ARE YOU READY FOR AN AGILE TRANSFORMATION?

ASSESSING TRANSFORMATION READINESS

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Successful Agile transformations are sweeping, ongoing evolutions in mindset, structure, operations, and social and technical training. Organizations that dive into a transformation without a clear understanding of this—or without an accurate assessment of their ultimate goals, milestones, processes, leadership accountabilities, and the cross-organizational ripple effects of a sudden upheaval in mindsets and methodologies—may soon find themselves mired in bottlenecks and tensions.

Agile Velocity, a full-service transformation partner, has developed seven key questions your organization can ask itself as part of a readiness self-assessment process. The methodology behind each question—and the sub-questions asked of managers and transformation leaders—are not the sole determinant of whether your team is ready to transform. However, they can provide a strong foundation for the most important decision your organization can make in an increasingly volatile and uncertain business environment.

WHY TRANSFORM?

The most critical question your organization must ask of itself comes in two parts: what need, goal, pain point, or roadblock is driving you towards change, and why do you believe transformation is the answer?

When it comes to recognizing pain points, organizations are often quick to pinpoint symptoms but struggle to locate the root causes. Like a person waking up with a persistent, inexplicable ache, they know something is amiss, but diagnosis will require the attention of a professional. Likewise, a cure may not be a simple prescription but may require an ongoing process of rehabilitation that flexes and adapts according to the demands of the body.

In the context of organizational change, this ongoing rehabilitation process may manifest as a single transformation that evolves over time, or multiple iterative transformations that fail for any number of reasons: lack of planning, lack of support, lack of engagement, or a lack of actual agility ("Agile" transformations that co-opt Agile terms and processes without actually creating Agile systems or mindsets). However, even failed transformations provide valuable information and experiences that inform and guide future change. As such, many organizations will grapple with pain points and the question of *why should we*

transform? repeatedly, and engage with multiple transformations—such as Agile and non-Agile, cross-team and cross-departmental, centralized and decentralized—throughout their lifetimes. Pain points may persist or evolve, and the answer to "Why transform?" will evolve as well, depending on an organization's goals, roadblocks, and previous transformation experiences.

Your organization needs a clear goal before commencing any process of transformation to compel people into action. A common mistake is to declare that agility itself is the goal. Agile is a solution to many obstacles, but not a compelling reason for change in and of itself. Another common mistake is to base the decision on hypothetical outputs, i.e. the completion of key projects or KPIs. Tying agility to specific projects may not assist in building long-lasting, cross-organizational agility. It is more useful to look towards business outcomes which will, in turn, drive greater agility and help complete those projects or reach those KPIs.

Continuous Improvement	**Speed**	**Predictability**
The ability of the organization to relentlessly pursue optimizations in all aspects of business functions.	The time it takes to deliver an idea into the market.	Teams maintain a predictable cadence of delivery enabling the business to make informed business decisions.
Innovation	**Customer Satisfaction**	**Employee Engagement**
New ideas, creative thoughts, or novel imaginations provide better solutions to meet new requirements, unarticulated needs, or known market needs.	Customers are satisfied with the experience, benefits, and outcomes when using your product or service.	Employees are more satisfied in their work, willing to go the extra mile, passionate about the purpose of their jobs, and committed to the organization.
Productivity	**Market Responsiveness**	**Quality**
Increase the business value realized while maintaining or reducing costs.	The ability of the organization to pivot quickly to respond to ever-changing market demands.	The product or services meets the expectations of the market for usability, reliability, etc.

The Path to Agility® transformation framework is centered around nine distinct business outcomes which are considered prior to or at the beginning a transformation: Employee Engagement, Continuous Improvement, Innovation, Customer Satisfaction, Market Responsiveness, Productivity, Speed, Quality, and Predictability.

Considering which one or two of these outcomes are most relevant to your organization, and how building towards this outcome will assist in overcoming

existing tensions or constraints, is crucial in directing a transformation. An organization that divides its focus among too many outcomes will achieve none. On the other hand, an organization that makes an informed decision about where to concentrate their efforts and achieve early wins can go on to address other business outcomes using the new capabilities developed during the process.

Choosing a primary business outcome assists in defining the *Why* behind your transformation, which in turn is the catalyst for building a transformation roadmap. It's important to construct this roadmap in the context of your chosen outcome and your *Why*, using further questions such as:

- What intermediary steps will take us closer to this outcome?
- Which teams are most closely tied to this outcome?
- Which leaders and managers need to be involved, and at which points?
- What dependencies need to be addressed to build the capabilities necessary to achieve our chosen outcome?
- What is constraining each point in the transformation, and how can those roadblocks be removed?

This context elevates a roadmap from a to-do list into a detailed, functional plan that will direct leaders and coaches at each stage of the transformation, and can provide guidance if or when the transformation becomes bottlenecked or misaligned.

A final, but no less vital question to consider when asking "why transform?" is "what happens if we don't?"

There are risks involved in transformation, the greatest of all being the early challenges posed by the *dip* in the change curve (explored later in this paper). However, an organization that continually delays transformation (or denies that transformation is necessary, preferring to ignore flawed ways of working) faces greater risks again: remaining trapped by organizational constraints and unresponsive in a volatile and uncertain market. As such, the answer to "why change?" must encompass any justifications as to why not to change.

WHEN IS THE RIGHT TIME?

Some teams interpret the question of "when is the right time?" as a call to evaluate the perfect moment to kick off a transformation. Not so.

No business will ever see a moment in which a transformation can take place without being impacted by other concerns, and no transformation can be neatly bookended with concrete start and end dates.

Every transformation is an ongoing process, complete with speed bumps, mistakes, and course corrections. This is increasingly important to acknowledge in a time when Agile transformations are increasingly whole-of-org, as opposed to taking place on a process-level or team/department level. When managing so many areas and dependencies, it becomes impossible to put a whole business on pause or time a transformation in a way that will not cause disruptions.

A more relevant question is: if we begin this transformation now, will the process cause irreparable harm? For example, starting when teams are enthusiastic for change but leaders are unprepared and need more time to prepare and align themselves. This may also occur in circumstances where, for example, a transformation would delay the delivery of a critical project, shattering customer confidence. These problems are significant enough that they will likely result in resistance if a transformation is initiated prematurely.

A BUSINESS THAT IS READY TO TRANSFORM IS:

- Not currently overwhelmed by battling ongoing disasters or putting out fires
- Can dedicate sufficient resources to the transformation without sinking the company
- Has sufficient buy-in across all levels of leadership
- Recognizes the imperative to change across all key levels

WHO NEEDS TO BE INOLVED?

The short answer: everyone. Every department, team, employee, leader, stakeholder, and customer is in some way affected by an org-level transformation, and every process will undergo some level of adjustment.

As such, it is necessary to shift the question from who will be involved to how this affects everyone both internally and externally.

Understanding the complexity of an organization-wide transformation is difficult for any untrained individual. Therefore, it's recommended that you seek the assistance of change champions. Agile change champions (or simply change champions) are advocates with previous experience in transformations who will work to supervise the change, including overseeing the coaches who are spearheading processes and training. Change champions may also identify roadblocks and facilitate their removal.

An effective transformation will feature change champions drawn from different levels and roles within the organization, to ensure the representation of diverse perspectives. They must have both seniority and respect within their departments in order to make critical changes to existing, entrenched processes and constraints. They must also find a balance between remaining in the thick of the action—providing resources, removing obstacles, reallocating responsibilities, and so on—and maintaining a level of objectivity, so they can make fair and measured evaluations and decisions.

AN ORGANIZATION THAT UNDERSTANDS WHO NEEDS TO BE INVOLVED HAS:

- Explored and discussed the impacts and demands of changes with every team member
- Empowered change champions at all levels of the organization
- Identified teams who will be most impacted by change, and actively assisted them by removing key impediments and spreading WIP

WHO LEADS THE CHANGE?

Existing managers/leaders and change champions may seem the most obvious choices to lead a change, but this is not necessarily true. Existing leaders are vital in participating in the change, but may not have the capacity, knowledge, or skill sets to lead it. The aforementioned change champions can create roadmaps and maintain a birds-eye understanding of the process but may be spread thin if relied upon to act as the only on-the-ground facilitators, or if asked to spearhead the change without the support of colleagues with similar skill sets.

The solution: bring your change champions together into a small, Agile-team sized (approximately 8 +/- 2) collective known as an Agile Leadership Team (ALT). This team will represent the diversity of the organization in terms of skill sets, mindsets, departments, backgrounds, etc. Senior leadership must be represented to provide authority, but not to such a degree that the team becomes driven by management and loses the ability to get work done on the ground level. Teams closest to the customer must be represented to accurately assess and provide the voice of the customer, but not to such a degree that the ALT loses the larger perspective and has no influence. The ALT must also remain in consultation with other teams, leaders, and stakeholders, to understand shifting goals, outcomes, and impediments associated with change. Finally, people chosen must have time and resources to spare for their new role. Being part of the ALT is not a full-time position but will become a significant component of their day-to-day work.

One primary goal of an ALT is to analyze and act upon qualitative and quantitative data related to the change. For example, the ALT may ask teams to gather data on cycle times, feature throughput and cost-per-feature metrics. The aggregate data will help the ALT make informed decisions about how the transformation is progressing, and whether there are any primary bottlenecks or constraints they can work to eliminate. Meanwhile, tracking employee NPS will allow the ALT to stay aware of morale throughout a complex change.

The ALT may also extend its reach by assigning new change champion roles throughout the organization: for example, coaches and Scrum Masters who can actively articulate problems to the ALT and align on outcomes. Change champions high in the organizational structure can remove cross-silo impediments, while those lower down can assist on a team level.

An ALT can also help your organization accelerate through the change curve via quick wins: fast-paced transformations in key areas that exemplify the possibilities inherent in an Agile transformation, and uplift and encourage teams who may be struggling through the curve. A candidate for a quick win should be an area, process, or team that:

- has a clear outcome in mind
- can achieve that outcome within a short time span
- faces obstacles that are neither insurmountable or trivial
- has demonstrated enthusiasm and willingness to change

Their achievements must be real and significant, and clearly signal to other employees that the change curve can be overcome with the assistance and support of the ALT.

WHAT IS IMPACTED?

The answer to what will be impacted by a transformation is similar to who will be impacted: everything.

As such, the question shifts to how teams should manage those impacts. This is especially true when discussing rolling impacts, and the weight they place upon people in terms of additional mental workload, change exhaustion, and resistance. These cumulative impacts can be described using Path to Agility®, which takes into account the Satir Change Model[2].

New Status Quo

Status Quo

Chaos & Resistance

Integration & Practice

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As described by family therapist Virginia Satir. See: Satir, Virginia, et. al., The Satir Model: Family Therapy and Beyond, Science and Behavior Books, 1991.

The Satir Change Model describes the experience of people going through dramatic change. After change commences, there is an inevitable dip in productivity as people learn how to manage new systems and processes. When combined with the mental and emotional impacts of being pushed out of one's comfort zone, the result of this dip is disruption and resistance. Resistance to change may manifest as a reluctance to engage with the process, increasing tensions between employees and leaders/coaches, or calls to return to the old ways of working. This resistance is natural and expected, and while it can't be entirely avoided, it can be lessened. Instead of asking "How can we avoid resistance?" or "How can we prevent teams being impacted?", effective change champions and leaders should ask, "how can I accelerate teams through the change curve?" In other words, what can be done to grease the wheels or remove impediments.

The answer: create investment among all levels prior to the commencement of change. This means ensuring everyone involved (which, as previously discussed, means everyone) understands the reasons for change, what change can accomplish, why it must be completed urgently, and why they must be actively involved.

This is helped in no small way by who delivers the message. When leaders call for change, they create a sense of urgency among their teams. Leadership must ensure these calls for change are recurring and backed up by concrete action. A leader must not only champion their teams but needs to engage with and model the behaviors they're asking for, such as joining standups, taking ownership of removing organizational impediments, working with the leadership team to intentionally decentralize decisions, showing up to Sprint Reviews, and asking the team how they can help, etc. Leaders who accomplish this, while also calling attention to small wins throughout the organization by putting successful teams in the spotlight, will grease the change curve and reduce both tensions and resistance.


AN ORGANIZATION THAT UNDERSTANDS WHAT WILL BE IMPACTED HAS:

- Considered the impacts of change on every level of the organization, as well as customers and stakeholders
- Considered how resistance will manifest in those areas
- Trained and prepared change champions who can provide impetus and oversight
- Brought leadership on board in an active facilitating role

HOW DO WE MANAGE THE CHANGE?

Sometimes we can plan for the ways in which change will affect a team. Other times we can anticipate an impact, but not the shape or scope of that impact. To effectively manage complex change, it is vital to examine and map internal capabilities—an internal process or ability enabled by Agile practices that allows the organization to achieve its outcomes. Examples include the capability to form and align teams, to accurately forecast internal and external changes, and to deliver continuous value. Some of these capabilities may already exist but will require strengthening. Others may not exist at all and will have to be built from the ground up.
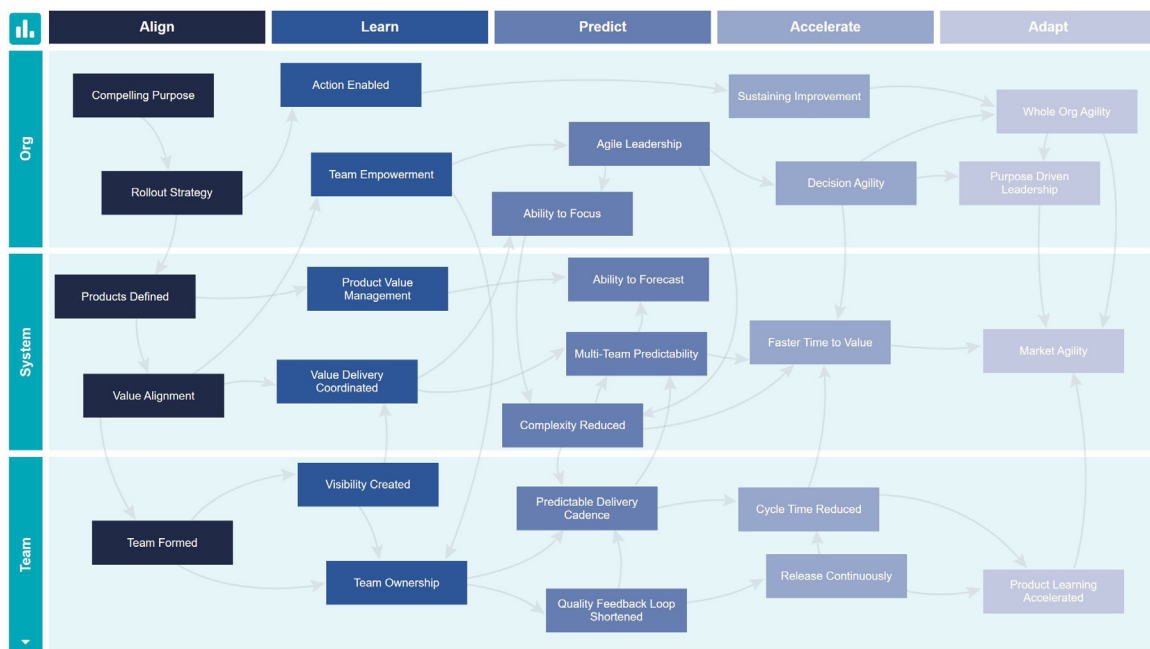
Internal capabilities are interlinked and build upon one another. It may be necessary to create or strengthen multiple capabilities to reach your organization's outcomes.

TO MAP CAPABILITIES, ASK:

- What capabilities do our teams already have?
- Which of our capabilities are weakest?
- Which capabilities will be tested in the event of unexpected change?
- Are capabilities shared across the whole organization, or concentrated in specific teams?
- Can capabilities identified as weak be strengthened through concentrated training, or changes in daily practice?

Internal capabilities commonly identified as in need of strengthening include communication (at team, departmental, and executive/enterprise levels), perspective (many teams have the ability to optimize the individual, but not understand or optimize the whole), and measurements (teams often use rather than products). Common does not mean universal; for this reason, identifying focus areas is an important step in the process. This is where an ALT can step in and (just as they would identify areas for quick wins) identify ways in which teams can become more resilient and adaptable during a transformation through education, coaching, and cross-departmental skill sharing.

Managing this change and developing these capabilities across your organization will necessitate ongoing training and coaching in Agile ways of working. As everyone is affected by change, everyone must train for change: teams, leaders and the ALT included. While training and coaching will be uniquely tailored for each team or department, the primary methods can be broken down into four types: Do It Yourself, Big Consulting, Coaching Augmentation, or via Agile Consultancies.

	Cost	Agile Transformation Expertise	Consistent Proven Approach	Self Sufficiency	Timeframe	Long Term Success
Do It Yourself	🟢	🔴	🔴	🟢	🔴	🟡
Big Consulting	🔴	🟡	🟢	🔴	🟡	🔴
Coach Augmentation	🟢	🟡	🔴	🔴	🟢	🔴
Agile Consultancy	🔴	🟢	🟢	🟢	🟢	🟢

Each transformation option comes with advantages (green) and disadvantages (red). As shown in the diagram above, transforming in conjunction with an Agile Consultancy is the most reliable option for long-term success.

Even with the assistance of professional Agile coaches and consultancies, identifying outcomes and capabilities in need of creating or strengthening can be difficult. As such, it can be useful to use a preexisting map which logically links potential outcomes, the capabilities required to advance those outcomes, and the Agile practices that will build those capabilities.

Path to Agility® is an Agile transformation framework that helps you customize a roadmap based on the specific needs of your organization. Path to Agility allows for teams, leaders, and coaches to understand the causality between Agile outcomes which allows for effective scaffolding, guides decisions regarding transformations in structure, teams, the development of Agile capabilities, and the allocation of resources, and provide a level of foresight regarding the ripple effects of change.

A TEAM THAT HAS CONSIDERED HOW THEY WILL MANAGE THE CHANGE IS ONE WHERE:

- Agile outcomes, the Agile capabilities required to advance those outcomes, and the Agile practices needed to build those outcomes, have been mapped according to a transformation framework such as the Path to Agility® framework
- Leaders are responsive to the needs of their teams
- ALTs are guiding effective change
- Coaches have been engaged to build Agile capabilities and practices
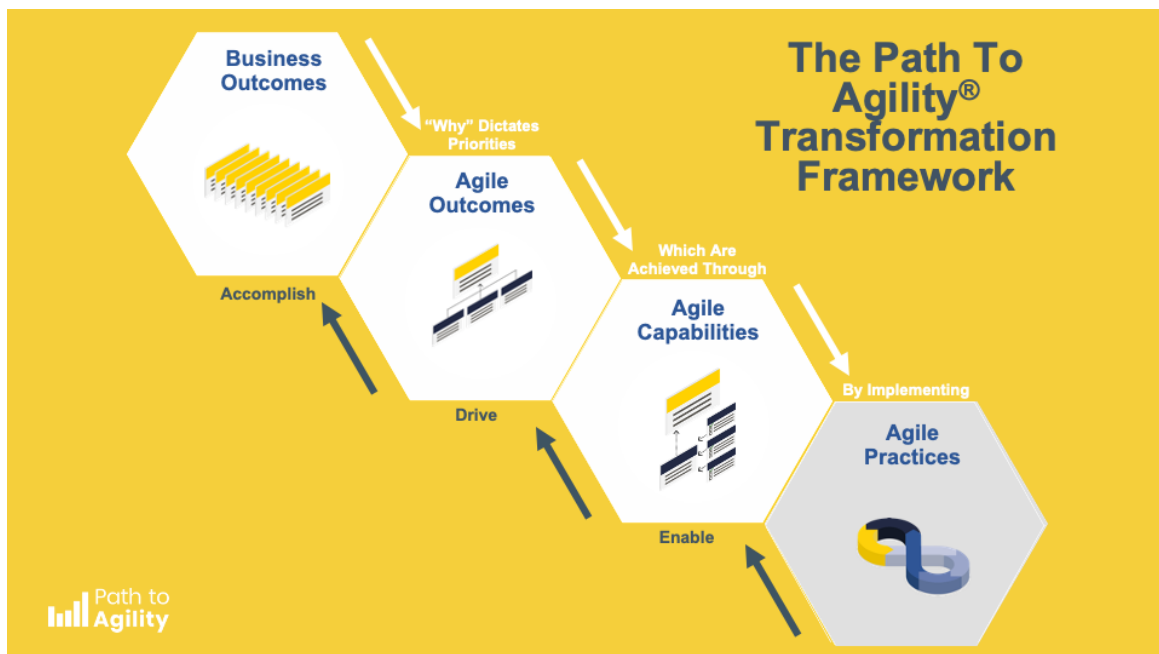
Understanding how business outcomes, Agile outcomes, Agile capabilities, and Agile practices relate to and build upon one another is made easier when using a transformation framework like Path to Agility®.

WHERE TO PILOT?

The final question a team must ask is: where do we begin?

While change affects an entire organization, and in some cases can begin everywhere simultaneously (a "big bang" approach), it's not the only path.

It's more likely that change will begin with a targeted selection of teams or departments, then ripple outwards. But before ripples can spread across a pond, someone must choose where to toss the first pebbles.

Several factors influence where those first pebbles land. There must first be an impetus for change inside the team or department where change will begin. This impetus should be clearly communicated to the team by an authority figure who commands respect and is invested in the change.

Identifying a target team, area, or system that satisfies all these requirements can be more easily achieved with the assistance of an experienced transformation partner. By limiting the scope of the change to an area already primed for transformation, it will be simpler to achieve a quick win which will propel momentum across the organization.

AN IMPETUS TO CHANGE MAY INCLUDE:

- A capacity to improve (without capacity, a transformation will stall)
- A willing and engaged business partner (including product teams, leaders, and strategic investors)
- Willing and enthusiastic leadership (ready, trained, engaged and participating)
- A whole-org learning opportunity (where everyone feels their investment will grow the organization)
- An urgency to change (without urgency, there is no drive/engagement)

An astute transformation partner (or an ALT guided by such a partner) may find multiple areas that meet these criteria, hence the opportunity to begin the transformation in different areas. This approach helps teams avoid the pitfalls of narrow focus. Placing all your trust, training, and resources in the transformation

of a small team or group of teams may create unreasonable pressure, and there is no guarantee of success. A high-profile failure could be devastating for overall morale and future transformations. On the other hand, a few achievable transformations provide multiple opportunities for public wins, and lessons learned in those pilot transformations will inform ongoing efforts in other departments.

If an area does not satisfy all the above requirements, that doesn't disqualify it from change. Instead, it should provoke further reflection and risk analysis. Willing leadership is the only non-negotiable factor. Every other factor can be addressed both before and during the transformation process.

ARE YOU READY FOR CHANGE?

There is no universal method of assessing whether your team or organization is ready for change. However, it is possible to paint an image of an organization that can confidently take their first steps towards change.

They have:
- Assessed their current state of readiness based on the seven key questions
- Have used that self-assessment to identify key outcomes they wish to achieve
- Have used a transformation framework like Path to Agility® to identify capabilities they need to build in order to reach their desired outcomes
- Created a diverse ALT comprised of leaders, coaches, and employees on the ground floor, that can assess, plan, and enact changes
- Engaged an appropriate Agile consultancy for training purposes
- Targeted several key areas for rapid change based on the five crucial factors

If your organization has not completed all the above steps, it doesn't mean you can't or should not commence a transformation. In the case of organizational transformation, it is possible—and often necessary—to finish assembling the plane in midair. For example, you may begin a transformation while still in the process of engaging additional coaching support, briefing your teams, engaging leadership, creating an ALT, and so on.

It is most critical that you have leadership support, the beginnings of an ALT, and coaches with whom you can consult in some capacity. With those in place, you will be able to create a plan for the rest of your transformation and communicate it to staff and stakeholders while already taking your first steps towards positive change.

If your organization is seeking additional support, or a scaffolding upon which you can construct an effective transformation, you may find a solution in the Path to Agility®, created by Agile Velocity.

AGILE VELOCITY, AND THE PATH TO AGILITY

Agile Velocity is a trusted, full-service transformation partner offering whole organization coaching, leadership and team coaching, and Agile training. By leveraging their Path to Agility® transformation approach, Agile Velocity advises clients on the best way to avoid failure and reach success as quickly as possible. Since their founding in 2010, Agile Velocity has helped companies large and small achieve business agility. Agile Velocity helps enterprises that are struggling to weather change or that are too wrapped up in systems and processes to react nimbly to market disruptions. Their comprehensive Agile transformation services and training, help you get the results you desire by designing your customized agility roadmap based on where you are today. To learn more contact info@agilevelocity.com.

Path to Agility® is an in-depth Agile transformation framework that can provide guidance and structure to organizations preparing for transformation. Created by Agile Velocity, Path to Agility is objective, customizable, outcome-oriented, and designed for mid-size to enterprise-level organizations struggling with Agile transformations.

Engaging with Agile Velocity can provide your organization with a true understanding of agility, the path you need to take, the capabilities you need to build, and what your net business outcomes will look like throughout the transformation process. Agile Velocity aims to create capable, independent teams and organizations by building internal coaching capabilities, ensuring that your organization can continue its change mission with confidence after Agile Velocity coaches depart.

If you would like to speak to a team member at Agile Velocity about how Path to Agility can assist your organization, email info@agilevelocity.com or visit https://agilevelocity.com/

ABOUT THE AUTHORS

David Hawks | Founder and CEO of Agile Velocity

David Hawks is a Certified Enterprise Coach and Certified Scrum Trainer who is passionate about helping organizations achieve true agility beyond the basic implementation of Agile practices.

David's primary focus is to guide leaders through their Agile transformation by helping to create successful transformation strategies and effectively manage organizational change with a focus on achieving real business results.

Eric Cussen | Enterprise Agile Coach

Over the past 15 years, Eric has been focused on helping leaders achieve the benefits of agility by helping them connect the concepts and practices to real-world applications. Eric's approach is pragmatic but rooted in foundational Agile principles that help leaders execute change and model behavior. His experience ranges from small tech startups to large insurance and financial services companies. His background in product development drives his passion and entrepreneurial mindset.

OUR SERVICES

Agile Transformation

Using our Path to Agility® Transformation framework, we orgs build the capabilities needed to achieve desired business goals with confidence.

Agile Assessment

Identify gaps, establish a baseline for the transformation moving forward, and determine key next steps for achieving your goals.

Agility Tune-up

Target the most pressing challenges that are keeping your team from achieving desired outcomes.

Agile Training

We utilize hands-on training techniques, demonstrations, and simulations to create an engaging, outcome-focused learning experience.

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