy: Structure & Form

- Succession planning for Knowledge
  - Grow your own experts
  - Outsourcing can hollow out knowledge
- Short planning horizons with feedback
  - Railway timetable Portfolio reviews
  - Plan early, plan often, include feedback

Conway's Law

Mel Conway, 1968, *How do committees invent?*

> organizations which design systems (in the broad sense ...) are constrained to produce designs which are copies of the communication structures of these organizations

- The right corporate architecture will produce good system architecture
- Agile will be most effective when Strategy, Portfolio & Operations are all Agile

Thank you!

Questions?

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