tryScrum

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The Stages of Agile Transformation: Moving from Theory to Practice

Abstract:

At tryScrum, We have collaborated with many experienced Agile coaches, conducted extensive research, and worked with numerous organisations, ranging from startups to large corporations, to identify the stages of Agile transformation that companies typically go through. We want to share our findings with you in this whitepaper based on our research and our experience. This white paper presents a framework for the stages of Agile transformation based on the experiences of leading organisations and research in Agile. The framework outlines the key stages of Agile transformation, from initial adoption to full-scale implementation, and provides practical guidance and examples for organisations seeking to embark on their Agile transformation journey.

The stages of Agile transformation are not stage gates that you must pass through before moving to the next level. Instead, think of them as an opportunity to identify where you are in your Agile journey and understand the steps you can take to move forward. So let's take a closer look at the stages of Agile transformation.

Introduction:

Agile has emerged as a transformative approach to software development, enabling organisations to respond quickly to changing customer needs, improve team collaboration, and deliver high-quality products faster. However, Agile transformation is not a one-time event but a continuous journey, requiring a shift in mindset, culture, and practices. To help organisations navigate this journey, this white paper outlines the stages of Agile transformation and guides how to move from one stage to the next.

The Stages of Agile Transformation:

- *Stage One*: Agile Transformation Awareness
- *Stage Two*: Agile Transformation Adoption
- *Stage Three*: Agile Transformation Optimization
- *Stage Four*: Agile Transformation Scaling

Each stage is described in detail, with examples of companies successfully transitioning through the stages.

Stage 1 ▶ Agile Transformation Awareness

"According to a survey by VersionOne, 53% of respondents stated that a lack of skills and knowledge was a barrier to successful agile adoption".

Stage 1 of Agile transformation marks the beginning of the journey towards agility. At this stage, organisations are typically characterised by a traditional, hierarchical structure, focusing on process adherence, functional silos, and rigid roles and responsibilities. However, the leadership team recognises the need for change and is committed to exploring Agile ways of working.

To begin the Agile transformation journey, the leadership team should focus on creating a shared vision and purpose for the organisation, which will guide the transformation efforts. They should communicate this vision effectively to all stakeholders, including employees, customers, and partners. This will create a sense of purpose and direction and align everyone towards the same goals. Agile coaches can play a critical role in facilitating this process. They can help the leadership team identify patterns of dysfunction and resistance to change and provide guidance on overcoming them. They can also help the leadership team understand the principles and values of Agile and how they can be applied to the organisation's context.

Patterns and Examples :

One of the key patterns that Agile coaches encounter at this stage is a need for more trust between different teams and departments. This can manifest as a reluctance to share information or collaborate, leading to delays, miscommunication, and quality issues. Agile coaches can help the leadership team create cross-functional teams that work together to deliver value to the customer. They can also facilitate team-building activities that help foster trust and open communication.

Another pattern that Agile coaches may encounter is a focus on output rather than outcomes. This can lead to a culture of overwork and burnout, as teams are incentivised to meet unrealistic deadlines at the expense of quality and sustainability. To address this, Agile coaches can help the leadership team shift their focus towards delivering value to the customer rather than meeting arbitrary targets. They can also help teams adopt Agile practices such as Scrum or Kanban, which promote transparency, collaboration, and continuous improvement.

How Agile Coaches can help:

- **Educating stakeholders:** Agile Coaches can help raise awareness about the benefits of agile ways of working and help stakeholders understand how it benefits to drive business outcomes.

- **Conducting assessments:** Agile Coaches can facilitate the assessment process to evaluate an organisation's current reality and identify areas where agile ways of working can improve efficiency and effectiveness. Through this approach, Agile Coaches can gain insights into the strengths and weaknesses of the organisation, which can help enhance transparency and identify focus areas for improvement.

- **Developing a roadmap:** Agile Coaches can help organisations develop a roadmap for their agile transformation, including identifying key milestones and timelines and determining the necessary resources and support needed to embrace new ways of working.

Stage 1 of Agile transformation represents a critical opportunity for organisations to create a shared vision and purpose for the Agile journey.

Agile coaches can play a vital role in facilitating this process by identifying patterns of dysfunction, providing guidance on Agile principles and values, and helping to build trust and collaboration between teams. While there is no one-size-fits-all approach to Agile transformation, a focus on creating a solid foundation of trust, purpose, and value can set the stage for success in the later stages.

Stage 2 ➤ Agile Transformation Adoption

"According to a survey by the Agile Alliance, 76% of organisations report some level of agile adoption. However, only 24% report achieving high success with Agile. This highlights the importance of building a solid foundation for agile adoption to achieve long-term success."

The organisation has started adopting agile practices at this stage and is seeing some initial benefits. However, there are still areas where the organisation needs help to embrace agility fully. This stage focuses on building the foundations for a successful agile transformation.

➤ Patterns and Examples :

- **Establishing cross-functional teams:** At this stage, the organisation should focus on building self-organising and cross-functional teams and clearly understand their roles and responsibilities. For example, a software development team might include all the skills from cross-functional departments (developers, testers, SMEs, architects, infrastructure and product owners)working together to deliver working software.

- **Establishing Agile Methods:** Agile Methods, such as Scrum, Kanban and Extreme Programming, may be valuable to help teams stay aligned and continuously improve. However, these practices should not replace collaboration.

- **Creating a culture of experimentation:** Agile teams should be encouraged to experiment and take risks. This means building a culture that does not fear failure but sees it as an opportunity to learn and improve. For example, In my experience working with a security solution provider company, we saw the benefits of creating a culture of experimentation. By holding hackathons and other events that encouraged the team to come up with new ideas and test them on the same day, we were able to foster innovation and creativity within the organisation. This approach helped us identify new solutions and improve our existing ones but also helped to build a sense of ownership and empowerment among team members. As an Agile coach, fostering a culture of experimentation is crucial in the Agile Adoption stage and can help organisations stay ahead of the curve in an ever-evolving market.

- **Measuring success:** Metrics help measure the success of agile adoption. These include time-to-market, Net promoter, quality, employees happiness index, and customer satisfaction. By measuring success, the organisation can identify areas for improvement and track progress over time. For example, during one of the Agile transformations, I introduced a metric that assessed the team's health. This metric provided valuable insights to the leadership team, enabling them to adjust their behaviours with the teams and reevaluate the level of engagement.

▶ What the organisation may do:

▶ **Provide adequate training and resources:** The organisation should invest in training and resources to ensure that teams understand and implement agile practices. This might include hiring agile coaches or providing access to online training resources.

▶ **Foster a culture of collaboration:** Collaboration is essential for agile adoption. The organisation should encourage teams to work together and break down silos. This might involve creating cross-functional teams or implementing tools to facilitate collaboration.

▶ **Empower teams:** Agile teams should be empowered to make decisions and take ownership of their work. This means giving teams the autonomy to decide how to approach their work and providing them with the resources and support they need to be successful.

▶ How Agile Coaches can help:

▶ **Provide guidance and support:** Agile coaches can help teams navigate the challenges of agile adoption and provide guidance on good practices. They can also help identify improvement areas and provide support to help teams overcome obstacles.

▶ **Facilitate Change:** Agile coaches are facilitators of change. Their role is to guide the organisation through the transition to Agile practices and ensure the change is adopted successfully. Agile coaches work closely with teams to identify improvement areas and help them implement Agile methodologies. They also work with leadership teams to ensure that Agile principles are incorporated into the organisation's culture. By facilitating change, Agile coaches help organisations to increase productivity, improve quality, and deliver value to customers more efficiently.

▶ **Encourage experimentation:** Agile coaches can encourage teams to experiment and take risks, helping to create a culture of continuous improvement and learning.

Stage 3 ▶ Agile Transformation Optimisation

The third stage of the agile transformation journey is Agile Optimization, where the organisation focuses on continuous improvement and further optimisation of the agile framework. At this stage, the organisation has already embraced agile methods and has experienced significant benefits. However, it is time to improve and optimise the existing processes to enhance business agility further.

Patterns and Examples :

The fundamental patterns organisations must follow at this stage include continuous delivery, deployment, and improvement.

What the organisation should do:

It should strive to establish a continuous improvement and innovation culture, enabling them to keep up with the rapidly changing market demands.

To enhance business agility, organisations should use metrics to measure success, such as cycle time, lead time, and product quality. By measuring these metrics, organisations can identify areas for improvement and track progress over time.

Additionally, organisations should embrace experimentation and innovation, which can lead to new ideas and opportunities for growth.

How Agile Coaches can help:

Agile coaches play a crucial role in facilitating agile optimisation by coaching teams and leaders on agile emergent practices, identifying areas for improvement, and guiding the organisation towards continuous improvement. In addition, agile coaches should encourage teams to experiment and innovate, embrace a culture of constant improvement, and provide ongoing support to teams and leaders to ensure the successful implementation of agile methodologies.

In our experience, some organisations have entered the agile optimisation stage too quickly, needing to fully understand the agile framework's underlying principles and values, leading to challenges and roadblocks in the optimisation process.

On the other hand, some larger organisations may need help to enter the optimisation stage due to the complexity of their existing processes and the resistance to change. Agile coaches can provide guidance and support to overcome these challenges and successfully navigate the agile optimisation stage.

Statistical data suggests that organisations that have successfully optimised their agile framework have significantly improved product development cycle time, quality, and customer satisfaction. For instance, a study by Forrester Research found that Agile teams deliver software up to 40% faster and with fewer defects than non-Agile teams.

Stage 4 ▶ Agile Transformation Scaling

Agile transformation scaling is crucial in an organisation's agile journey, aiming to extend agile practices across teams, departments, and business units. Scaling agile is often perceived as adding more people, roles, and processes, but it is different. Scaling agile requires organisations to shift their mindset and culture, break down silos, align on the same goals, and focus on customer-centric outcomes.

One common misconception in our experience working with companies is the belief that scaling agile means simply adding more people and roles. However, we have found that this is only sometimes the case. For example, research by the Scrum Alliance suggests that adding more people to a team may not necessarily lead to better outcomes. Another myth is that scaling agile requires a one-size-fits-all approach. However, this is different, as multiple frameworks can be tailored to an organisation's unique needs. We have worked with companies to educate them about the importance of understanding their specific context and selecting the appropriate scaling framework to achieve their desired outcomes. This approach helps them to build the necessary capabilities to support their scaling efforts, and the leadership team plays a crucial role in supporting this effort.

▶ Patterns and Examples at this Stage:

At the scaling stage, organisations need to adopt new patterns and practices to maintain their agility while growing in size and complexity. One common approach is scaling frameworks like the Large-Scale Scrum (LeSS) or Nexus. These frameworks provide guidelines and practices for scaling agile across multiple teams and projects.

However, it's important to note that there is no one-size-fits-all approach to scaling. Different organisations have different needs and constraints, and what works for one may not work for another.

While startups may scale quickly using a more lightweight approach, larger enterprises often require a more structured approach that takes time and effort to implement. However, it's important to note that simply installing a heavy framework is not a solution we recommend. Instead, we believe that successful Agile transformation requires leadership intervention and ownership.

Our experience shows that holding the Agile coaches solely accountable for the transformation's success is not an effective strategy. Leadership teams must also take responsibility for the transformation, as they have the power and influence to make the necessary changes and ensure accountability at all levels of the organisation.

Therefore, it is essential to emphasise the importance of emerging Agile practices aligned with the organisation's goals and values. This requires a collaborative effort between the Agile coaches and the leadership team to develop a transformation roadmap that prioritises the most critical focus areas. With this approach, the Agile coaches can guide the organisation towards a successful transformation while the leadership team provides the necessary support and resources to achieve the desired outcomes.

One example of successful agile scaling is Spotify, which has famously adopted the "Spotify model" for agile at scale. This model features "squads" (autonomous teams focused on specific areas of the product), "tribes" (collections of squads with a shared mission), and "chapters" (groups of people with similar skills who share knowledge and support each other).

Another example is ING, a Dutch multinational banking and financial services company adopting the LeSS framework. By using less, ING has scaled agile across 8,000 employees and 600 teams, resulting in faster time-to-market, improved quality, and higher customer satisfaction.

What Organisations should do:

Organisations must focus on capability building to scale agile successfully, which involves developing the skills, knowledge, and behaviours needed to work effectively in a scaled environment. This includes providing training and coaching for individuals and teams and creating communities of practice where people can share knowledge and learn from each other.

In addition, organisations must ensure cross-functional collaboration by breaking down silos and promoting communication and coordination across teams and departments. This can be achieved through agile practices such as cross-team synch-up and cross-teams retrospectives.

Finally, leadership support is critical for successful agile scaling. Leaders must champion the agile transformation, provide the necessary resources and support, and lead by example. This includes adopting agile practices themselves and promoting a culture of continuous improvement and experimentation. Leadership Behaviours impact the outcomes of Agile Transformation(Venkatesh Rajamani, "Impact of Leadership on Agile Transformation", 2022)

How Agile Coaches Can Help:

Agile coaches play a crucial role in supporting organisations at the scaling stage. They can provide guidance and expertise on scaling frameworks, help identify and address scaling impediments, and facilitate the adoption of new patterns and practices.

Agile coaches can also support capability building by providing training and coaching for individuals and teams and facilitating communities of practice. In addition, they can work with leaders to ensure their support for the agile transformation and help to promote cross-functional collaboration and communication.

Concluding Thoughts

Agile transformation is difficult, but organisations must stay competitive in today's rapidly changing business landscape. The four stages of Agile transformation, starting with Agile adoption, moving to Agile scaling, followed by Agile optimisation, and finally, Agile transformation scaling, provide a roadmap for organisations to follow in their journey towards business agility.

At each stage, organisations must embrace a culture of continuous improvement, foster collaboration, and build capabilities to sustain the change. Agile coaches guide organisations through each step and help them make the necessary skills and mindsets for success.

About Author

Venkatesh is a Founder of tryScrum and trybusinessagility, a Management Consulting firm. He is an award-winning Coach listed as one of the Top 100 Most Influential Coaching Leaders by the World HRD in 2023. He is also a Professional Scrum Trainer® with Scrum.org and a Certified Enterprise Coach® with Scrum Alliance.

About Us

At tryScrum, our vision is to humanise organisations by helping them become fully capable and resilient. Organisations are at their best when they can adapt to change, embrace uncertainty, and leverage their collective strengths to achieve their goals.

We believe that humanising organisations means creating a culture that values transparency, accountability, and continuous improvement. By working closely with our clients, we help to foster a culture of trust, collaboration, and innovation that empowers individuals and teams to achieve their full potential.

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