

PARMENION REBOOTS THEIR AGILE INITIATIVES WITH AN INCREASE IN BACKLOG QUALITY OF MORE THAN 30%

BY EMBRACING PROFESSIONAL SCRUM™,
ADDING ELEMENTS OF FLOW AND
EVIDENCE-BASED MANAGEMENT™ (EBM)

November 2023



CASE STUDY



Parmenion

THE COMPANY

Parmenion helps ambitious financial advice firms to build their own investment propositions with a goal of great client investment outcomes.

The Company

Since 2007, Parmenion has offered award-winning investment capabilities and a diverse range of investment solutions through easy-to-use technology. They help ambitious financial advice firms to build their own investment propositions with a goal of great client investment outcomes. Parmenion has a primarily proprietary technical estate, a USP against competitors. This has delivered a platform valued by their users and led to a host of industry awards including the Schroders 'Platform of the Year' in 2019 and 2022. Parmenion looks after the assets of around 80,000 retail customers for UK IFAs, totalling in the region of £9bn. Their average customer invests around £250,000 & has an average age of early 60s.

The Challenge

Parmenion constantly develops their investment platform systems and products. Their agile implementation was focused heavily on their IT department and they were not getting the full value of delivering products using agile principles and techniques. The agile at scale model they were using had evolved organically over time and included elements of traditional waterfall governance processes and practices. They were regularly delivering work, however they sometimes had long lead times and had work coming into their team from seven different areas of the business. While they were releasing increments every 2 weeks, sometimes unclear requirements and Definitions of Done caused delays in delivery.

The Solution

“Working with Simon to enhance our use of Scrum has had a hugely positive effect on our business. We are more productive, with 2022 delivering great client outcomes, through new and enhanced product offerings. We’re delivering more of the right stuff, with a renewed focus on business value. And the business teams have more confidence we’ll deliver when we say we will.”
Michael Bloor – Head of Change, Parmenion

Shifting to Professional Scrum

The organisation realized they needed to work in a way that would maximize value delivery and decided to bring in Professional Scrum Trainer Simon Reindl of Advanced Product Delivery (APD) to help them. Reindl’s first steps were to focus on reinforcing a growth mindset, embracing the Scrum Values and becoming more outcome oriented. To achieve this, Reindl made Professional Scrum the main focus and brought in elements of Evidence-Based Management (EBM) and Kanban.

Central to the endeavour was the unanimous and wholehearted support from the leadership team. The CEO, Martin Jennings, was the sponsor of the initiative and a key stakeholder. The culture within Parmenion was supportive of the change, as all the people working there are genuinely engage in doing the best for their customers. Every person understands the responsibility of being a custodian for someone else’s investment.

The refresh started off with training for approximately one third of the 250-person organisation. This training was a general introduction to Agile that covered Professional Scrum, Kanban and conflict management to help build trust and transparency. This was coupled with collaborative workshops on new work starting to engage broadly across the business. During this training the alignment of the Parmenion values to the Scrum Values was emphasized.

These workshops were the first step of demonstrating the desire to engage with everyone across the business in the delivery process. This was further

strengthened with an open invitation for the entire business to attend Sprint Reviews. These Sprint Reviews became wonderful opportunities to see the progress the teams had made, a view on upcoming work, as well as receive feedback from the wide range of stakeholders - from the executives to support teams. Around 1/3 of the company attend the Sprint Review, engaging freely by asking questions and offering insights. People demonstrated that they were very comfortable sharing their thoughts, and this helped improve the trust across the business.

Lunch and Learn sessions were also delivered by Reindl, the APD team and the Scrum Masters on Agile, Scrum, conflict at work, how to use Azure DevOps and forecasting. The sharing of knowledge with the wider business helped increase the transparency of the unified Product Backlog and encouraged open discussions around upcoming work. This complemented an ongoing series of lunch and learns across the organisation to help people understand the wider business.

There were two Scrum Masters among 5 internal Scrum Teams and one external Scrum Team from a development partner. The teams were able to deliver across the complex product, with one specialist team for data analytics. The teams were cross functional and able to accomplish everything needed to deliver, including business analysis, software development, testing and release engineering. Through Reindl’s coaching and mentoring, the teams reconnected with the intent of Professional Scrum, and the focus on delivering value. A single Product Owner managed the high-level ordering of work in a single Product Backlog and work was further refined with the teams for delivery.

Metrics

The metrics used to guide the product were reviewed collaboratively, and the EBM framework was introduced. EBM is a framework that helps organisations measure, manage, and increase the value they derive from their product delivery. EBM focuses on improving outcomes, reducing risks, and optimizing investments. Many of the metrics already in use were ideal for managing output.

However, emphasis shifted toward focusing on flow and value. This increased the transparency and alignment toward the goals.

The teams were structured around value flow using a single process. A single workflow for all work was defined, with clear entry and exit points. At the portfolio level, the larger pieces of work (Ideas) were tracked across a Kanban board. These were refined by the teams responsible for delivering the work and taken into the workflow using Scrum in a two-week Sprint cadence. The four Kanban metrics of Work In Progress count (WIP), Cycle Time, Throughput and Work Item Age were used at the various levels of the portfolio.

Parmenion wanted to improve transparency across the business and demonstrate the delivery of value as a part of these initiatives. The approach adopted was for all teams to maintain the 2 week cadence, and bring more representatives across the business to the Sprint Reviews.

EBM was used to guide the changes. The initial set of metrics used were:

EBM Key Value Area	Measure
Current Value	Employee Satisfaction
Ability to Innovate	Lead Time
Ability to Innovate	WIP
Ability to Innovate	Feature Age
Ability to Innovate	Impediment Age
Ability to Innovate	Impediment Trend
Ability to Innovate	Defect Count
Time to Market	Backlog Health
Time to Market	Time to Remove Impediments
Time to Market	Cycle Time

Along with these metrics, a leading indicator metric was Health of Backlog. This looked at how healthy Product Backlog Items were, including if they were sized, had a good description and clear acceptance criteria. This improved the flow through teams and reduced rework, as it gave a fuller understanding of what was needed. They also tracked the number of impediments using Azure DevOps, and the impediment cycle time.

Focus on Empiricism and Transparency

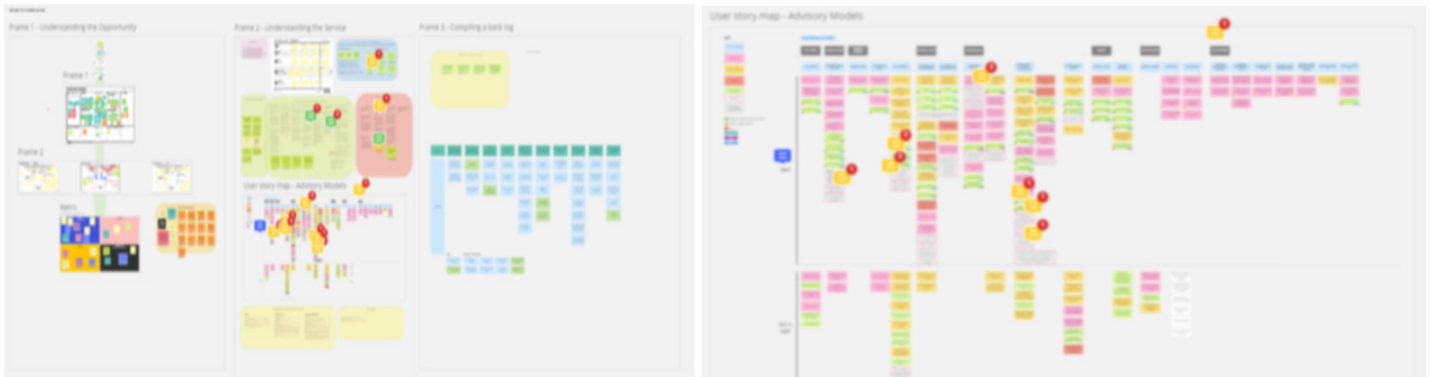
Work was consolidated into a single Product Backlog (Team Project) within the chosen tool (Azure DevOps). This enabled a single source of all work, creating instant transparency and providing visible and accessible data to allow the business to easily make decisions. Using the tool, the product features could be understood from the organisational level through to the team level. This also created visibility across small change work and technical work. Scrum Guide vocabulary was set as the standard, so everyone in the organisation was speaking the same "language".

APD helped Parmenion reinforce the core elements of empiricism (Transparency, Inspection and Adaptation), not just for the software teams, but across the business. The organisation's primary focus during this period

was to deliver changes to the software platform to broaden their investment offering.

One of the key initiatives was to enable a wider range of third party discretionary managed funds to be managed using the market leading Parmenion platform. A dedicated Scrum Team was focused on delivering this capability, focusing on the Key Value Areas (KVA) of Unrealised Value and Current Value. An experienced Product Owner was critical, and they worked with a wide group of stakeholders to create a Story Map that was translated to a Product Backlog. Using a clear Product Goal aligned to the organisational strategic goals as the focus, each Sprint delivered workable functionality that was shared in the Sprint Review.

The images below are an example of Parmenion's Story Map that was translated to a Product Backlog:



Results

Over the 6 month engagement there were a number of clear benefits:

- Increased transparency across all the work in progress
- Greater collective engagement in the Product delivery across the business. One of the executive team described the Sprint Review as "one of the most valuable events of my fortnight".
- A reduction in the number of items in progress
- Faster cycle time for work once started
- Greater employee satisfaction
- Collective alignment around the simplified single stream process
- Faster decisions from weeks to days, reducing cost of delay.

This was shown in the metrics:

- Shipped features have increased from single figures to around the 30-40 per month mark, indicating less large, long running work and a more iterative mindset
- Backlog quality up from 18% of work items meeting the agreed definition of ready to ~50%. This complementary practice was used to help improve refinement.
- Average impediment age reduced from ~19 to ~4 days. Most internal impediments resolved within a day or two.
- Delivery team engagement scores up 24% over 18-month period

“Aligning everyone across the organisation by making the pipeline of work visible helped connect everyone to the value delivered. The feedback from the Sprint Reviews helped guide the team’s upcoming work.” – Simon Reindl

Reenergizing the organisation around Professional Scrum allowed Parmenion to improve its award-winning platform in a very volatile trading year. By embracing the Sprint cycle of learning, the culture of continuous improvement across the business is set to be sustainable.

About Scrum.org

Founded by Ken Schwaber, the co-creator of Scrum, Scrum.org is based on the principles of Scrum and the Agile Manifesto, Scrum.org provides comprehensive training, assessments, and certifications to help people and teams solve complex problems.

Throughout the world, our solutions and community of Professional Scrum Trainers empower people and organizations to achieve agility through Scrum.

