

## Measuring Agile Performance –

### Overview

- Over the past decades there have been thousands of very successful agile projects.
- There have been far, far fewer successful agile organizations.
- Although agile project success has become nearly routine, these agile teams are often at odds with other parts of their organizations. Why is that?
  1. Reluctant to change
  2. Some still have strong hierarchical management structure (command&control)
  3. An agile organizational transformation requires work in six areas: organization, process, performance measurement, alignment (business and technical), governance, and culture.
  4. Of these six, performance measurement is key because it becomes the feedback mechanism for the others.

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- If an agile leader focuses on responding to change over following a plan, then measuring success by strictly adhering to a scope, schedule, and cost plan will be dysfunctional.
- Agile teams and agile organizations need the Agile Triangle, whose dimensions are:
  - Value goal: Build a releasable product
  - Quality goal: Build a reliable, adaptable product
  - Constraints goal: Achieve value and quality within acceptable constraints
- If agile values are key to success, then we need to find measurement systems that support these values

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- To illustrate how current performance measurements don't guide organizations in the right direction, Bjarte Bogsnes, in *Implementing Beyond Budgeting* (Bognes 2009) asks a simple question, "What is the best performance (if high is good):" "Delivering 100 against a target of 100, or delivering 105 against a target of 110?"
- Most people would agree that 105 is better than 100, however most performance measurement systems would call 105 against a 110 target a failure—a failure to achieve

plan.

- This lecture builds the rationale for a new way of measuring success—an Adaptive Performance Management System—by looking at problems with current measures, agile alternatives, and begins with a discussion of the nature of quality