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Can AGILE enable a full scope transformation approach and realise expected benefits more successfully?

Transformation Assurance

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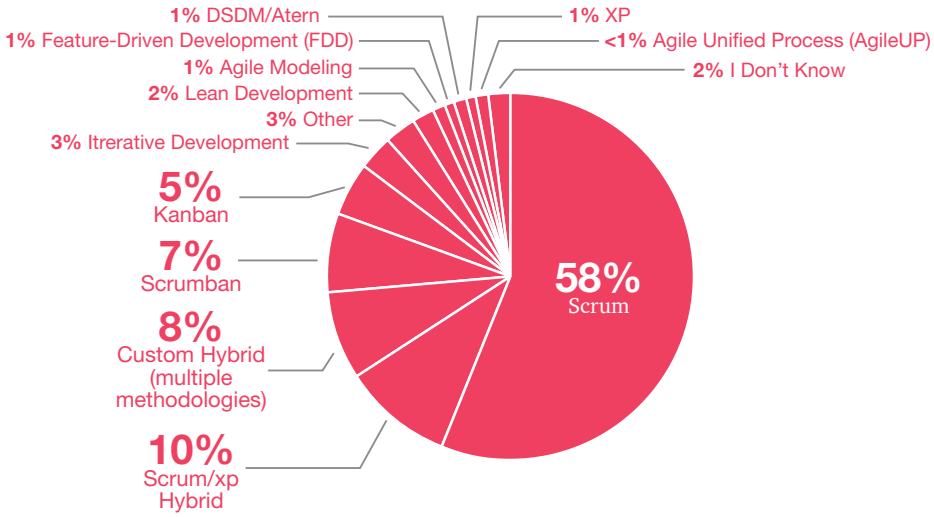
Nowadays everyone is talking about agile and its great potential for quickly delivering value to organisations and customers. Anyone following this discussion might get the impression that agile is a silver bullet.

Although some organisations have demonstrated success in agile project or programme delivery, others have been seriously struggling to quickly deliver the expected benefits – or to deliver anything at all. Why is this so? Have these organisations suffered a lack of agile education and experience or made inappropriate use of agile methods and tools; did they encounter resistance to cultural change, or was there just a lack of discipline? Maybe a combination of all these factors was the problem?
In this article we will give an answer to 1) why agile projects, and especially large-scale agile programmes, often struggle, and 2) how the challenges and risks of agile delivery can be overcome to ensure smooth and continuous product delivery and realise the expected benefits.

Need for speed in benefits delivery to remain in pole position

Increasing market demands are transforming the way organisations respond to customers' needs. To address the drivers, which are mainly centred on speed of delivery and business value created, organisations are adopting agile practices at a rapid pace. According to VersionOne's 10th Annual State of Agile Report, Scrum (58%) and Scrum/XP hybrid (10%) are the most commonly used agile methodologies. The remaining 32% of respondents practise either one or a combination of more than a dozen other agile methodologies, adapted from the market or iteratively self-developed.

Figure 1: Agile Methodologies Used
Source: VersionOne: 10th Annual State of Agile Report



This recent ambition brings new risks as organisations, people and processes evolve to learn and adapt to the new way of working. Hence, for transformation projects and programmes to deliver and maximise the benefits promised from them, advanced project or programme management practices and governance need to be put in place.

Agile delivery – the pervasive solution for maximising project benefits?

The advantages of agile delivery practices, especially in the IT and software development sector, have been proven, and many organisations have even adopted agile as their default project delivery method. There are also studies, such as those published by The Standish Group[1] and Ambysoft[2], which argue that agile projects are more successful than traditional ones.

In addition to rapid realisation of business value and benefits to customers and end users, such studies commonly highlight the following agile related advantages:

- Greater control over time and budget, with the focus on prioritising and refining scope in a more flexible way, and thus delivering on time
- Engaging business stakeholders throughout the delivery life cycle (not just at the beginning)
- Cross-functional and self-organising teams facilitate better utilisation of resources
- Incrementally designing solutions with customers creates relationships and opportunities to build trust
- More transparency with respect to project progress, obstacles, risks, issues and dependencies

There is no doubt that, when properly implemented and managed with the right controls and governance protocols, agile can be successful in quickly delivering functionality and maximising benefits. However, to implement an agile project an organisation has to adapt and realign culturally to satisfy stakeholders that high-quality solutions are being delivered and that business risk is being effectively mitigated.

In addition, agile delivery typically affects businesses differently depending on their size and how they integrate the agile component into business operations and established project delivery methodology. Even though agile projects are commonly reported to be more successful than traditional projects, the fact that agile has been used typically in small or mid-sized IT project environments has a considerable effect on project complexity, and consequently the chances of success.

[1] The Standish Group, CHAOS Report 2015
[2] Ambysoft, IT Project Success Rates Survey 2013

Scaling agile to comprehensively realise organisational benefits

Agile was originally developed for software development projects in which the customer's end needs could not be fully defined at the beginning. These projects usually affected only one or two functions, e.g. client management or sales. However, if you want to gain significant benefits from adopting agile in your business transformation projects and programmes, you need to be able to scale your agile delivery to enterprise level and adopt it in strategic business initiatives.

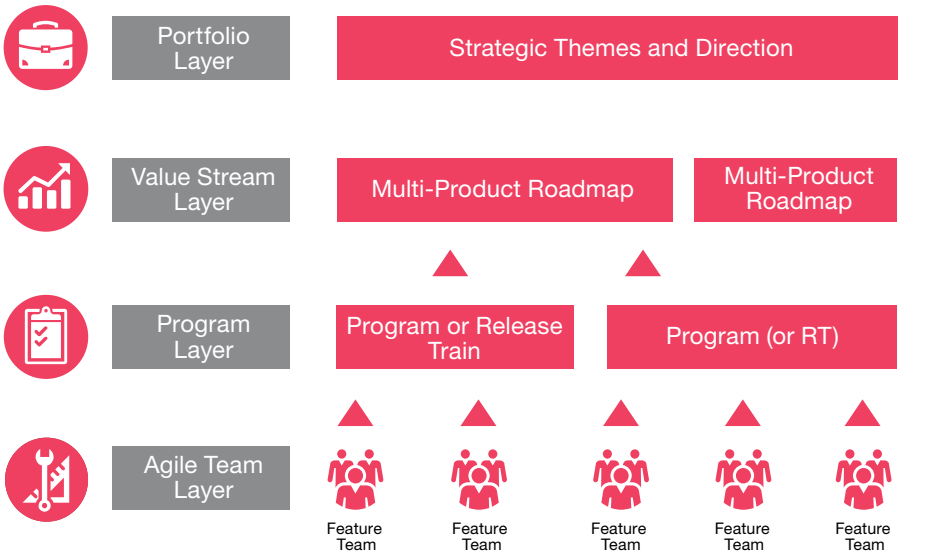
Although many private businesses and public organisations are trying to maximise the full potential of agile within small and mid-sized IT projects, few of them manage to successfully scale agile practices to large transformation programmes and finally to enterprise level.

Indeed, managing and coordinating project work, and ultimately the fast delivery of high quality products, becomes much more complex in a programme environment comprising a combination of several projects that may overlap and be built by teams of teams (or teams of teams of teams). To address this challenge, scaling frameworks such as SAFe (Scaled Agile Framework, the most dominant approach), LeSS (Large Scale Scrum) and DaD (Disciplined Agile Delivery) have evolved in the market[3].

SAFe represents a framework of integrated patterns based on lean and agile principles with the aim of synchronising the delivery of multiple autonomous but aligned agile teams within larger organisations. On an overarching level, EPICs[4] representing enterprise portfolios (that allow calculation of ROI and are usually facing development initiatives on the customer side or internally) have to be planned.

The primary delivery instrument bringing together developed artefacts of individual teams is called Agile Release Train. Within an Agile Release Train release cycle, regular programme increments (completed product artefacts) are used to ensure that the intended business objectives are met.

Figure 2: SAFe – Scaled Agile Framework
Source: Authors' illustration derived from SAFe

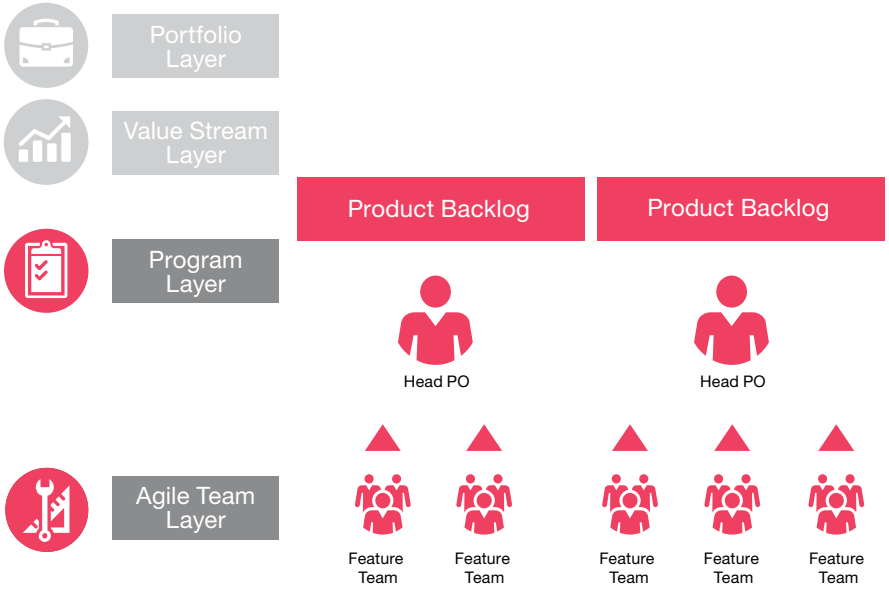


[3] We consider SAFe, LeSS and DaD to be the most commonly used scaling frameworks based on our market experience. However, there are a number of other scaling methods and approaches available.

[4] SAFe defines EPICs as significant initiatives that help guide value streams toward the larger aim of the portfolio. They are investment intensive and far ranging in impact. EPICs require a formulation and analysis of cost, impact, and opportunity in a lightweight business case, as well as financial approval before implementation.

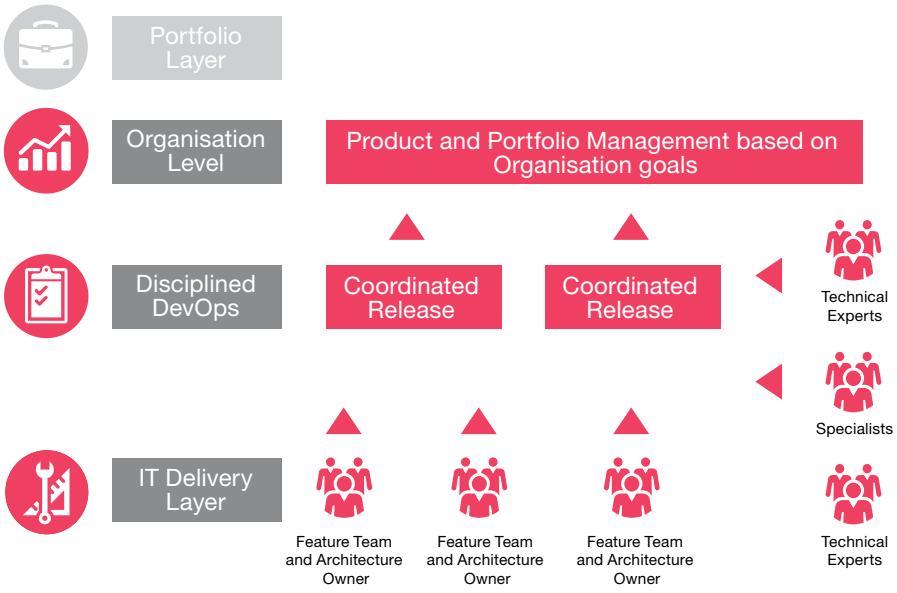
LeSS scales up Scrum activities on the basis of the team-of-teams concept which addresses practices, such as Scrum of Scrums[5], agile release planning, coordinated Scrum events, and a managed organisational agile transformation.

Figure 3: LeSS – Large Scale Scrum
Source: Authors' illustration derived from LeSS



DaD represents a process decision framework that adopts and tailors agile strategies and principles from existing methods, with the focus on people and learning as well as solution and risk-value focused delivery of IT and software artefacts within an organisation.

Figure 4: SAFe – DaD – Disciplined Agile Delivery
Source: Authors' illustration derived from DaD



[5] Scrum of Scrums enables collaboration between multiple Scrum teams. Each team identifies one team member to attend the Scrum of Scrums meeting to coordinate work with other Scrum teams.

Embedding agile in a full scope transformation approach

Large strategic programmes that transform the whole business, or at least significant parts of it, require a full scope transformation approach that covers delivering and driving change aspects throughout the whole transformation life cycle. Such cover challenges along all disciplines from target operating model design to the complete rollout of a solution into the organisation, accompanied by organisational change, stakeholder and communications management.

Typically, such transformation programmes have been run in a traditional waterfall-oriented approach in the hope of achieving aligned, management controlled product delivery and acceptance; the drawback of a slower time to market is taken into account, and the initial product is only delivered many months after project start.

With the growing vogue of agile, these well-known traditional practices have been heavily disrupted, in most cases both top-down ('management wants to follow the agile trend') and bottom-up ('agile gives more autonomy to the teams'). However, agile cannot be enforced in line with a textbook implementation approach. The factors given below are among the most prominent obstacles to adapting (or even substituting) agile in traditional delivery approaches and structures[6]:

- Organisational and company philosophy or culture at odds with core agile values, and/or lack of management support for cultural transition
- Insufficient personnel with the necessary agile knowledge and experience
- Inconsistent and/or ineffective agile practices, methods and tools throughout the organisation

You need to be clear about the benefits and the drawbacks of agile (compared to the traditional approach) to make sure it is the appropriate method to be used so that a programme can successfully deliver the intended business benefits. Problems with delivery will not be fixed by just moving to agile. Some methodologies can hide problems, such as poor communication and poor quality delivery; agile brings these issues to the forefront, so it may often be thought to be the cause of the problem.

There is no one-size-fits-all methodology, however, and each delivery methodology has its pros and cons depending on the nature of the programme. Consequently, each and every programme will need a slightly different approach. Organisations need to be aware of this if they are to fully understand when it is appropriate to use agile and how to scale product delivery within a large-scale transformation programme. Furthermore, often traditional project and programme management frameworks have been established in organisations for many years with high effort. To integrate and scale fast delivery, these traditional frameworks need to be adapted with agile principles, e.g. towards a hybrid approach.

Having realistic expectations about what and when the project team will deliver, as well as focusing on the right priorities to deliver the desired business outcomes, will build confidence in the new agile method. However, various obstacles will need to be overcome on the path to successful agile project delivery.

[6] Based on VersionOne, 10th Annual State of Agile Report

When to act – common risk areas and early warning indicators

There are many hidden pitfalls when implementing and adopting agile delivery practices in transformation projects and programmes at scale. The following are a few considerations and questions organisations, sponsors and management should think about.

Organisational culture and governance not supportive of agile

- Silo organisational structures and implemented governance create conflicts with cross-functional delivery teams and hinder self-organisation in agile teams.
- Accountability structures are not clearly defined, preventing the delivery teams from working towards common goals.
- Product owner, team members and business representatives do not have enough capacity and are still dedicated to business-as-usual activities, resulting in inadequate performance of agile ceremonies (e.g. planning meetings, daily stand-ups).
- Product owner is only assigned limited authority to define and prioritise requirements and formally accept product as 'ready for deployment' on behalf of the organisation.
- Risk and assurance functions are not supportive of transparent programme status, resulting in a lack of transparency around quality controls and assurances; assurance is no longer providing proactive insight and challenge to programme sponsor and senior management.

Figure 5: Common risk areas
Source: Authors' illustration

Delivery processes, methods and tools not supportive of value-oriented, fast-pace agile delivery

- Key delivery elements such as 'definition of done', quality criteria and acceptance criteria have not been consistently defined on an enterprise level prior to the start of development.
- Inappropriate or non-defined delivery KPIs do not support transparent reporting of the actual programme delivery status.
- Underpinning technical foundations, such as architecture and data governance, are not fully considered in the agile delivery model, resulting in a non-streamlined delivery process.
- Release planning across teams is not aligned and pre-determined due to a different pace of delivery that hinders the creation of a coordinated product definition in line with the needs of the customer.
- Insufficient automated (regression) testing and continuous integration techniques and tools hinder regular delivery of working product artefacts with the required quality without impacting production.
- Delivery teams are not interdisciplinary enough and/or consist of too many staff members.
- Delivery teams do not work closely enough throughout an iteration due to non-focused collaboration and too little regular face-to-face interaction within the team.
- Team members are not co-located but rather spread across different time zones. If offshore resources need to be used, initially agile teams should be successfully scaled onshore before considering an offshore model. In addition, a deliberate approach must be employed to keep these team members fully engaged with the rest of the team and the project or programme.
- External delivery teams and vendors are not fully aligned and integrated within the organisation's agile delivery model. Members representing different subcontracted organisations may have different objectives, hindering efficient collaboration within agile delivery teams.
- No formal change control has been implemented, resulting in a constant iterative spiral between end users and delivery teams.
- Lack of an integrated benefits management within the overall delivery approach chosen.

People's experience and discipline not supportive of agile

- Limited confidence in the delivery teams achieving the desired outcomes due to lack of knowledge or experience with agile.
- Product owners do not continuously update and prioritise product backlog items based on business needs, and do not actively participate in agile ceremonies (e.g. planning meetings, product demos).
- Too many part-time team members prevent efficient and effective continuous delivery of product artefacts.
- Relevant internal and external stakeholders other than business end users are not involved in product delivery (e.g. legal, compliance, risk, internal audit).

Our point of view

There is increasing dependence on agile-enabled business transformation programmes to remain competitive. However, lack of experience with agile and limited organisational commitment can deter the most seasoned programme and project management veterans from comprehensively adopting agile.

As a new mindset agile needs to be embedded in the business and IT organisation and among all stakeholders involved – from delivery teams and business sponsors to those who monitor them. Both agile and (especially) scaled agile require cultural adaptation and realignment to make sure stakeholders are satisfied, the business vision is realised, high quality IT solutions are delivered, and that business risk (due to transformation) is effectively mitigated.

To successfully embed and scale agile delivery practices in large transformation programmes, we consider the following steps to be essential:

1. Understand the origin of agile methodologies
2. Educate project workers, management and stakeholders in agile values, methods and practices
3. Build an effective agile culture and organisation
4. Understand agile success and failure
5. Build metrics to measure agile success and benefits realisation
6. Scale agile to the size of your projects and programmes

Agile is about focusing on speed, value and functionality. It can generate significant time and cost savings and improve flexibility. However, agile does not deliver by default. It must be set up for success – which involves the right culture, people and expertise, and processes, methodologies and tools. You also need to be confident that your transformation projects and programmes have truly adopted these agile principles, and follow them with maximum discipline.

Agile practices are inherently designed to deliver increased visibility. Consequently, governance and assurance functions also need to fully experience and exhibit the same core principles as the agile delivery teams so that they can provide valuable insight and transparency on effective programme delivery.

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