

Deciding About Agile at Mighty Jaxx

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To the managers at Mighty Jaxx, I'm writing this short report to illustrate my viewpoint on what business functions are suitable to use Scrum methodology while the rest functions should adopt Kanban. In the end, I will also expand on potential traps caused by cognitive biases and the corresponding recommended next-steps.

Business functions to implement Scrum methodology

- Use 3D renderings and drawings as input to produce molds for manufacturing

This function should take Scrum methodology. Before producing molds for manufacturing, the whole company should be aware if there is a new, important project cut in the line of 2D renderings from the artists. This would be company's top-priority at once, and the time of doing 2D rendering will give 3D and mold team enough preparation time to form a well-organized Scrum plan as soon as the 2D part is finished. The time box restriction will also push the team to meet the specific deadline to ensure the prototype is being optimized on time for the mass production stage. Kanban, however, don't have a time restriction to make sure the prototype is delivered punctually.

- Distribution

Distribution should be managed by Scrum methodology. Since distribution comes after production, it will again have some time to plan ahead to form a Scrum plan on how to distribute accordingly. Even if the production plan changes, distribution will not be the first activity to be influenced. Once Mighty Jaxx has the distribution plan, they will make sure to delivery the products before the time box.

Business functions to implement Kanban methodology

- Produce 2D renderings of new product ideas

This activity should use Kanban Methodology. Once adopted, Mighty Jaxx can continuously accept new ideas from their collaborative artists. Updating their product backlog unremittingly, and select the most promising project after evaluation to put it into the "To do" column and quickly push it through to the "Done" column. This will ensure that the most valuable idea can get to the market at first and in the shortest period of time once the team has decided its priority, reducing the waste of lower-value ideas.

Scrum, on the other hand, lack the agile in this scenario. It needs to finish the current Sprint to accept a new Sprint. The wait could be 1 to 4 weeks, and the most promising idea is blocked by a lower value idea. Also, Mighty Jaxx is mostly collaborating with outside artists to generate initial product ideas, putting time strict constraints on artistic and creative workers is not a good idea.

- Production

This activity should use Kanban Methodology. It will make the production more flexible based on actual demand and feedback from the market. If the demand for

some particular product is unexpectedly high or low, Mighty Jaxx can just adjust quickly to the Kanban board by simply remove or add items. Scrum, again, will be likely to cause resources and time waste than Kanban to deal with uncertainty.

- Marketing

Marketing should be using Kanban Methodology. There are many external dependencies on marketing activities. We have change of launch priority, new important ideas, unexpected competitors and user feedbacks. All these issues are to be addressed immediately, without any delay. This is what we can do with Kanban to push top priorities through to the “Done” column at any given time. Scrum will be not be as flexible as Kanban here.

Potential impact from cognitive biases on business decisions

Finally, I want to introduce some common cognitive biases that can have a negative impact on business. Overconfidence bias is the tendency to be overly confident in one’s own abilities or judgments. This bias can lead people to take unnecessary risks or make poor decisions based on their own overestimation of their abilities.

For example, Mighty Jaxx may be overconfidence about their ability to continuously create popular figurines with artists and then sell it at a high premium to a growing customer base with a steady flow of demand. Under these subjective, overconfident assumptions and expectation to grow the business fast without taking serious consideration of the reality, market, and macroeconomy, Mighty Jaxx are very likely to make poor decisions like sign a long-term, high-fee contracts to secure the artists that they believe in, overinvest in the production facility, distribution channel. These beautiful assumptions may come to crash when it comes to an economic downturn, given that their product is apparently not essential goods.

Instead of the above irrational and biased decision based on personal feelings and overconfidence, Mighty Jaxx should conduct detailed and objective market prediction and consumer investigation, understand the relationship between its revenue and the macroeconomic cycle to make a more wise, informed decision.