

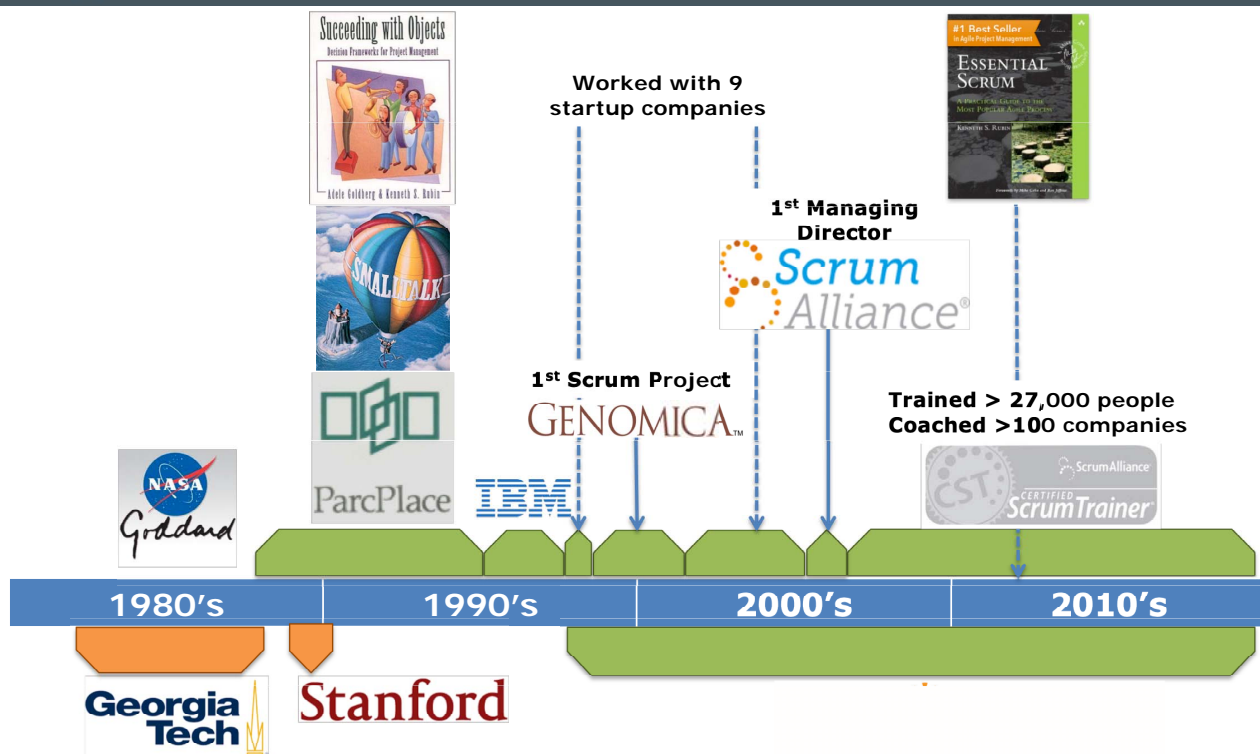
# Agile Transition Lessons That Address Practical Questions January 2019 by Ken Rubin @krubinagile

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## Ken Rubin Overview



# Essential Scrum in Ten Languages



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## Agenda



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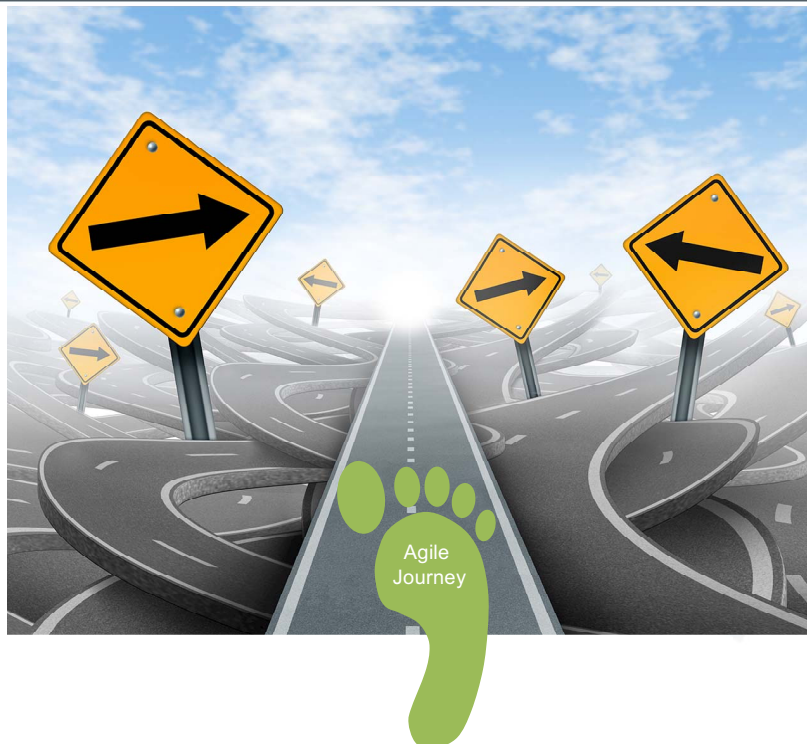
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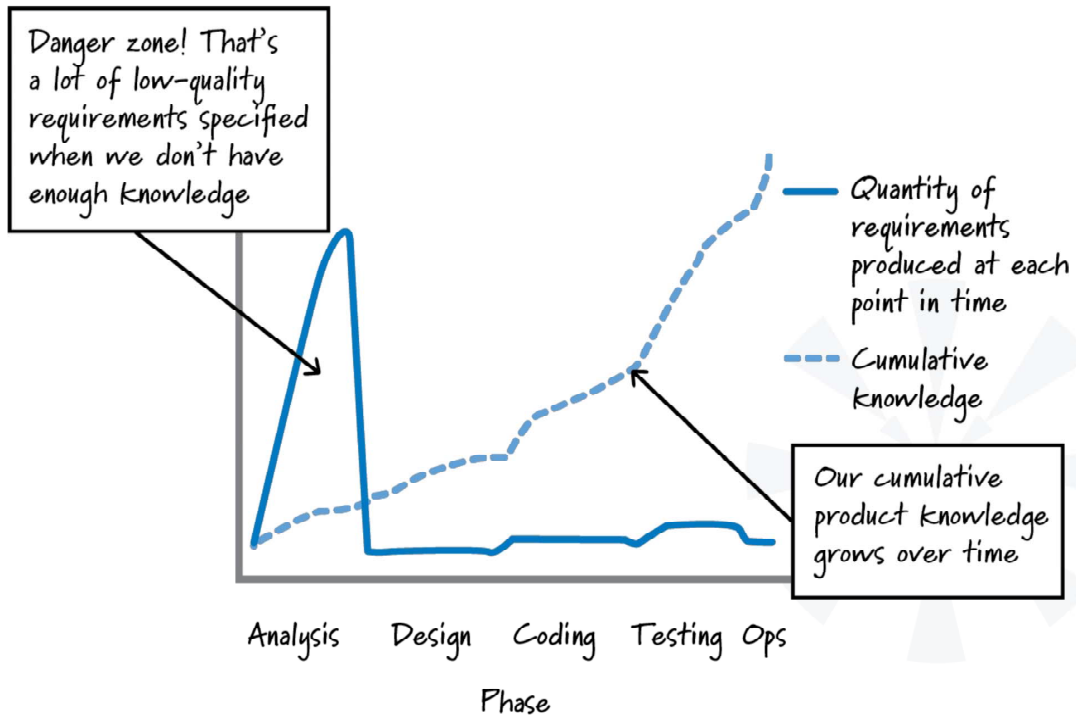
# Traditional Approach to Transitioning



## \* Agile is a Journey Not a Destination



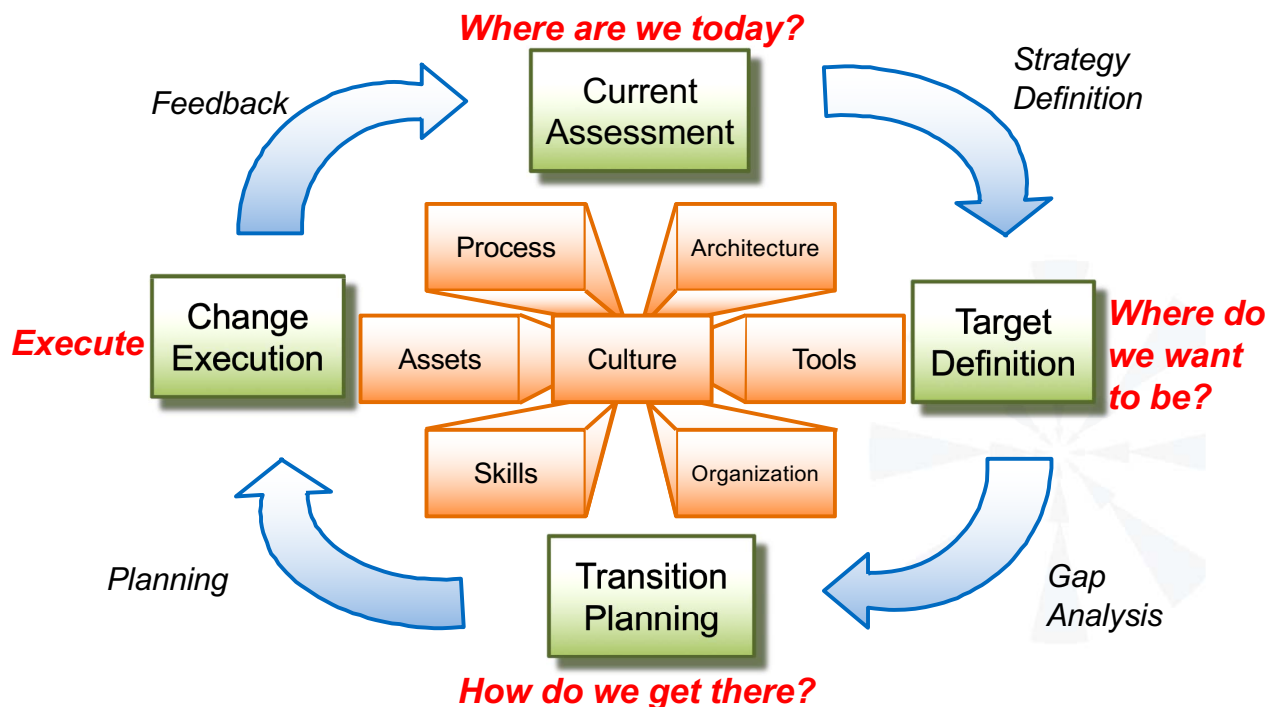
## Using Agile, We Don't Believe We Can Get the Requirements Right Up Front



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## “Traditional” Transition Approach



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# Agile Approach to Transitioning



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## Agile Principles Provide the Foundation for the Transition

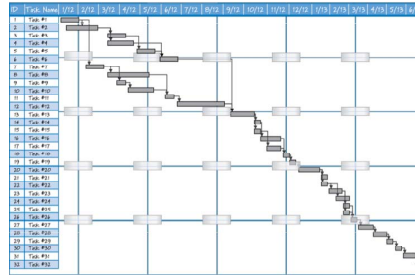
Agile principles provide the foundation for  
transitioning to agile!



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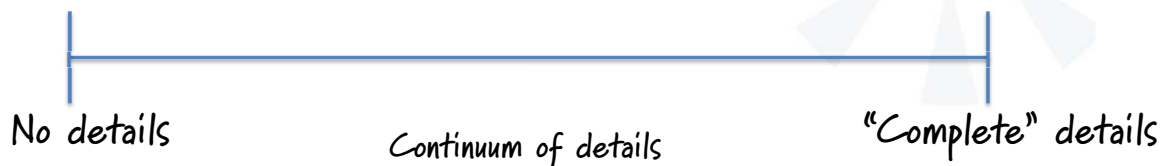
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# Continuum of Transitioning Detail

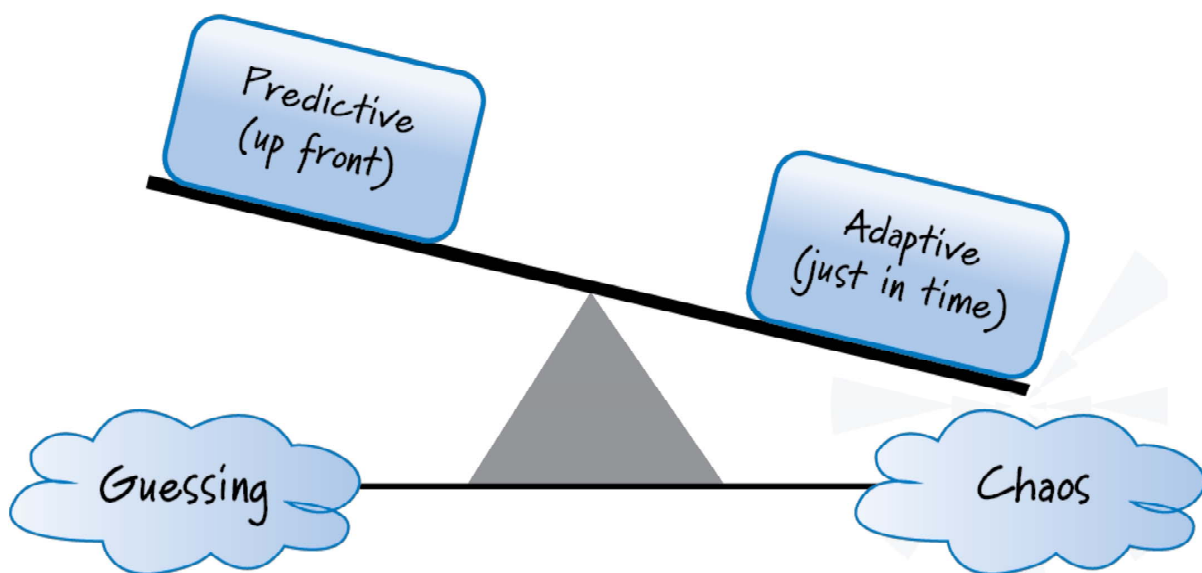


We're not going to do any upfront transition planning. Just get started and we'll just figure it out

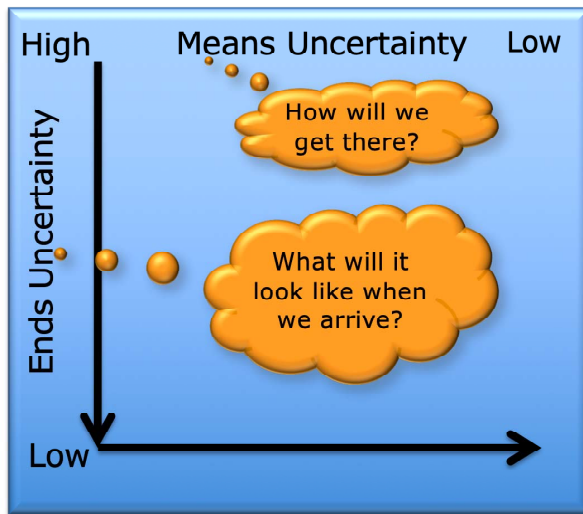
Create the complete, accurate, written transition plan before we start



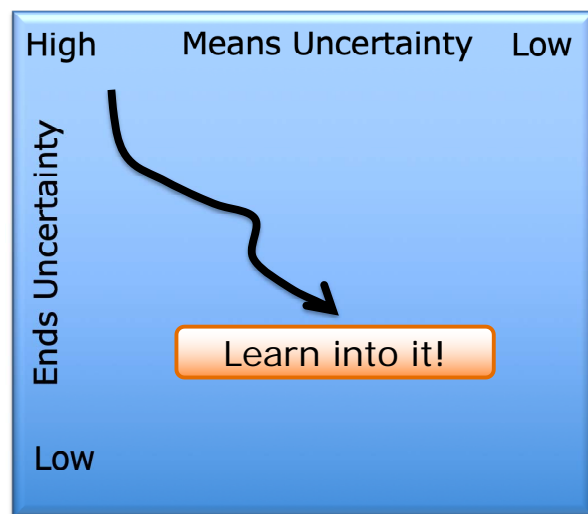
# Upfront Transition Planning Should be Helpful without Being Excessive



# Comparison of Traditional vs. Agile Transition Approaches



"Traditional" Transition

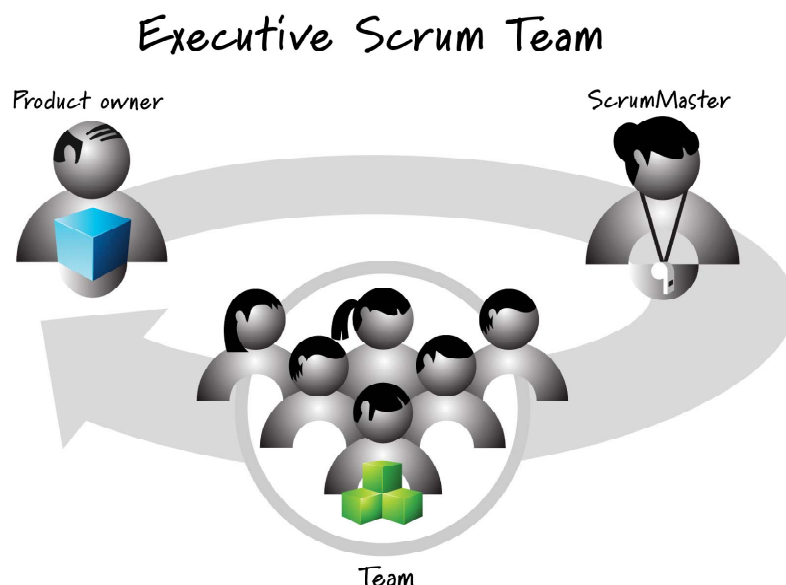


"Agile" Transition



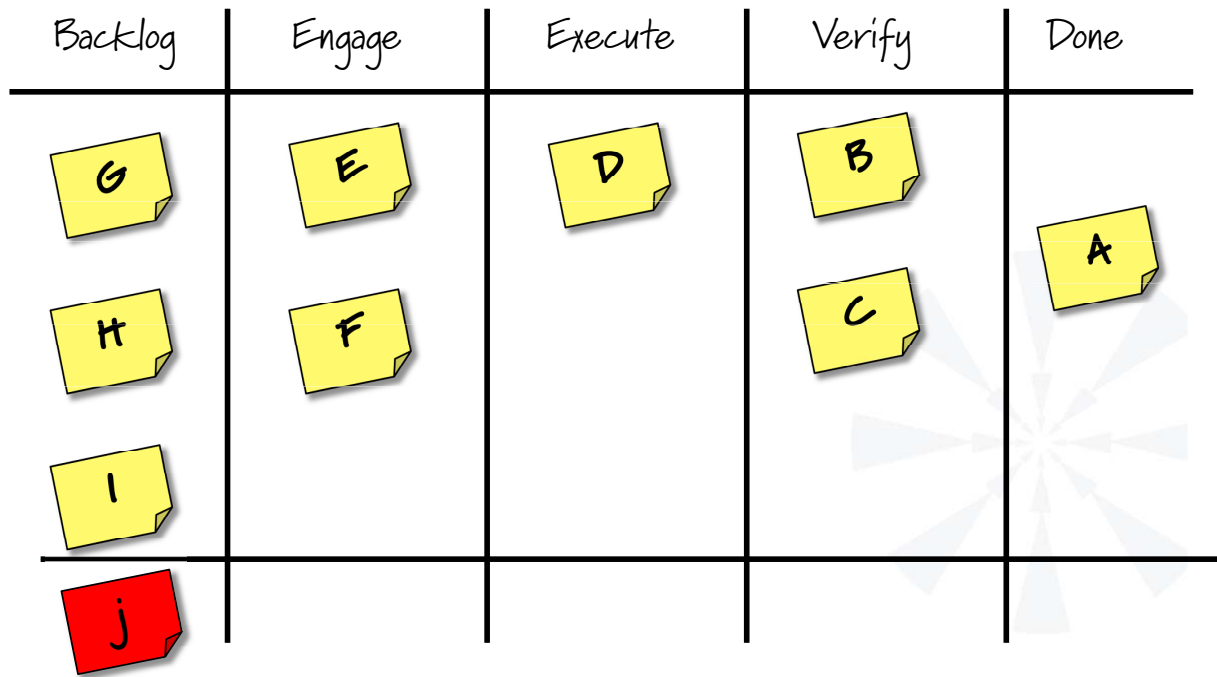
## Executive-level Scrum Team

*Executive change /  
impediment backlog*





# Managing Transition Issues with a Kanban System

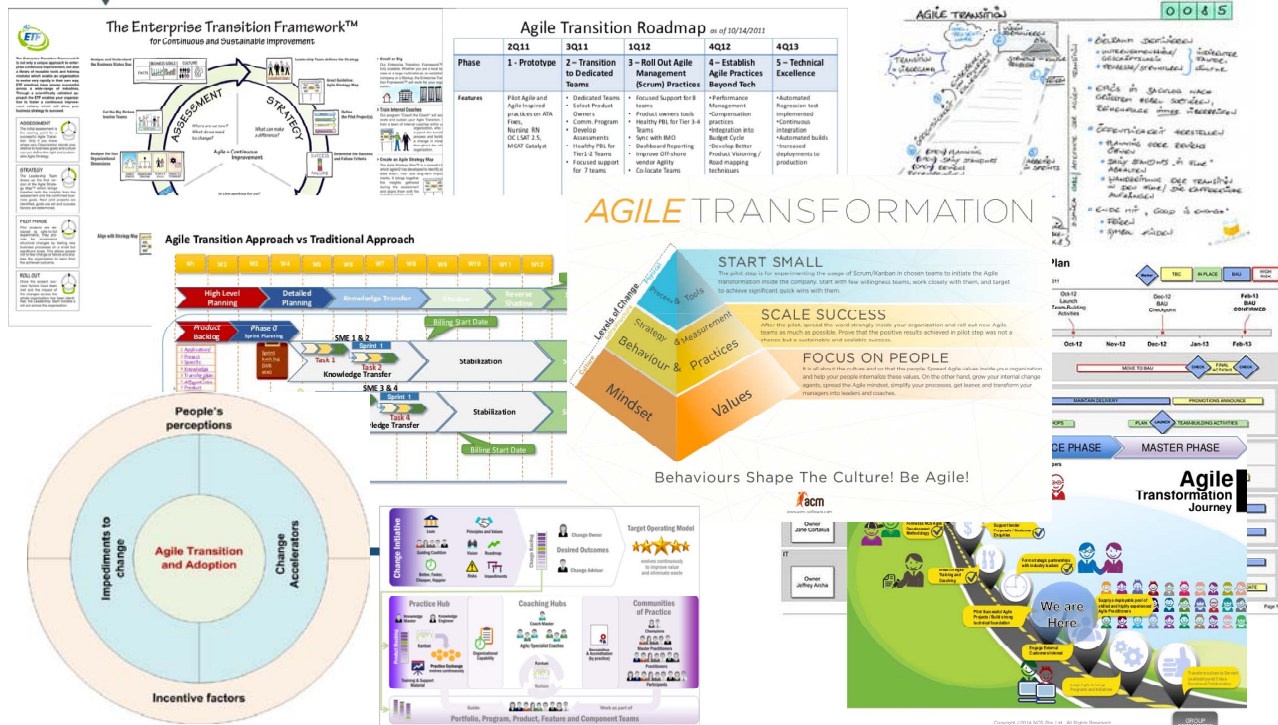


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# Many Agile Transition Frameworks



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# Leveraging Existing Scaling Frameworks

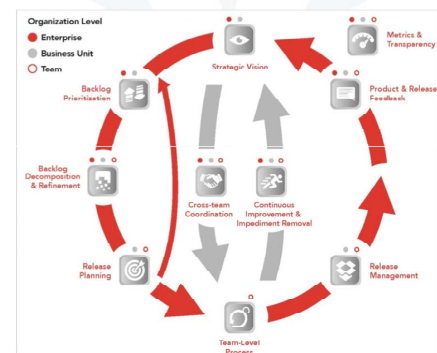
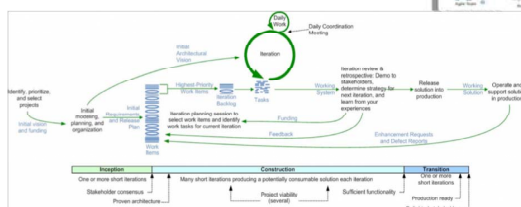
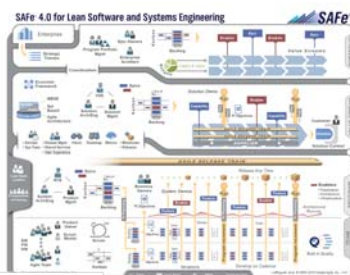
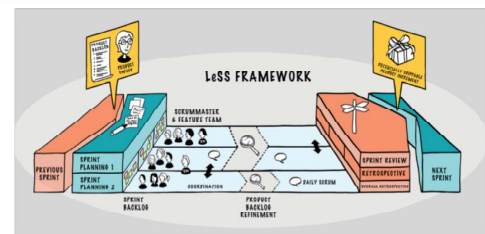
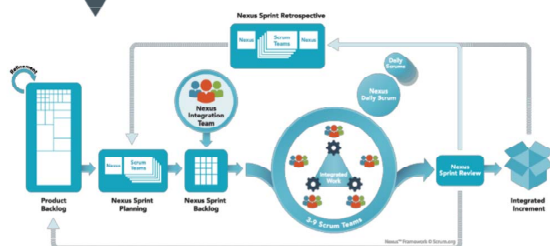


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## Some Companies Equate “Agile Transition” to Adopting a Scaling Framework

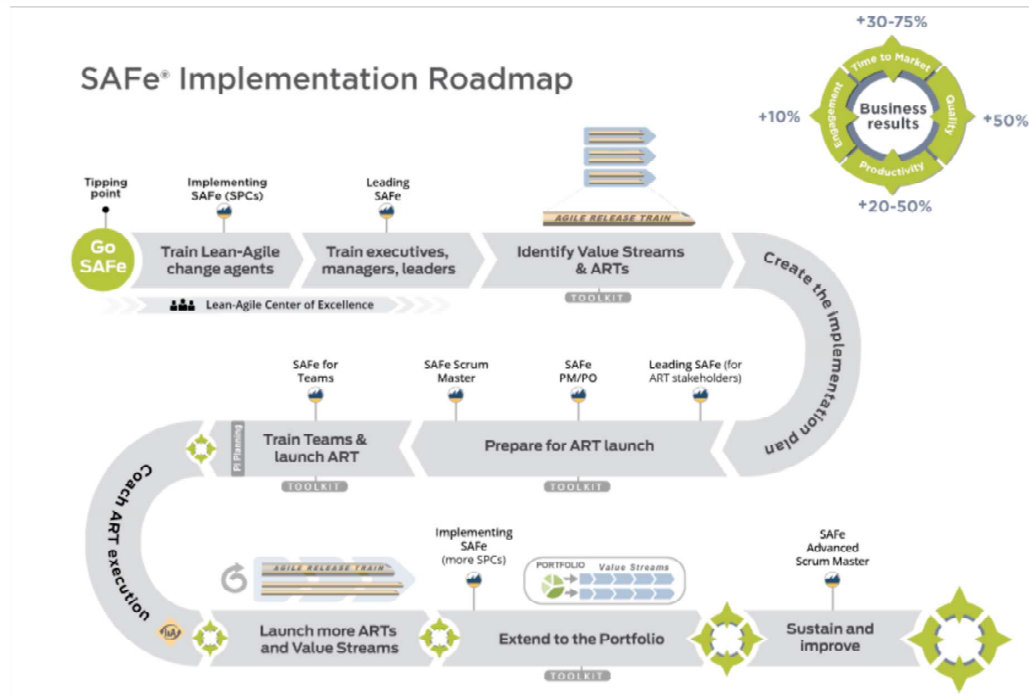


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# SAFe Implementation Framework



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## Many Companies Create Their Own Company-Specific Agile Framework

It is sensible to review and at least consider starting with one or more existing scaling frameworks

Mine the frameworks for the elements that you feel would be a good starting point for your organization

Create first pass of your company's agile framework

Continuously inspect and adapt your company's agile framework based on real experience

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## LEGO Example (SAFe Customization)

Used SAFe as “launchpad,” but adopted less than 20% of framework

Framework contains way to much details for LEGO needs

Framework is optimized for a bunch of teams working on ONE product, while LEGO teams work on a number of different products and services

Main value add was big-room planning (program increment planning)

For each program increment LEGO customized and tweaked the process, adding needed elements and removing elements that weren't adding value

Source: Henrik Kniberg & Eik Thyrsted Brandsgård, December 2016.



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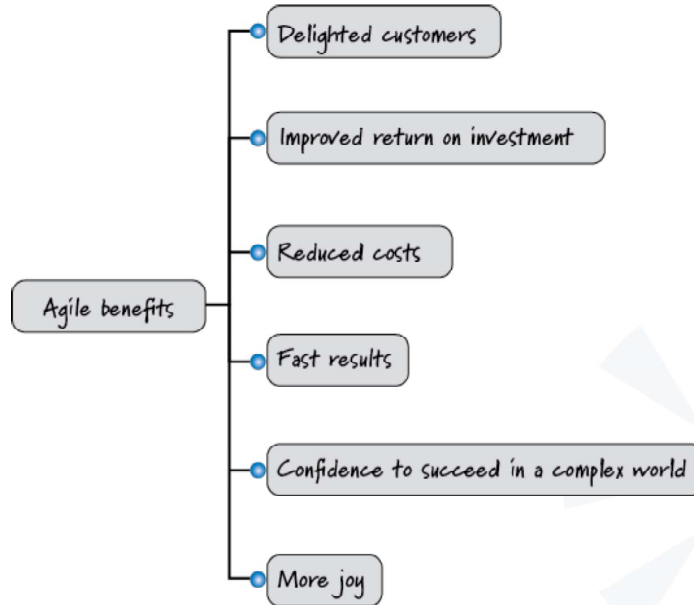
## Scope of Transition



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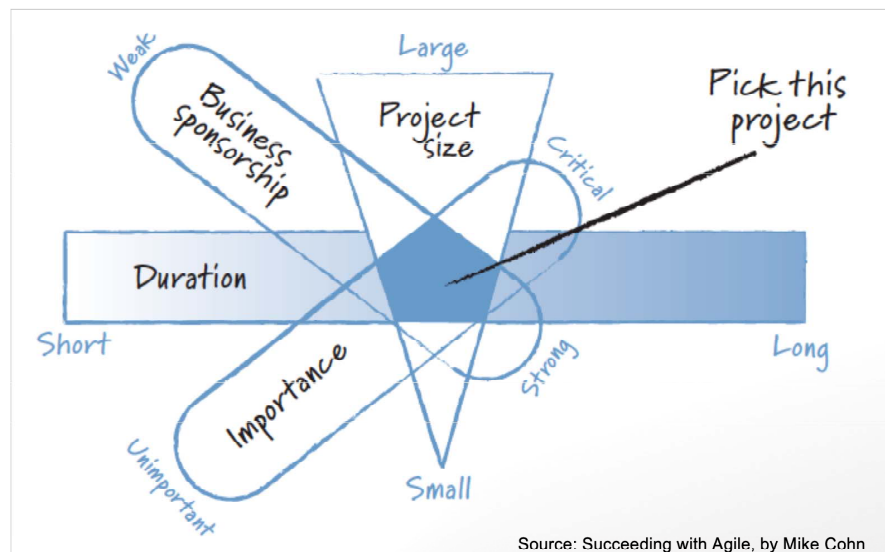
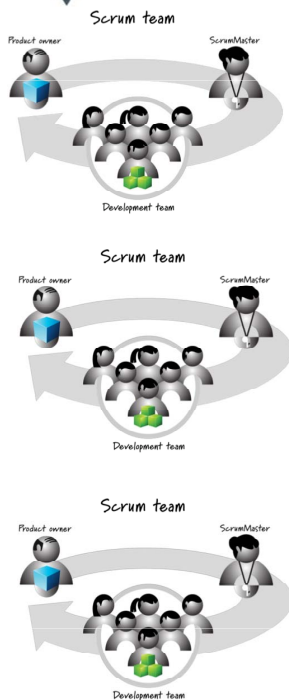
# Not "Selling" or "Convincing" a Company to Transition to Agile



Assuming a company has already substantially decided to use agile



## So, the Company Could (Should) Already Be Doing Agile On a Smaller Scale

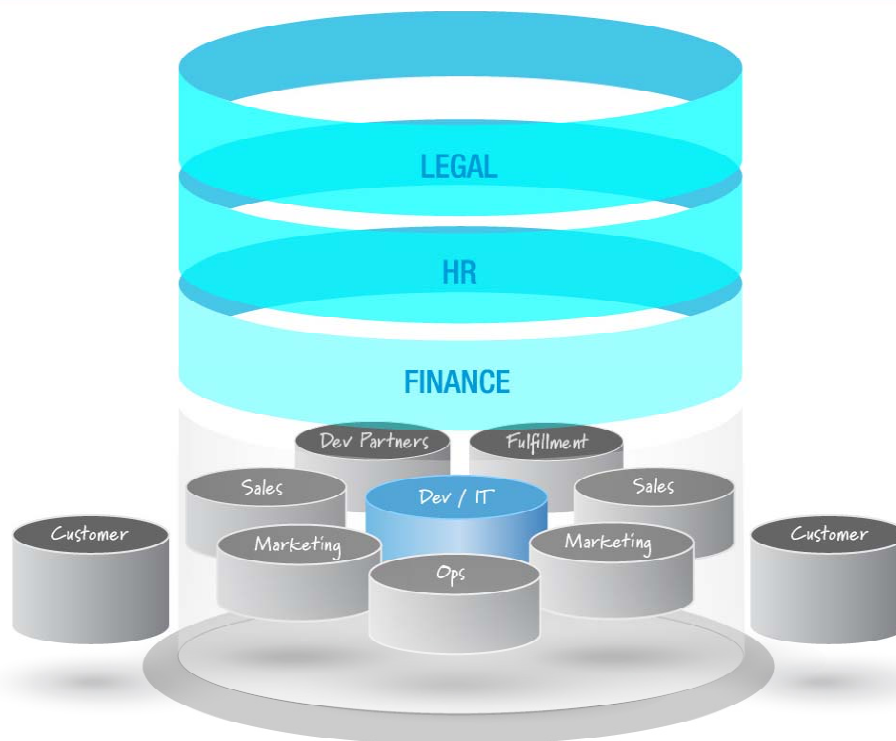


## Do Agile in the Small before Agile in the Large

If you can't do small-scale agile, you should have no confidence you can do large-scale agile



## Most Companies Focus Their Transition Effort on Dev / IT



## Need to Determine How Broad to Focus in Dev / IT?

All of Dev / IT

Particular Department

Specific Product

Development Value Stream



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## Value Stream Map Example



~90% of time the work is blocked



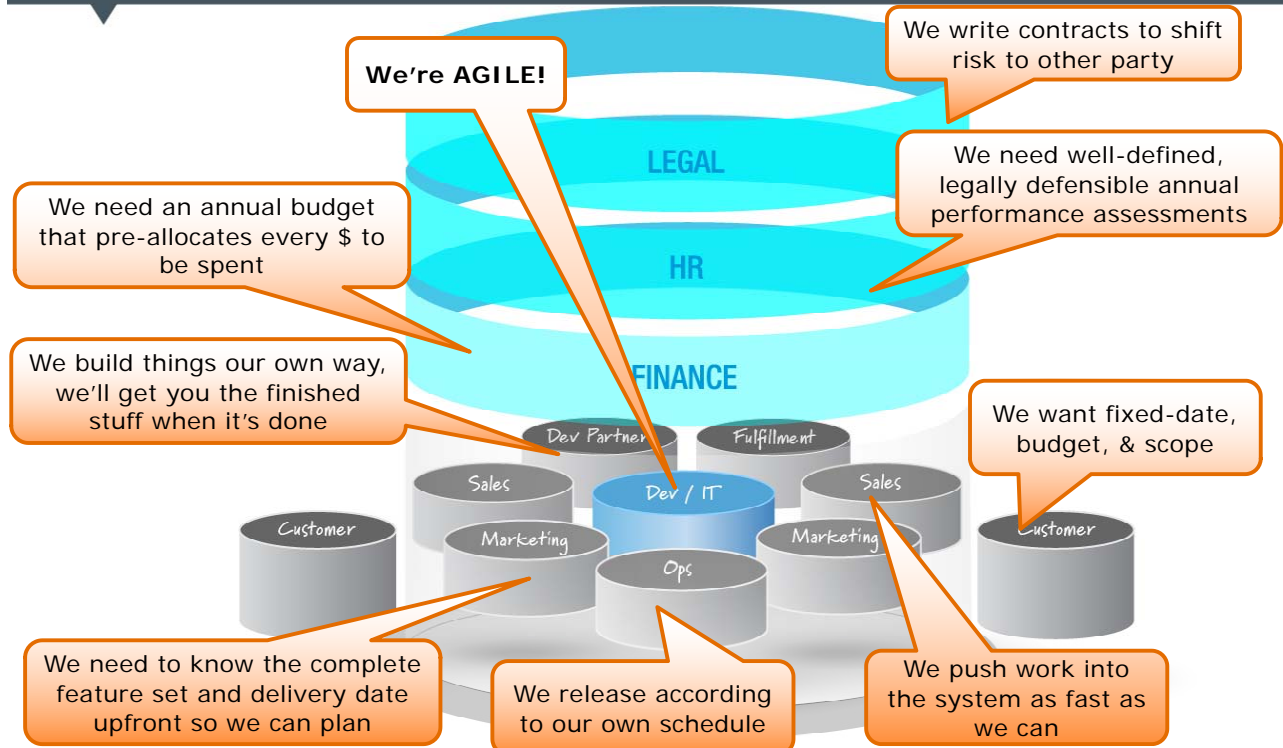
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## Not Involving Other Departments In Transition Can Cause Misalignment Through the Value Chain



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## Organizing Unit of Focus



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## Unit of Focus

- Placeholder term referring to the work items that a company or organization should rally around for budgeting, planning, and team organization
- Common unit-of-focus examples:

Projects

Products

Capabilities

Value Streams

Journeys



## Good Unit of Focus Characteristics

Characteristics	Description
Right Sized	<ul style="list-style-type: none"><li>Minimizes the total cost of performing important activities such as planning, budgeting, approval, and team organization</li><li>Allows for sensible business inspection and adaptation, which requires an appropriate level of visibility and transparency</li><li>Funding covers a meaningful (not too large, not too small) scope</li></ul>
Fiscal Control	<ul style="list-style-type: none"><li>Supports product owner fiscal governance in the context of dynamic "budget" tradeoffs within the existing budget without having to seek permission, but with full transparency</li><li>Empowers product owner to have full control of budget spend while being held accountable as a fiduciary of company's money</li><li>Well-defined measurements against the unit-of-focus spend</li></ul>
Isolated	<ul style="list-style-type: none"><li>Minimal dependencies on other units of focus to complete in-unit work</li></ul>
Valuable	<ul style="list-style-type: none"><li>Work requests assigned within the unit of focus are recognizably valuable either to the consumer or to important internal or external stakeholders</li></ul>



## Good Unit of Focus Characteristics

Characteristics	Description
Named and Dedicated (Ring Fenced)	<ul style="list-style-type: none"><li>• All the business and technical people needed to specify, design, build, test, and deploy features are assigned to the unit of focus (taking into account any required separation of duties)</li><li>• One or more well-defined collection of teams (with named people) can be assigned to the unit of focus</li><li>• Willing to shift resources to another unit of focus if business needs require it (preference is to move a whole team)</li></ul>
Cohesive Backlog	<ul style="list-style-type: none"><li>• A long-lived backlog of work (e.g., epics, features, etc.) can be created and maintained</li><li>• Items in the backlog have a natural affinity with one another</li></ul>
Single Identifiable Product Owner	<ul style="list-style-type: none"><li>• A single, named individual can be identified and assigned on a full-time basis to be the owner of the unit of focus</li><li>• Product owner is fully empowered to direct the resources in the unit of focus</li></ul>



## Hybrid Operating Model





## Small Organization with Few Constraints

- ✱ If your:
  - ✱ transition scope is small; and
  - ✱ unit of focus is simple to adopt given your current state
- ✱ Then, you can probably skip the rest of this section!



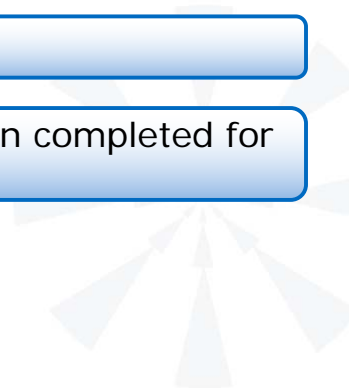
## But What If?...

Longer-term planning is done and covers the period of time when the transition will start

Budgets have been established

Customer commitments have been made

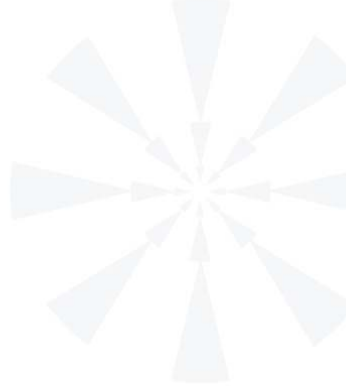
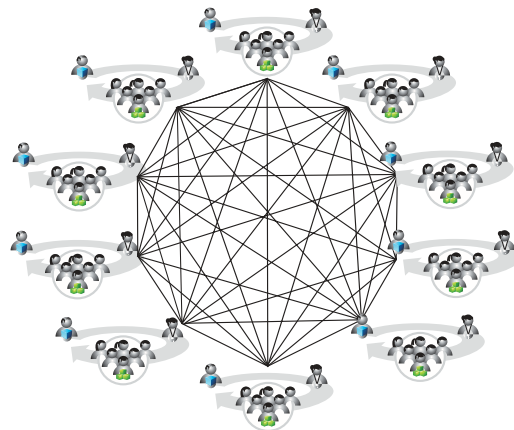
Upfront, waterfall-style work has already been completed for some or all of the targeted requirements



## ✱ And, What If?...

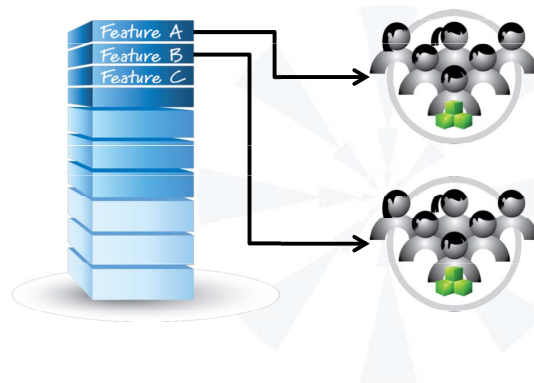
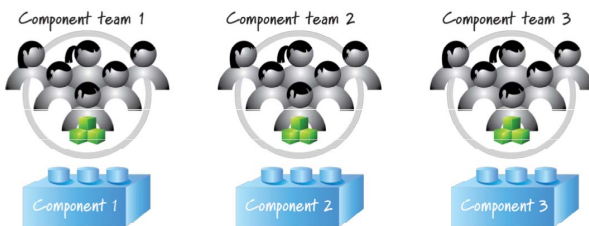
Not all products (or other units of focus) are transitioning at the same time

There could be cross-product (unit-of-focus) dependencies that still have to be managed



## ✱ And, What If?...

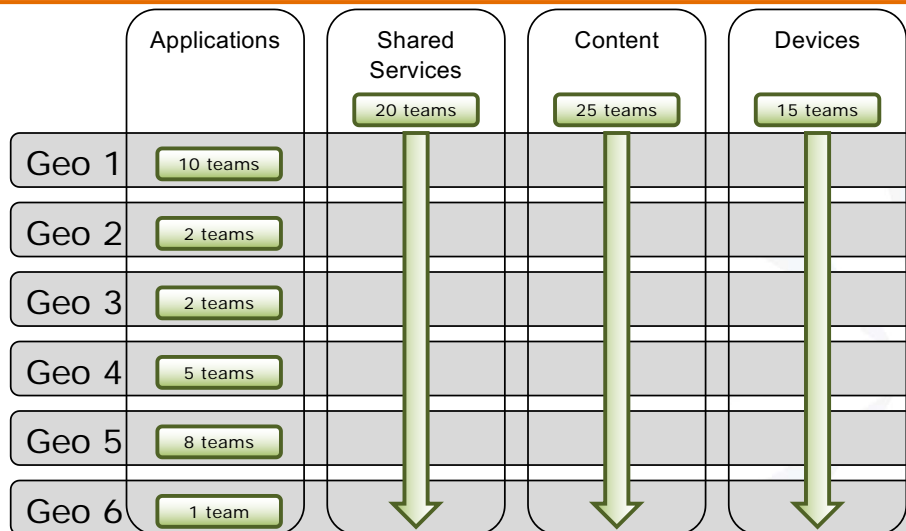
Current teams are poorly formed for fast, flexible, flow





## ✱ And, What If?...

Current teams are responsible for getting in-flight releases out the door



Could compromise in-flight releases

May not "know" team target structure



## Role of Training and Coaching



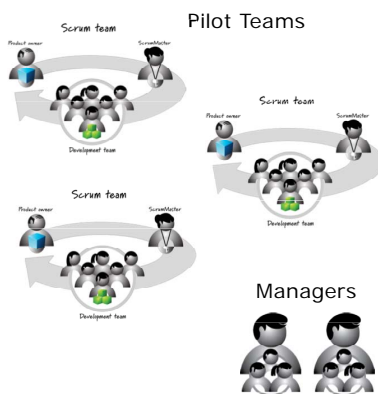
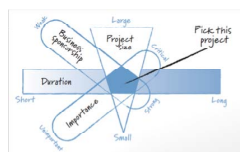


# Importance of Training and Coaching

Agile training and coaching are critical success factors in an agile transition effort!



## Agile Training – Who to Involve and Timing (An Example)



Decision to Adopt at Scale



Time



## Internal vs. External Trainers

Initial training is almost always provided by outside trainers

Good idea to leverage the training expertise of people who do this for a living

Over time, some (or all) of the training can transition to internal trainers

Internal trainers might participate in a train-the-trainers program with external trainers



## Internal vs. External Coaches

On large transitions it would be foolish to not leverage a battle-proven external coach

You want to leverage the expertise of someone who has assisted a number of different companies with their agile adoptions

Given the scale that most companies want to embrace agile, they will need to have internal coaches as well





# Internal Coach the Coaches Program

Set up an internal program to assist employees in becoming agile coaches

1. Candidate internal coaches receive agile training
2. External coaches initially provide the transition and team coaching while internal coaches act as apprentices
3. After an appropriate apprentice period, candidate coaches become internal coaches and external coaches observe and provide next-level issue backup
4. Experienced internal coaches acts as mentors to the next wave of candidate coaches
5. External coaches are weaned out



## Measuring the Transition



## ✱ Quantifying Agile Transition Costs

How much will the agile transition cost?

For some companies, naively the bottom-line number in the response to an RFP!

Cost of training

Cost of coaching

Cost of (re)tooling

But there are many other costs...

E.g., cost of organizational restructuring



## ✱ Don't Measure Success by Headcount Reduction

Measuring a transition based on headcount reduction is a bad idea

Good new, not common! Most companies don't base their transition success on a headcount reduction

Bad for buy-in. Hard to get people to commit to the transition if they think they may lose their job!

Not clear that reducing headcount is an economically sensible thing to do





## Measuring Agile Transition Success – the Right Way

Which is more compelling?

A company that increased its velocity by 400% after adopting agile, or

A company that increased its share price by 40% after adopting agile



## Applicability of Agile Output Measures

If we double velocity, it implies we get twice the work done in the same amount of time

If we get twice the work done in half the time, then we increased velocity by 400%

Maximizing output could have little correlation with delivering products or services that delight customers

Producing more output could contradict a core Agile Manifesto principle: "Simplicity — the art of maximizing the amount of work not done..."

From an economics perspective, minimizing output while maximizing outcome (value to customer) is more favorable



# \* Output vs. Outcome Measures

**Outputs** measure “what we do or produce”

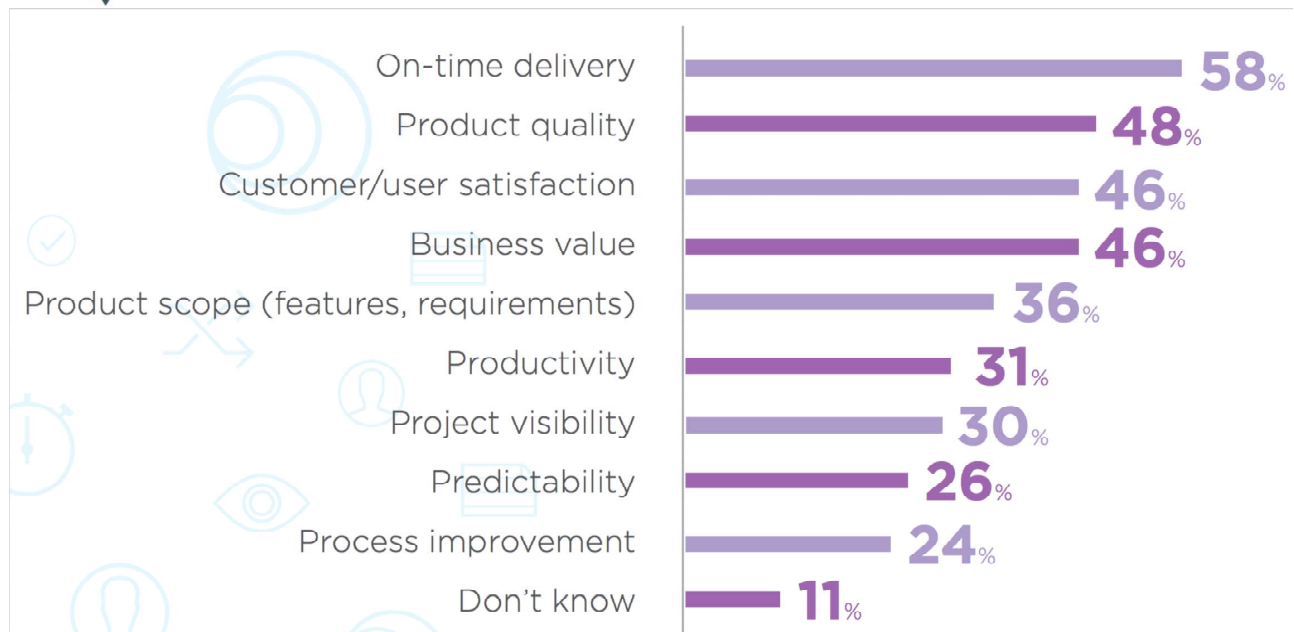
E.g., velocity, throughput, cycle time, utilization, # of widgets created, # of hamburgers served, # of clients served

**Outcomes** measure “what difference we make or the value we create”

E.g., net promoter score, profitability, delighted customers, % reduction in malaria infections



# \* How Success is Measured with Agile Initiatives



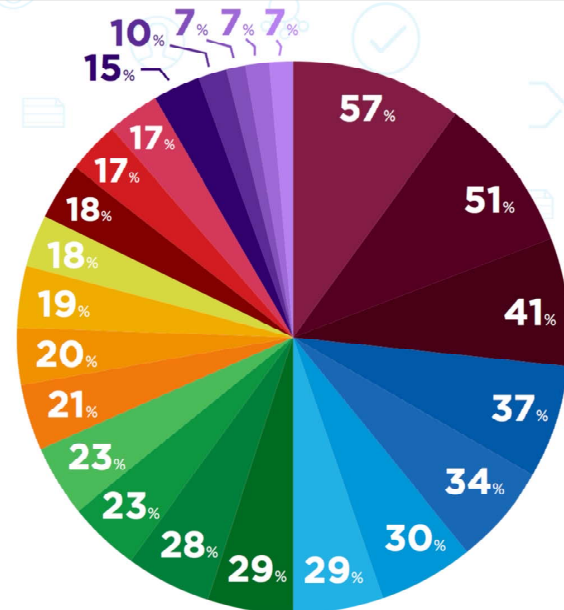
Source: VersionOne 10<sup>th</sup> Annual State of Agile Report





# How Success is Measured on a Day-to-Day Basis

- Velocity
- Iteration burndown
- Release burndown
- Planned vs. actual stories per iteration
- Burn-up chart
- Work-in-Process (WIP)
- Planned vs. actual release dates
- Customer/user satisfaction
- Defects in to production
- Defects over time
- Budget vs. actual cost
- Business value delivered
- Defect resolution
- Cycle time
- Estimation accuracy
- Individual hours per iteration/week
- Test pass/fail over time
- Scope change in a release
- Cumulative flow chart
- Earned value
- Customer retention
- Revenue/sales impact
- Product utilization



Source: VersionOne 10<sup>th</sup> Annual State of Agile Report

\*Respondents were able to make multiple selections.



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# Measuring Agility (Using Comparative Agility as an Example)

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## Gain Instant Insight

Intuitive, beautiful graphics help crystallize where you can do the most good for your organization and focus your efforts where it's more meaningful.

**START YOUR JOURNEY NOW**

19183 Surveys Collected

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## Teamwork

Requirements  
Planning  
Technical Practices  
Quality  
Culture  
Knowledge-Creating  
Outcomes



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# Multiple Level Measurement Hierarchy

Business Outcome

Business KPI

Agile Transition  
(Unit-of-Focus Level)

Productivity  
output/input

Predictability

Employee Satisfaction

Throughput (Velocity)  
output/duration

Time to Market

Team Level



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