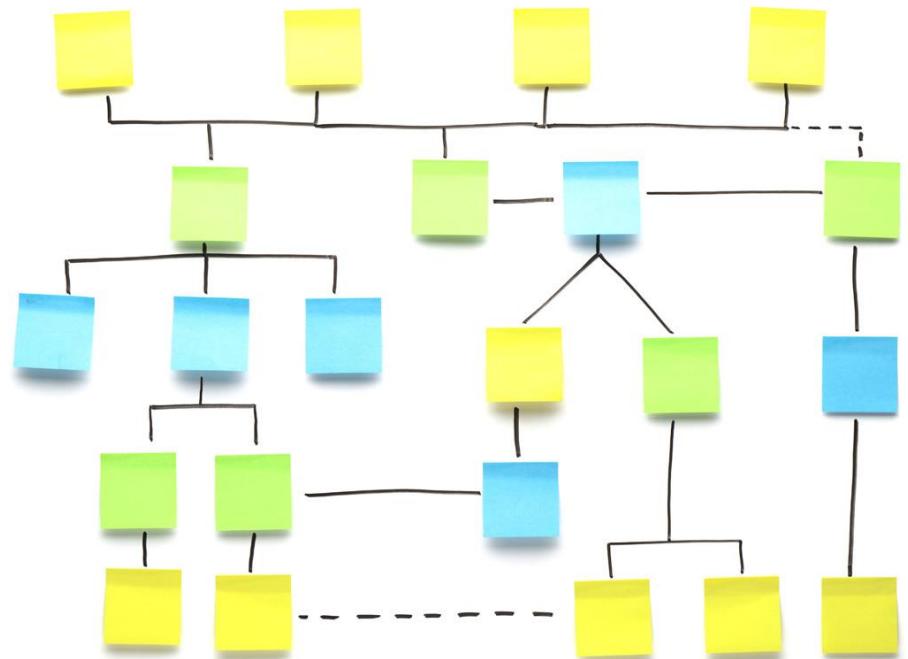


Building an Agile Organization

**Applying Lean Change – A design
framework for building high
speed adaptive organizations**



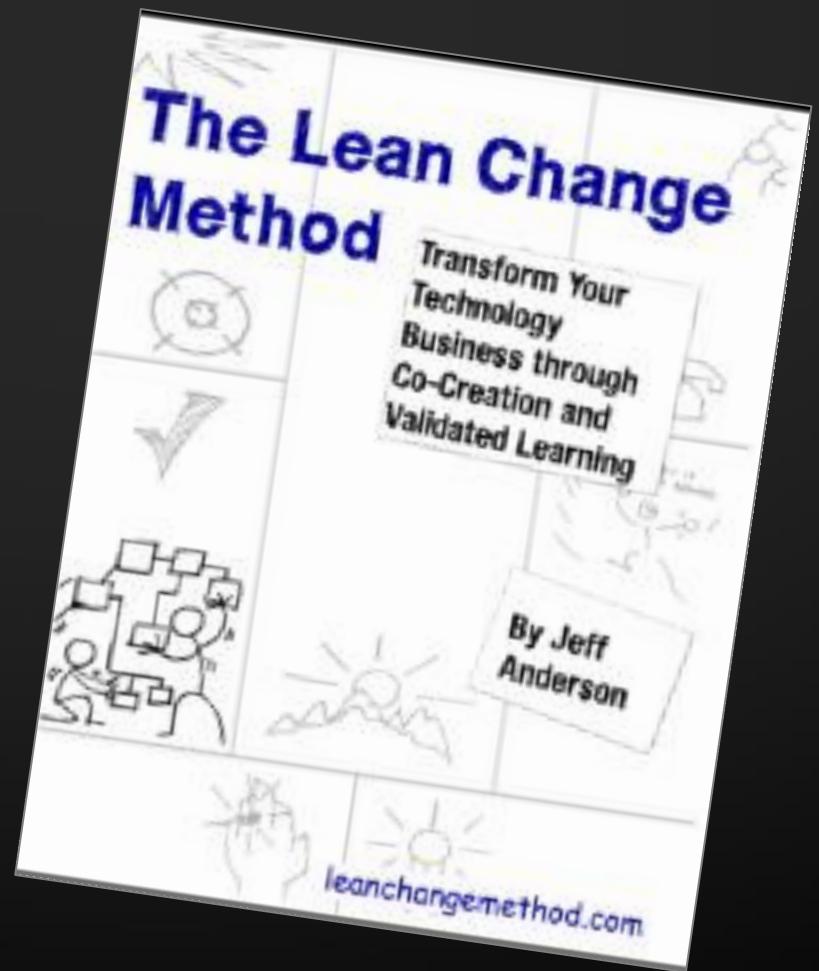


**Jeff
Anderson**

Twitter: @thomasjeffrey

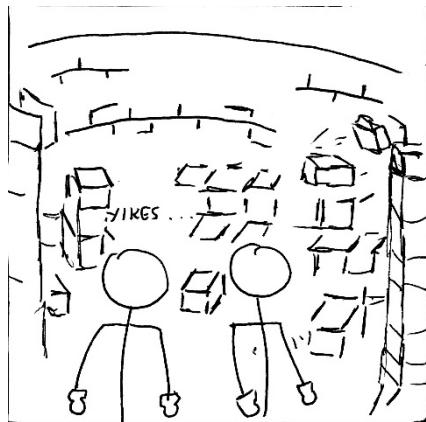
Email: jeffanderson@deloitte.ca

Blog: www.agileconsulting.blogspot.com



<http://leanpub.com/leanchangemethod/c/free4Leankit>

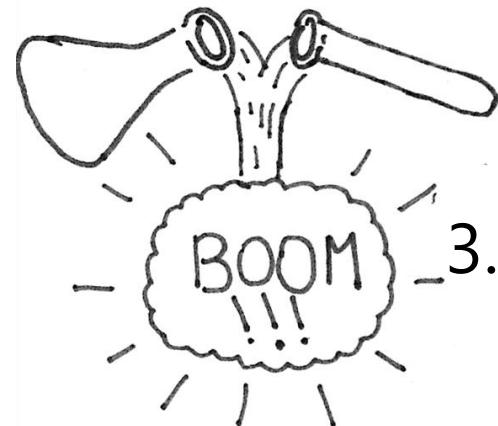
Three points I hope to leave you with as a result of this presentation



1. embracing the agile mindset is hard, really hard

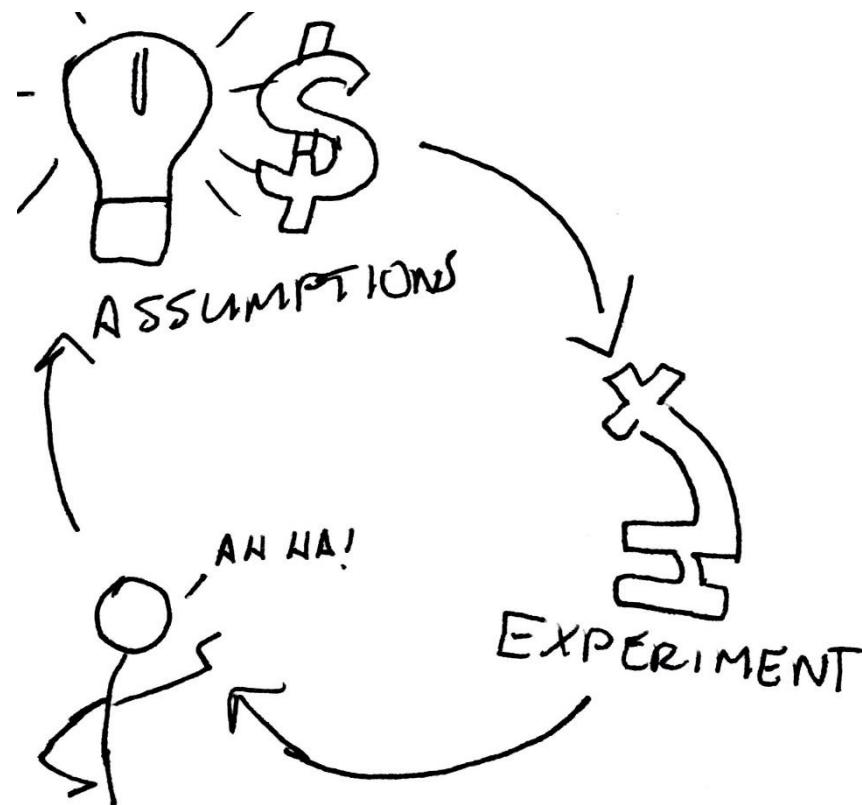


2. Your change plan is going to be wrong, no matter

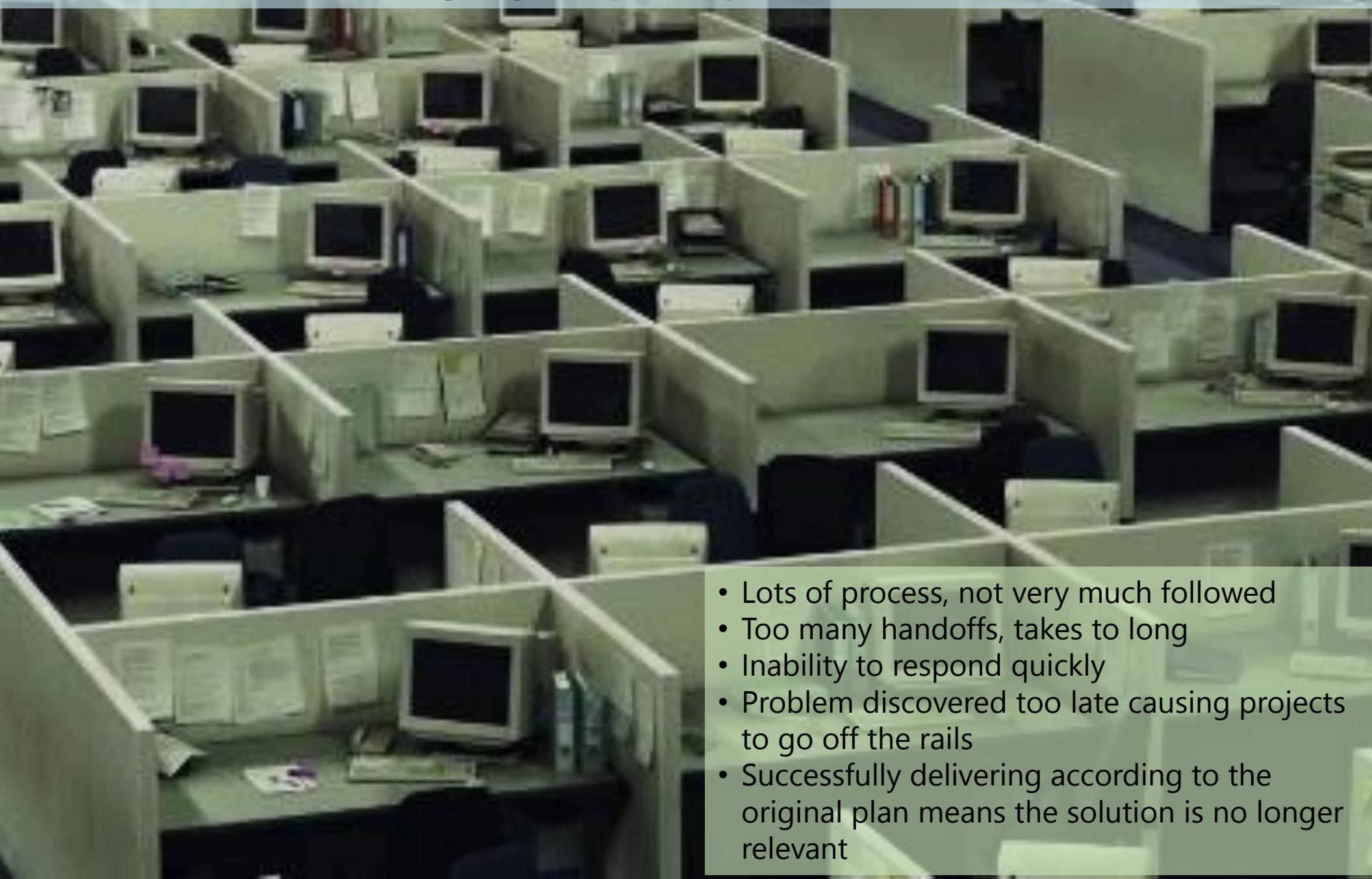


3. Treat change like a startup: prepare, introduce, learn

Call to action: inject experimental thinking into your next capability improvement initiative



Managing technology knowledge workers through command-and-control, functional departments, and waterfall processes have left IT with a legacy of poor performance



- Lots of process, not very much followed
- Too many handoffs, takes too long
- Inability to respond quickly
- Problem discovered too late causing projects to go off the rails
- Successfully delivering according to the original plan means the solution is no longer relevant

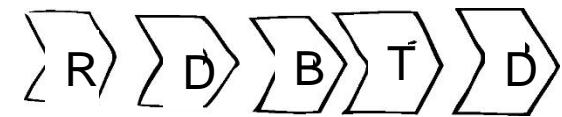
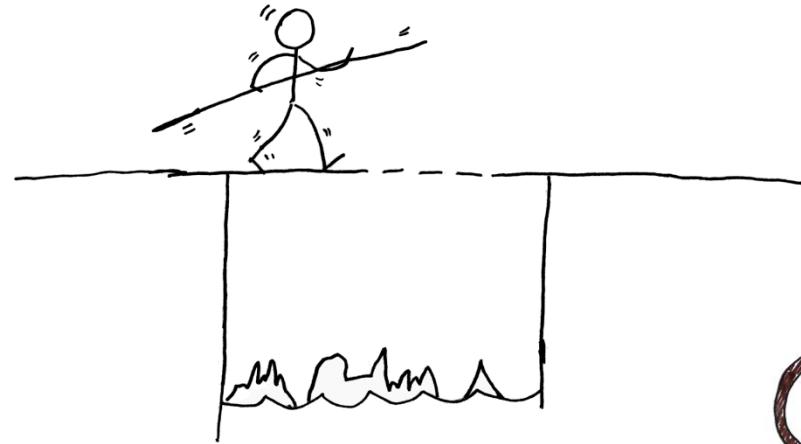
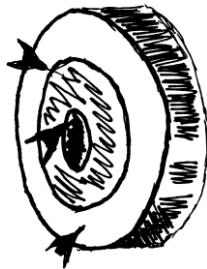


We help organizations unlock their potential to achieve better business outcomes through lean and agile methods

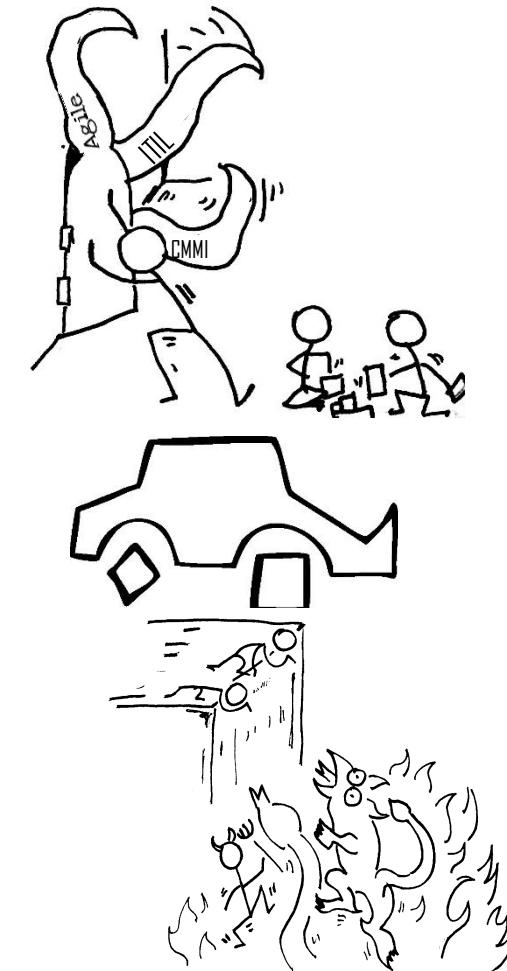
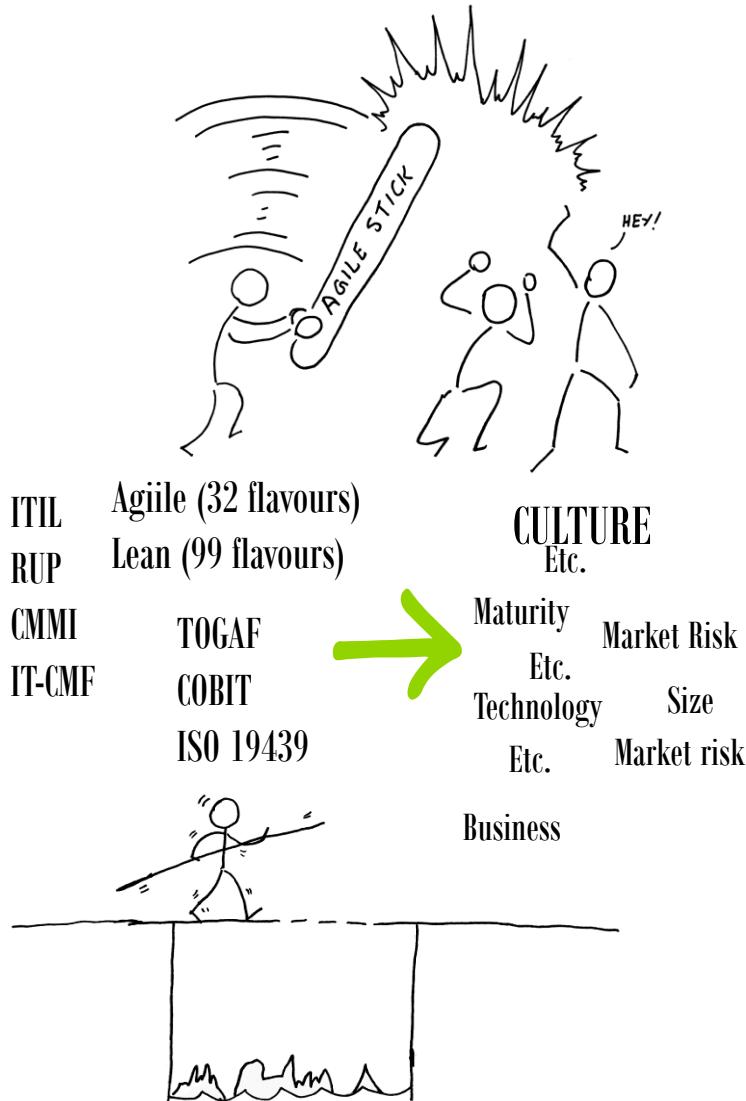
Agile Transformation leads to a rethink of the entire organization... process, people and technology are all impacted



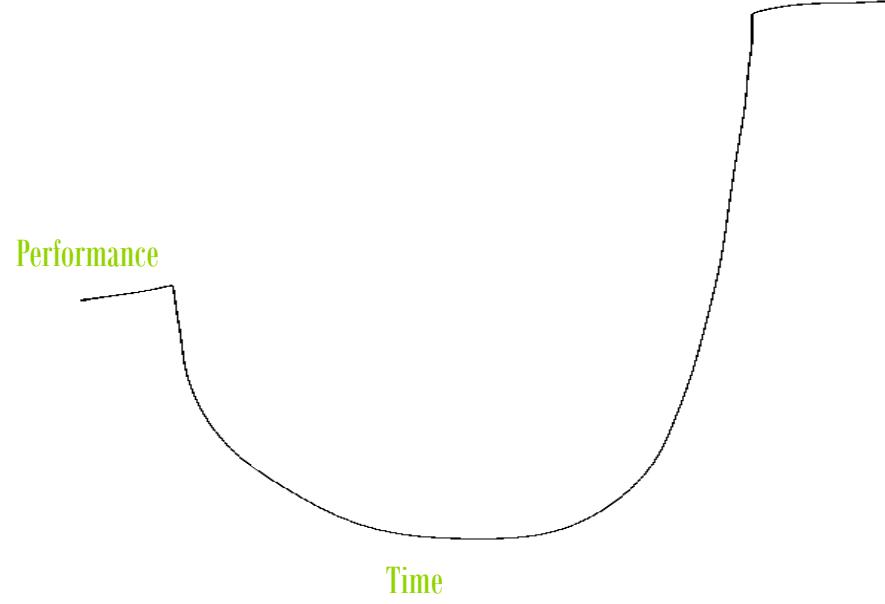
If you ask an external consultant to help you, chances are they will recommend a prescriptive change plan followed by a “Big Bang” change rollout



Implementing meaningful capability improvement is complex, planning can't reduce the inherent uncertainty in the problem space



The paradox of change, is that the organizations that most need a drastic change, are the organizations least able to accomplish this change



Large-scale changes, cause and equivalently large short-term drop in performance, low capability organizations do not have the stomach to whether the disruption and revert back to old behaviors

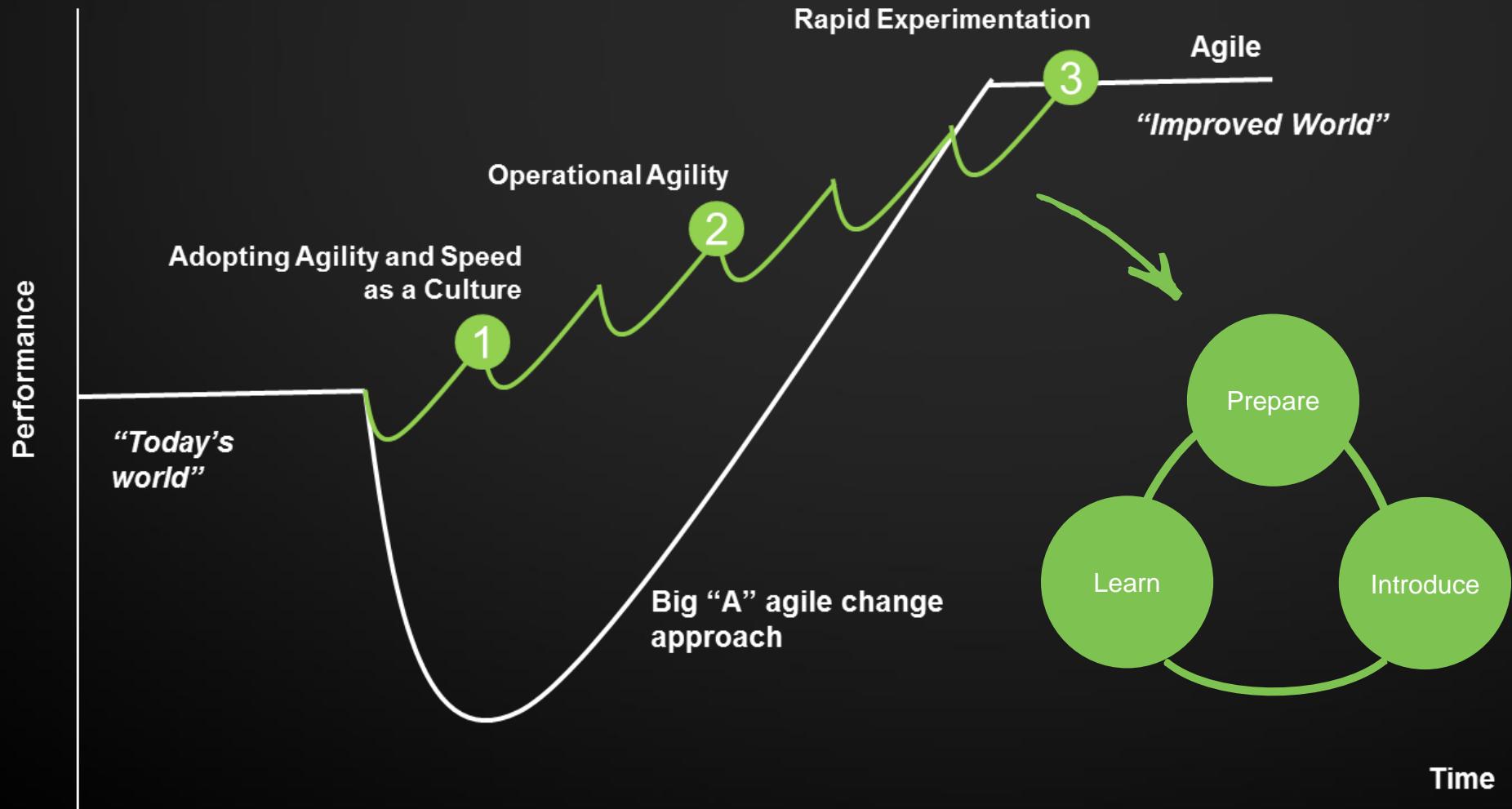
Building (Growing) an Agile Organization is a lot like software engineering...

“No plan survives first contact with the enemy” – Eisenhower?

Be ready to pivot!



Lean Change provides an “agile” approach to being agile and enables organizations to incrementally transform

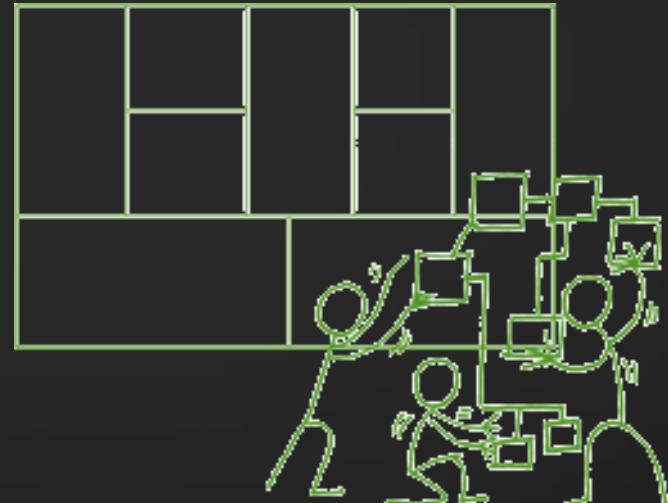


The metaphor for your change is a (lean) startup, the organization is the market, and the outcome is the product...

The two principles of Lean Change

Co-Creative Change

Design & plan each change so that impacted teams, rather than change agents "own" the change



Validated Change

Deploy small changes iteratively, using a lifecycle that enforces a experiment and learn mindset



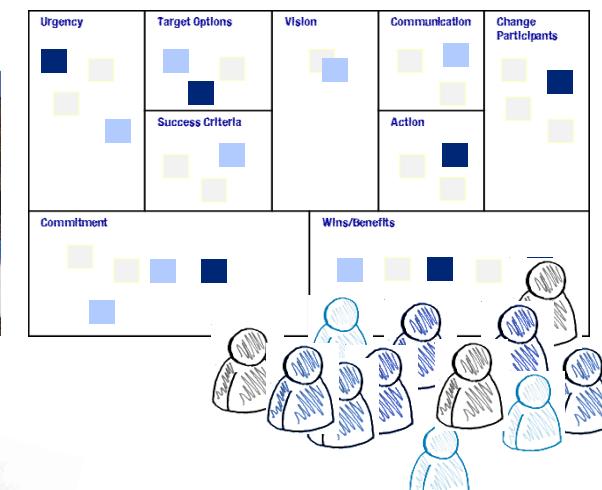
We have used the Change Canvas to allow the entire enterprise to participate in designing an end-to-end agile transformation



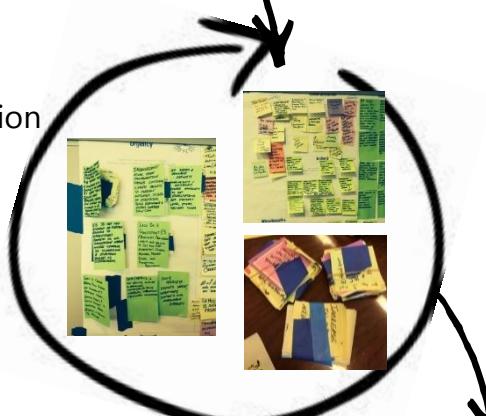
- Independent **Transformation Canvas** workshops are facilitated with executives, managers, and eager adopters, typically in groups of 6-9
- Workshop participants are asked to use the canvas to model the entire agile transformation, as opposed to an individual change
- The scope of these canvases typically cover the entire organization over the course of 1 year +



Volunteers are asked to stay behind and help merge their canvas into a consolidated **Master Transformation Canvas**



Each observation on the Master Transformation Canvas was reviewed and bucketed into a **Transformation Theme**



- The result is a complete **Transformation Canvas** representing the **IT vision** for the **entire agile transformation**
- The canvas is then socialized, and placed in a common, public area for further feedback

Planning The Overall Transformation Using A Transformation Canvas

Vision



Single compelling statement that describes what the "destination" looks like

Follow the template:
 <overarching benefits> for
 <collective name of change personas>
 through/with
 <overarching target options>
 overarching actions>

Strategic partnership between IT and the business where IT is the first choice to provide predictable, reliable, and adaptive services through agile methods and less continuous improvement

Communication



Source & Target of communication, channel, frequency Cadence, feedback mechanism, objective of each communication

	Urgency	Org Urgency	Team Urgency						
Team Personas									
Target Options									
Success Criteria									
Change Stream									

- Top drivers behind the change
- What is the pain being felt, and what is the impact of staying with the current situation

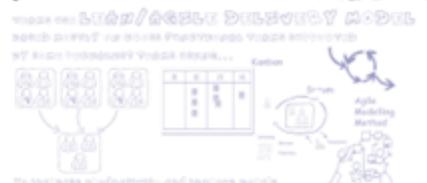
Follow this template: <a lack of | or too much> <condition> results in <business impact>

Avoid "we need" or "we want"

Follow the template:
 <roles> form a <team> that exhibits <behaviors> actions> to address <urgencies> given <conditions> which will be a <impact level> impact

- List 'Value Centers' as core cross-functional teams required for core ideation, discovery, and delivery
- Include specialized capability, and leadership roles as a set of supporting teams described in terms of what services they provide to value centers
- Include target capabilities & behavior, along with the current organizational roles that can participate in the team
- Think about the impact that the change will have on this persona!

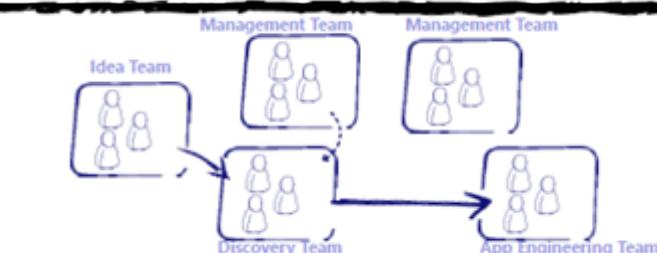
Use the template: <team> will <use/adopt> <methods> methods within a practice> to Improve <task | process> to address <urgencies> and achieve < benefits>



Use the template <Achievement> measured by <one or more metrics>



Follow the template: <change stream type> <target option(s)> with/to/for <Team Persona> will take <time/effort>



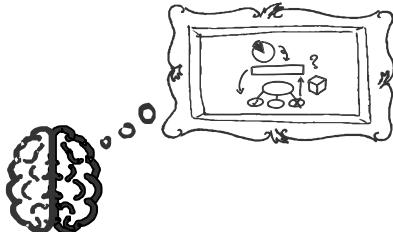
- Strategic pillars, common enablers, etc
- Changes to methods, processes, and roles and responsibilities
- Changes in organizational structure

- Specific milestones that describe success
- Include one or more supporting metrics
- Consider how to measure teams Interest, Involvement, Participation, Performance, and willingness to Publicize the change

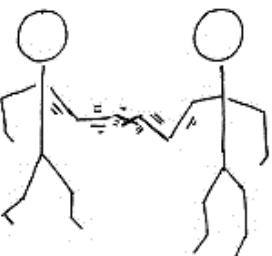
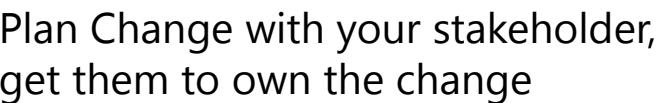
- Grouping of key milestones through which change is enabled
- Visualize general sequencing and timing, connect streams to each other
- Describe change method used, target option(s) implemented, duration, and Team Persona impacted
- List the change "stage" the stream is part of

Types of Change Streams include: Co-creation, Alignment, Design, Piloting, Team Setup, Rollout, Operationalize, Transition

Design your canvas following each of these practices to ensure maximum ownership of the right change plan



Think Visually, Use Pictures to Enhance Communication



Expect Your Change Plan to Be Wrong,
so Keep the Content of the Canvas Light
Weight and Informal



Use the Change Canvas As an Information Radiator, keep the Canvas As Close As Possible to Where Change Recipients Work



Urgency

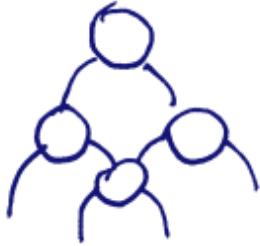


- Top drivers behind the change
- What is the pain being felt, and what is the impact of staying with the current situation

*Follow this template: <a lack of | or too much>
<condition> results in <business impact>*

Avoid “we need” or “we want”

- Urgency -> Our Managers task manage our teams, and leave little latitude for teams to self organize, as a result work becomes bottlenecked, there is little room to collaborate across departments, and the best ideas don't come forward
- Team Persona -> Agile Leader Group – a select, forward thinking group of Managers to play a front line role in leading the agile transformation, spearheading adoption, and to live the agile persona. They will be responsible for mentoring other managers, and fostering engagement, alignment and adoption across all levels of the organization. This will be a significant impact on the way they work



Team Personas



- List 'Value Centers' as core cross-functional teams required for core ideation, discovery, and delivery
- Include specialized capability, and leadership roles as a set of supporting teams described in terms of what services they provide to value centers
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Sample Team Personas

- **Agile Executive Group** – executives supporting the agile initiative and plays a proactive role in communicating and managing expectations with other executives
- **Agile Leader Group** – middle management leading the agile initiative and helps drive urgency and provide support to foster engagement, alignment and adoption across all levels of the organization
- **Agile Program Team** – a team leading the transformation planning, execution and managing other stakeholder groups while solving key gaps that emerge in the initiative
- **Agile Working Group** – cross-functional representatives playing a key role in co-creating changes and building solutions for the needs and challenges for their function
- **Agile Team** – team of people that adopt the new way of working based on agile and help the organization continuously improve
- **Architecture and Product Group** – a cross-functional set of architecture and product strategy working together to align products and business solutions to the technology platforms
- **Product Owner Group** – a group of product or solution managers working together to co-create and adopt new product management and development practices in a more agile way
- **Agile Champion Group** – a set of agile evangelists (may be dedicated or volunteers) that take ownership of helping teams accelerate, sustain and improve agile adoption
- **DevOps Group** – a cross-functional set of engineers, operations and release management co-creating and implementing processes, tools and frameworks to enable greater technical agility

Speed and scale – Oxymoron?

Case Study: New business unit spun up 4 years ago to drive new revenue streams for a much larger traditional parent FSI organization...

Urgency

- Handle constantly changing programs and business development contracts
- Heavily regulated industry with frequent changes in regulations
- Highly competitive space with “fast” competitors
- Enormous pressure to drive big revenue growth and acquire customers
- Desire to deploy and release every two weeks
- **The existing architecture is a mess!**
- **Teams don't trust each other**

Large platform

- 3M+ accounts
- \$2B+ funds
- 5.5M+ transactions / mth
- 200+ product features with multiple products

Agile Teams need to come from:

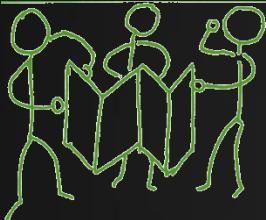
Distributed organization

- 1000+ people
- 60-70% outsourced
- 7+ locations, 5 major delivery centers
- 5 time zones

Agile Stakeholders need to come from:

- Co-branding
- FSI's
- Enterprise back-ends

Co-Creating a Transformation Plan – Part 1



1. Co-Create Your Transformation Plan with your impacted stakeholders

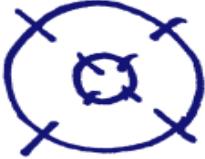


- Identify the top organizational urgencies for the change

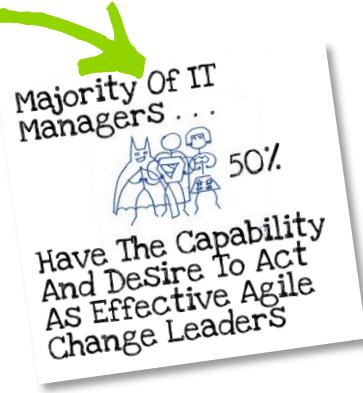


- Define team personas that would be required to resolve these issues, what behavior should they exhibit? What would the teams be responsible for?
- Populate each team with members from your organization, where would they come from? What gaps would still exist? describe the type of people in the organization that feel the pain or are critical for the change

Try defining a single Urgency and addressing Team Persona right now



Target Options

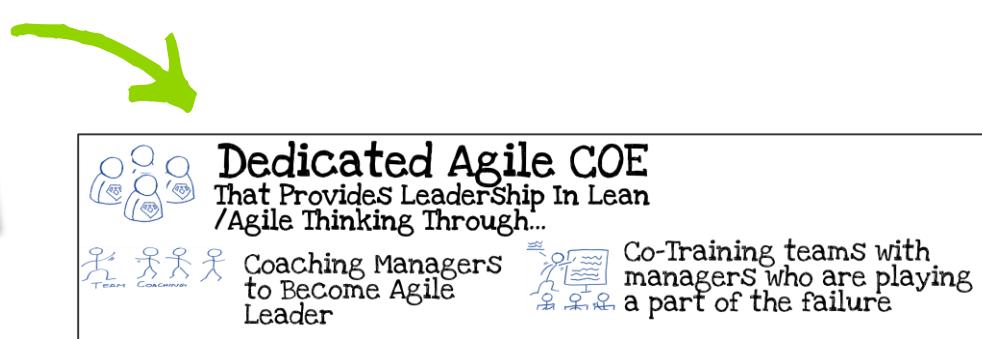


Strategic pillars, common enablers, etc

Changes to methods, processes, and roles and responsibilities

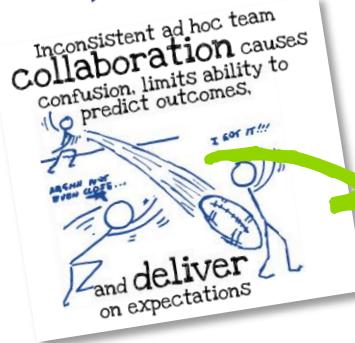
Changes in organizational structure

Use the template: <team> will <use/adopt> <methods| methods within a practice> to Improve <task | process> to address <urgencies> and achieve < benefits>



- Manager Led Agile COE -> A small, but dedicated COE will be stood up, Led by an existing manager who has the most agile experience and passion to drive the change. The COE will have direct accountability to the CIO. A small team of dedicated consultants will be hired. These consultants will mentor the Agile Leader group, and coordinate adoption work by treating these leaders as an agile team. Standups, backlog grooming, retrospectives will be part of the approach

Success Criteria



- Agile Mindshare -> If we can get Agile thinking to be the dominant mindset, productivity, quality, speed etc will follow. We think the best leading indicator is the **number of managers who have successfully led one of their teams to adopt basic agile methods**, and who feel comfortable leading the adoption of these methods onto future teams, possibly mentoring other managers.

Sample Target State Options

Process Options

- Outcome vs Scope based budgeting
- Batch size of demand
- Push vs Pull vs Staged Gates
- Escalation and Resolution of Impediments
- Selective vs End-to-end Agile Process

Business and Product Options

- Program and feature owners
- Product owners based on LOB, Product Family or Independent Function
- Business vs Technical product ownership
- Supporting large programs – Chief PO
- Business Engagement Model for PO's

Team Options

- Initiate vs Discovery vs Delivery vs Release partition
- Stable cross-functional teams aligned to a product or architecture
- Dynamic feature teams
- Separate maintenance and support teams

Team Support Options

- Centralized vs Embedded Specialists (UX, Design, Architecture, etc.)
- Deployment of specialists through Pool, Service, Guardian
- Specialized capabilities organized through Centers of Excellence vs Communities of Practice

Methodology Options

- Scrum
- Kanban
- XP
- SAFE
- Continuous Integration and Deployment
- DevOps
- LeanUX
- Story Exploration
- Agile Design Modeling

Org Structure Options

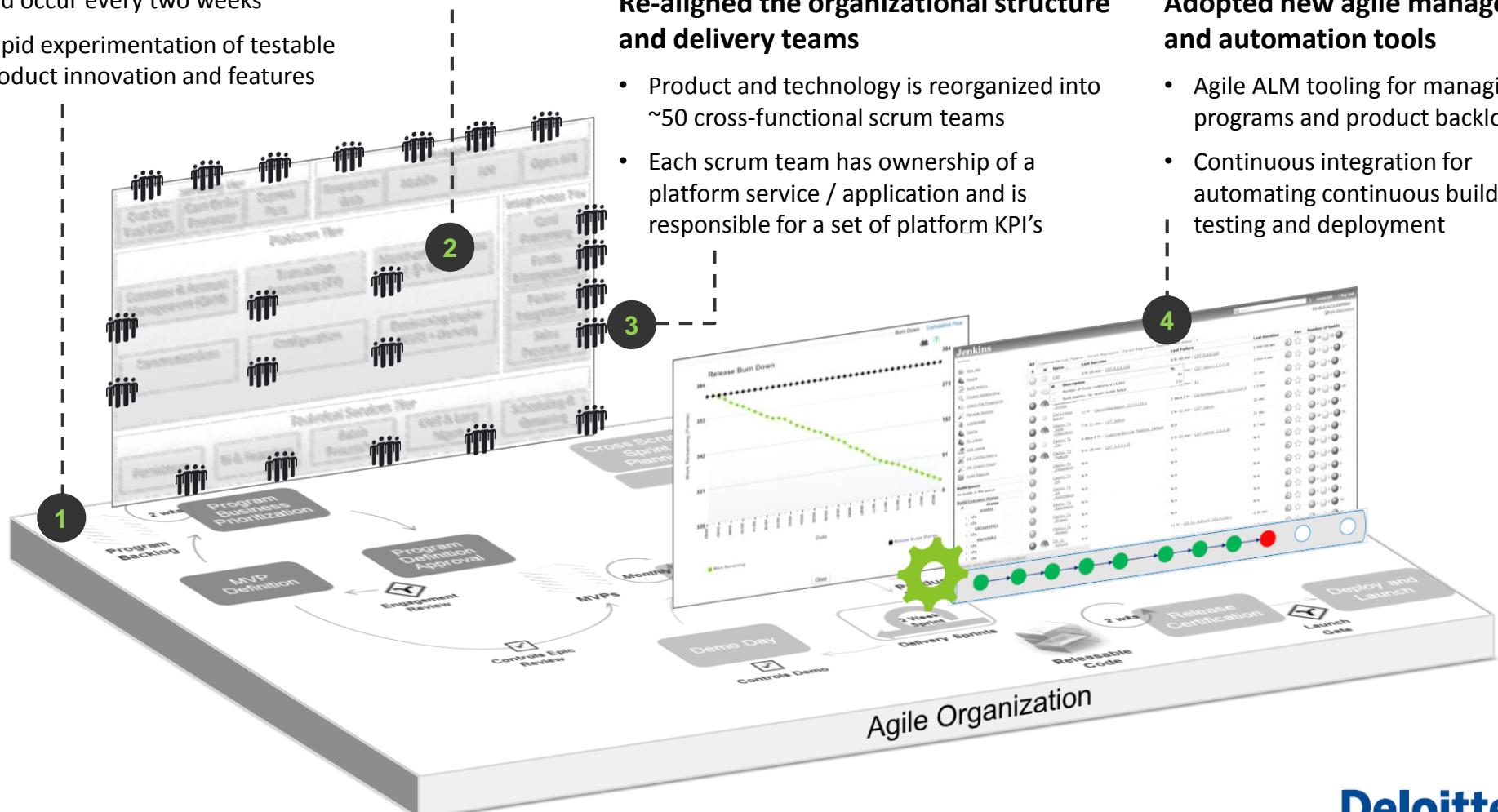
- Executive and Management Layers
- Functional vs Team Management
- Geographical Impact
- Architecture Alignment
- Portfolio and Product Impact
- Coupling of roles to job specifications
- Career path for generalizing specialists

Agile@Scale in Action – Global FSI

1000+ product and engineering division within a 10,000+ FSI IT organization

Enabled an end-to-end agile process

- Prioritization, Intake, Program, Product, Software and Release Processes are all agile
- Enable releases to become a non-event and occur every two weeks
- Rapid experimentation of testable product innovation and features



Refactored their platforms with componentization in mind

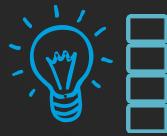
- Platform refactored into a discrete set of products and platform services
- Agile is enabling teams to focus on component stewardships and technical debt reduction to drive quality improvements

Adopted new agile management and automation tools

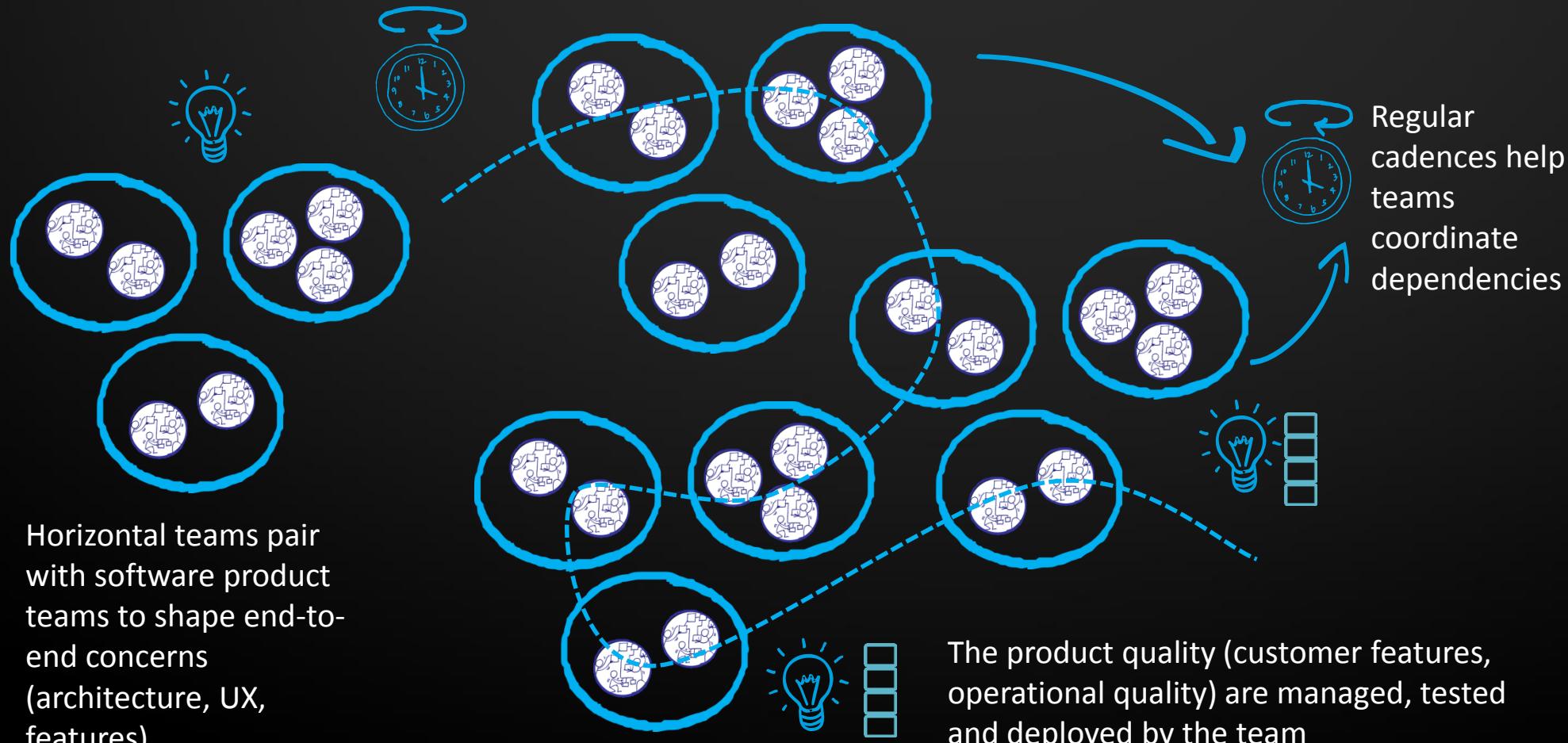
- Agile ALM tooling for managing programs and product backlogs
- Continuous integration for automating continuous builds, testing and deployment

A more ambitious Target Option: Establishing a network of software product teams that each own product outcomes, technical quality and coordinate on a cadence

Based on flow, horizontal teams and software product teams collaborate to shape new work



Each team is empowered to set their own product vision and manage their priorities via a product backlog



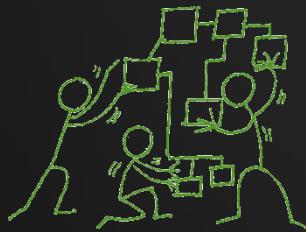
Horizontal teams pair with software product teams to shape end-to-end concerns (architecture, UX, features)

The product quality (customer features, operational quality) are managed, tested and deployed by the team

Co-Creating a Transformation Plan – Part 2



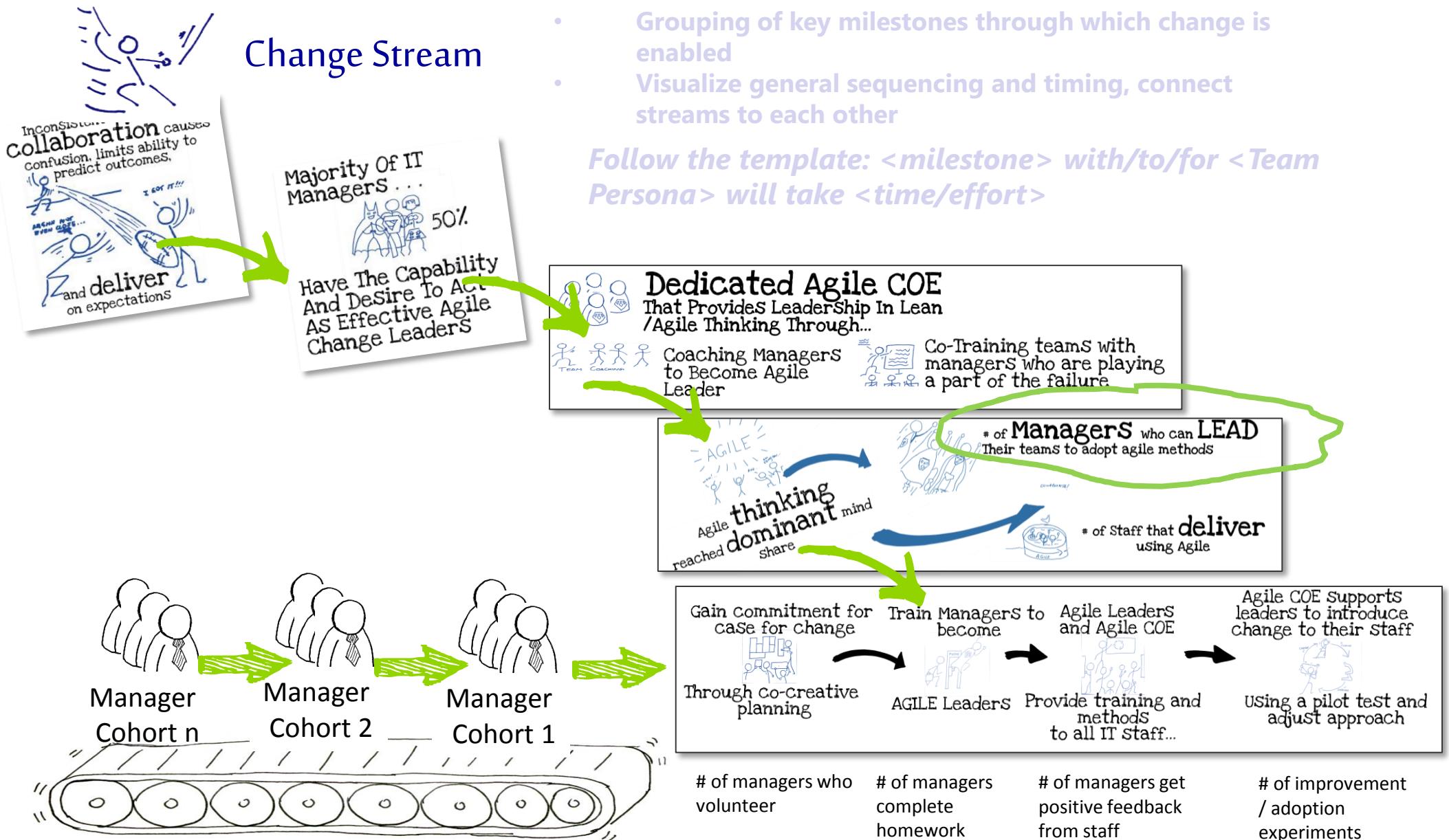
2. Identify the Riskiest Parts of Your Plan



- Co-create a set of target state options with the team personas that can help solve the organizational urgencies
- Define a set of success criteria for each target state option and identify the riskiest or foundational parts of the target state options

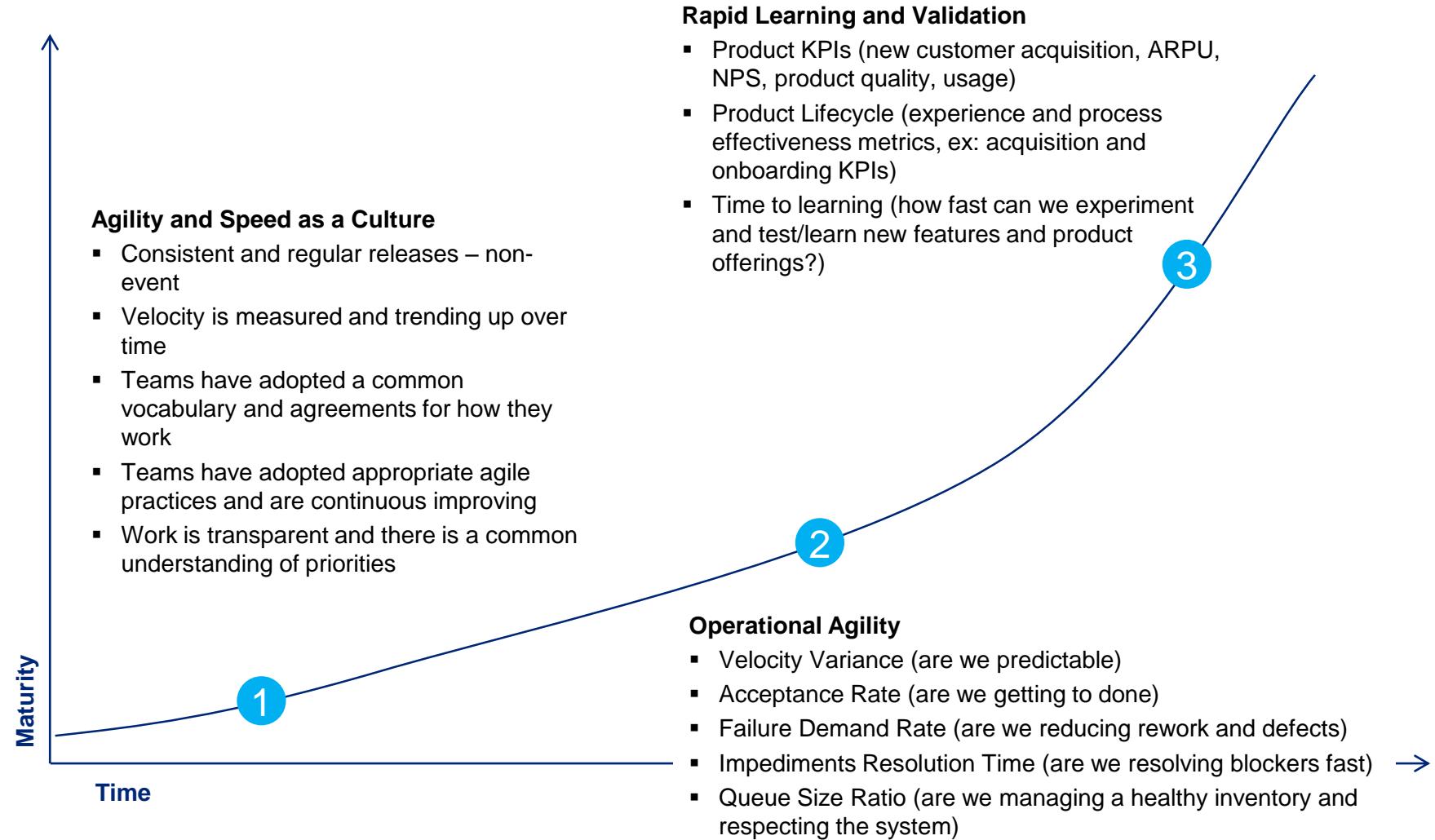


Select a single Target Option and Determine how you would measure the impact



- We are going to break up the Managers into manageable cohorts based on the LOB they are supporting, or a large scale program they are involved in
- Each cohort will help build a Change Canvas describing how/ what/ why they will foster adoption for their teams, Managers will be coached through the process of receiving agile training, then giving it to their teams, and finally coaching teams. Expectations of participation, and how we will measure it will be set by collaborating with the managers

Agility is a journey and requires building organizational capability and culture over time



There are common patterns that can help guide what your change stream will look like

Typical Urgencies

We are just starting... some projects are agile but we need to figure this whole thing out

We are doing agile but it's not working so well

We are definitely agile but we want to take this to the next level

- Helping to solve the “burning platform”
- Business and IT collaboration
- Faster feedback and decision making cycles

- Optimization opportunities
- Expanding out the agile model
- Agile engineering

- Innovation speed
- Release speed
- Self-directed teams

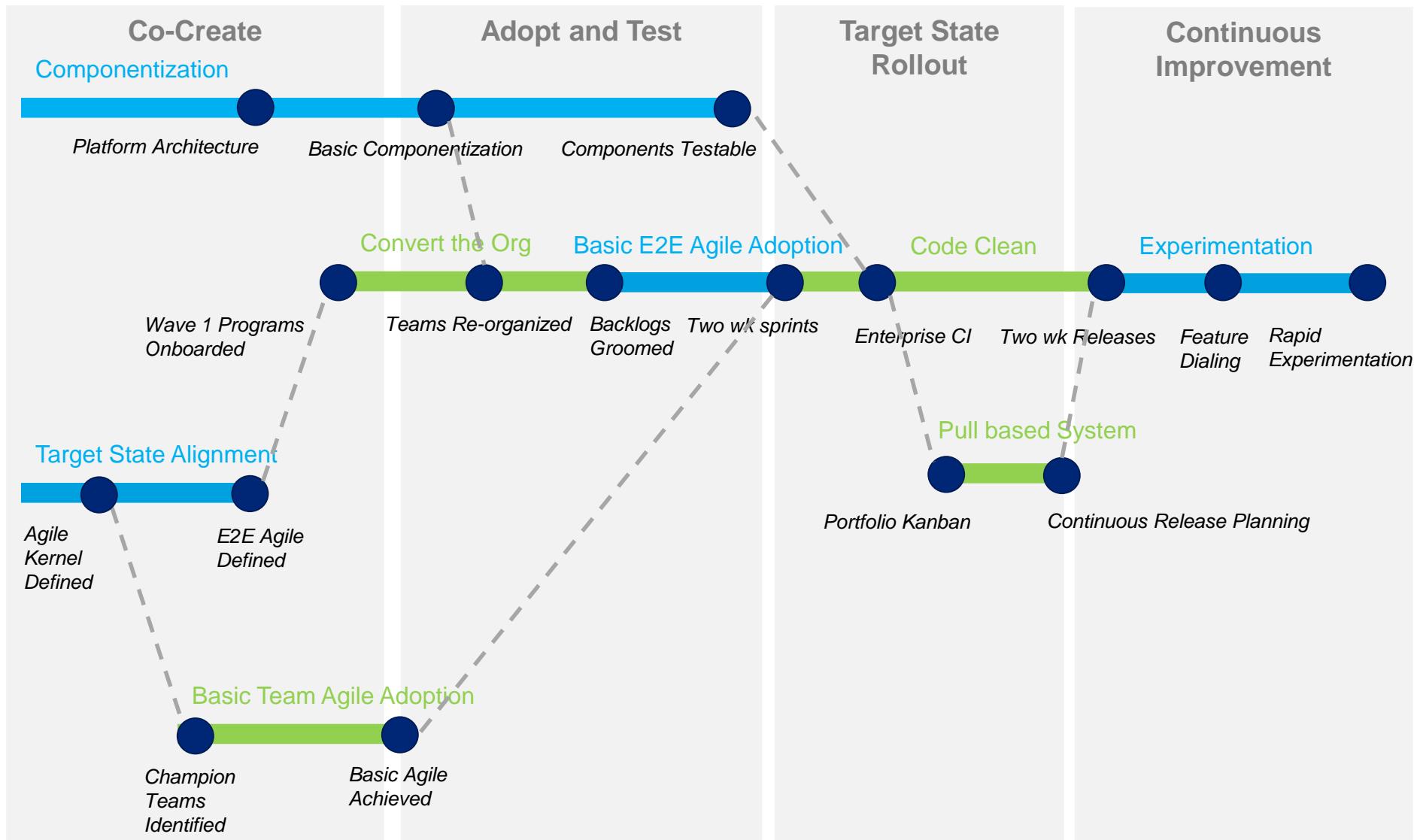
- Target State Alignment
- Basic Team Agile Adoption
- Agile Leadership Capability

- Architecture and Team Re-alignment
- Agile Governance
- Continuous Integration
- E2E Agile Adoption
- Pull based System

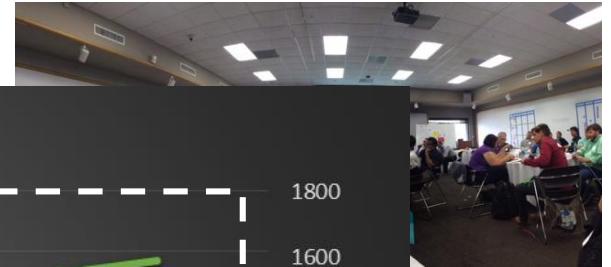
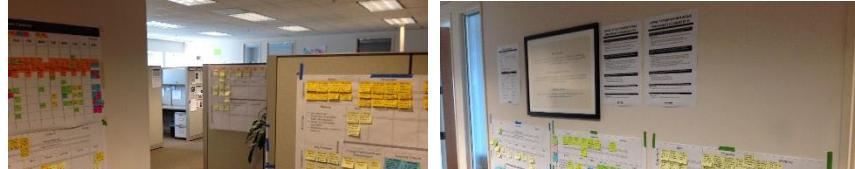
- Componentization
- Experimentation
- DevOps
- Beyond Budgeting
- Agile Talent and Performance Management

However, none of these can just be reused but they can help your mental model for where to focus the transformation

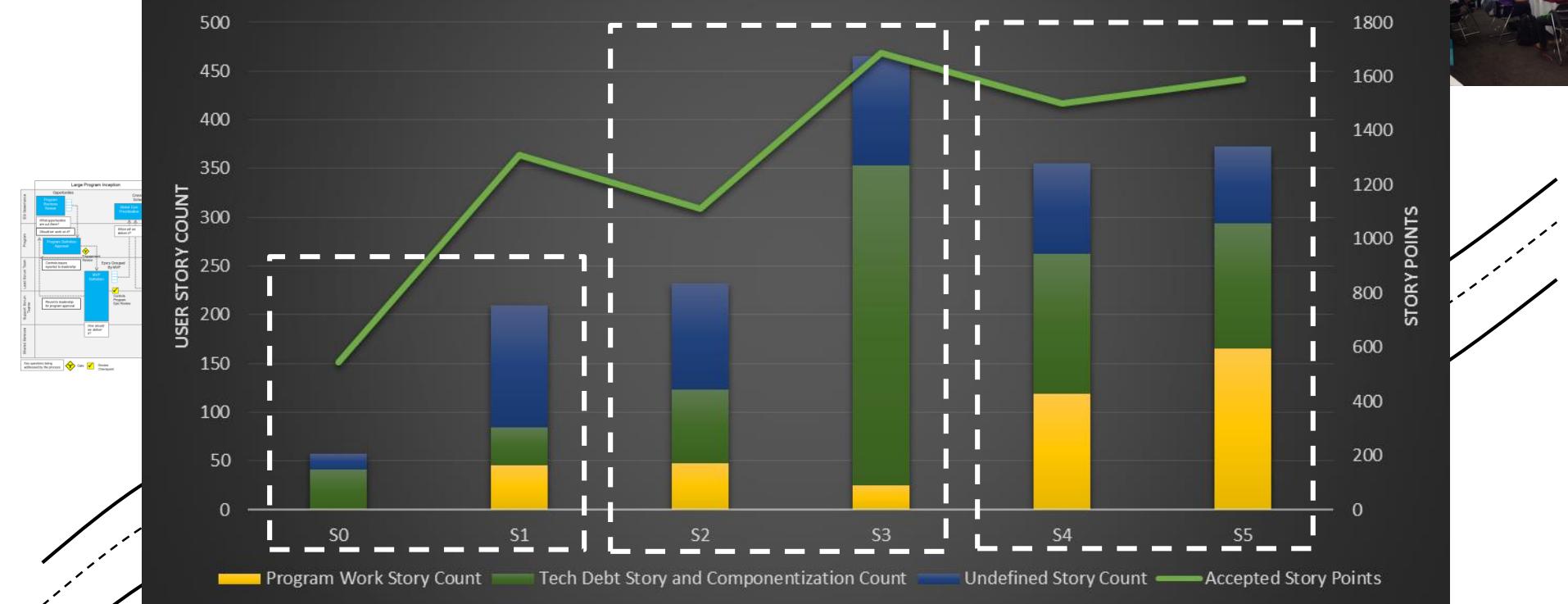
Back to our case study: AN example of how Change Streams can be assembled in an interconnected way to form a change network



A change cohort's journey passing through the change stream



Accepted User Stories S0 - S5



Deloitte.

LEAN

Lean Enhanced Agile for eNterprises

Co-Creating a Transformation Plan – Part 3



3. Validate Transformation Assumptions through Change Streams
4. Track Progress through explicit Metrics of Success



- Identify change streams to execute and validate the changes against the success criteria
- Define the actions for the change streams with milestones that can incrementally progress and validate the change
- For each team persona involved, identify the expected participation and how you will measure it to validate each milestone

Try to think of a few major change streams required to start your change plan, and define explicit expectations of participation

Conditions for Success and Lessons Learned

- **Executive buy-in and support** was critical for making agile work @ scale
- Viewing agile transformation as an **organizational change** instead of just adopting agile in “projects” helped setup a more effective environment for success
- Tackling the heart of the problem by **aligning teams, process and architecture** together
- The organization **owned their “destiny”** and was proactively problem solving to make it work
- **Getting all levels of the organization involved** in the changes and empowering them to solve problems helped minimize resistance and accelerated adoption
- Planning was essential but **responding to feedback and pivoting** along the way was what mattered
- **Taking an incremental approach** helped make the changes manageable and provided feedback for future changes
- **Avoiding “installing” a method** and contextualizing agile for the organization helped build understanding, ownership and flexibility to evolve as they go



Compare and contrast the differences between your agile transformation initiative and this case study.

What's different that can help improve your agile initiative?



Q and A