

Enterprise Agility

A Net Objectives White Paper

The Net Objectives Lean-Agile Practice

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Net Objectives

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Abstract

Enterprise Agility is an approach that orients all of the efforts of the organization around creating and delivering business value quickly and sustainably. It creates an environment in which the whole organization's efforts are prioritized according to what provides the highest business value. After illustrating the idea that Enterprise Agility looks beyond individual teams to focus on the entire value stream, this paper discusses what Enterprise Agility is, where Scrum fits in, other practices that are required, and what is involved in achieving it.

Often, organizations find it helpful to start with an assessment to develop a roadmap to Enterprise Agility. Net Objectives has conducted many of these assessments, and provides coaching and training services to organizations to help them achieve Agility across the organization.

If you would like to talk with someone, send a note to mike.shalloway@netobjectives.com or call **1-888-LEAN-AGILE**. We are happy to help however we can.

A Familiar Story

Acme Billing and Data Services¹ develops internal websites for companies that front-end complex billing, human resource, and acquisition systems. Every sale seems to involve a lot of customization and effort by Development and by Pre-sales Technical Support. The effort required was getting beyond the capacity of the teams involved.

Two departments are involved in this effort: Marketing and Development. Development was also responsible for deployment of systems onto the customer site. At the time we met them, everyone more or less agreed that the biggest bottleneck for getting product to the customer was Development. Marketing could sell faster than Development could deliver.

Would Acme be best served if the Development group simply became more Agile?

Not necessarily. Working with Acme management and local teams, we began with an assessment of their entire "value stream" – the flow of work involved in turning a request into a delivered (and supported) product. Fairly quickly, the teams developed an honest description of the time involved in doing actual work ("value-added" work) and the time spent waiting or doing something the customer does not care about ("non-value-added" work). The current value stream they developed was classic, shown at a high level in Figure 1. It became the baseline for thinking about process improvements.

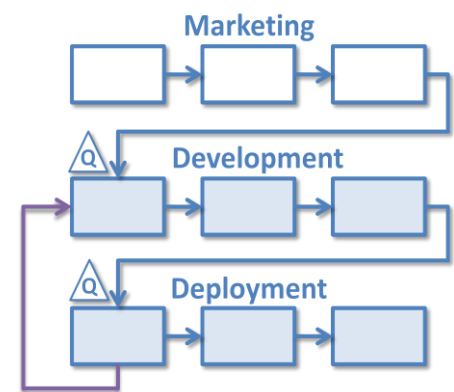


Figure 1: High-level value stream

Figure 1 shows queues in front of the Development and the Deployment parts of the value stream. These indicate a significant amount of work waiting to be done and typically indicate an impediment to

¹ This story is based on actual facts although the company's name has been changed.

the flow of work. Sort of like a dam in front of a river, the volume of work coming in was always more than they could get done. The most significant part of this value-stream map is the loop back from Deployment to Development. The key Lean principles of eliminate waste and deliver fast indicates this is the main impediment to production. Doing root cause analysis of this loop-back indicated it was the result of the Marketing group not ensuring the cooperation of customers in the pre-installation phase. Prior to this, the overall feeling had been that Development was somewhat overwhelmed by the work required and problems in deployment were merely the result of that.

Marketing was supposed to make sure customers knew they needed to run pre-installation checks on their systems. Unfortunately, they were not doing this because they were following a standard sales rule that “once the customer is ready to sign, be quiet!”

Development somehow managed the customizations reasonably well. Many times, the lack of pre-installation checks did not hurt but when they did, the pain was high. They would have to re-work the system, sending it back to Development when the customer’s system was not up to the level it should have been.

By having both Lean principles and Scrum practices to draw on, it was clear that improving Development was not going to address the real problem. Instead, we knew that Acme needed to focus on improving the *entire* development cycle, not just one team.

To accomplish this, Marketing needed to ensure proper setup of the customer server machines. As we looked at this with Acme, Marketing came up with an approach that added value to the customer and not a burden. They simply explained that development would schedule the installation after the customer ran a pre-installation test of their servers.

Marketing saw that that they could sell more because the organization could develop and deliver more. To encourage Marketing to focus on the entire value stream, Acme adjusted Marketing’s metrics from systems sold to systems successfully deployed.

Development did not initially change their existing (waterfall-ish) methodology because it would not have been the quickest way to help deliver value to the customer. We wanted to first focus on primary causes for waste. Later, after the enterprise had become more Agile, we introduced Agile development methods and then they realized further gains.

Over time, Acme succeeded in smoothing out the flow of work, reducing complexity, and increasing overall profits. The more Agile Acme became, the more they could adjust to market demands quicker than the competition. And, as a side benefit, they helped customers improve their computing infrastructure. Working together, management and local teams created an Agile Enterprise.

Enterprise Agility

Enterprise Agility focuses on the whole system. It seeks to create an environment in which the whole organization is prioritized according to the highest business value and is organized around delivering this

value quickly and sustainably. Getting to Enterprise Agility involves a focus on execution by the entire system and a “going slow to go fast” approach to learning what works.

When an entire enterprise is Agile, it views projects as something that exists to deliver business value. Business value means something that the Business recognizes as helping it do its work or something that customers need (are willing to pay for). Delivery of this business value is optimized across the entire portfolio of products, not just one product at a time. No one product is “king” but schedules and features should maximize what customers value. This usually involves delivering in an iterative fashion, following the notion that receiving something that is of value *now* is better than receiving “more” in the future (since an Agile process will both deliver more now and then more in the future as well). Not only does the customer get to start using it sooner, but they also learn more about what they need by using the product earlier. Iterative release also allows the enterprise to self-organize around what delivers the highest business value sooner rather than later. The goal is to be able to adjust based on the opportunities that the Business has as quickly as possible.

This involves a fairly robust collaboration between the Business and development. The Business determines features, quality, and timeframes. They work with development to make trade-offs on cost and value. IT management determines the way to deliver value and local teams determine how to do it. And the Business must be available throughout development cycles to help explain and make value (not technical) decisions quickly, when the teams need to know. Often, Agile Enterprises use the role of Product Champion to facilitate this.

What about Scrum?

Note that there has been no mention of Scrum. At the development team level, Scrum may or may not be used, if that would be helpful in product development. We certainly endorse Scrum as a great approach. However, as the example above illustrated, having a more Agile, Scrum-based development team would not have addressed the real problem, nor would it have increased agility at the Enterprise level. Enterprise Agility requires the use of methods and approaches that help the enterprise deliver value. While Scrum was eventually adopted by the team, it was not the solution to the primary pain point of the organization.

An Agile team is only as effective as the enterprise is Agile.

Scrum is something we often introduce early on with our customers because it often is something that will improve a team’s performance. If this improvement translates to a benefit for the Enterprise, things are good. But just as often, the team development process isn’t the primary problem.

Scrum is good. And development teams need more if they are going to support an Agile Enterprise. Scrum alone simply does not help management address the larger issues that the enterprise, or even the IT department, faces. It is too local, too parochial.

In our experience, to become proficient in Agile approaches, development teams must also become familiar with Lean Software Development principles and with technical approaches that lead to superior code quality and robust designs, including the following:

- Test-Driven Development
- Pattern-oriented design
- Evaluating designs based on code qualities
- Refactoring
- Commonality-Variability Analysis

Design Patterns, when properly understood, allow teams to develop more maintainable, more extensible code while avoiding paralysis by analysis and the problem of over-design. They help teams explore powerful alternatives based on good practice and experiences by others. They offer “reusable ideas” for design that result in robust, higher-quality systems. They are a necessary corrective to the just-develop-it-now-and-scale-it-later mentality seems to plague too many Scrum teams.

Getting to Enterprise Agility

There is no one road to get to Enterprise Agility. Every organization starts from its own place, with its own set of strengths and challenges. It involves adopting a mindset as well as specific principles and practices.

Enterprise Agility requires a commitment over the long-term. It is not something one achieves, per se, but rather is always growing towards. Management fosters a culture that learns by doing (“if it ain’t perfect, improve it”) and focuses resources on activities that improve the capacity to deliver value *now*. There is a bias toward taking action that leads to learning rather than trying to create a perfect system.

There are many ways one might measure progress in this journey. However you choose to do so, it should indicate improvements in proficiency, in the ability to deliver value.

Start with an Assessment

Often, our customers find it most helpful to start with an assessment that leads to a roadmap for how to start or improve the journey. Assessments help to answer question such as the following:

- What is your goal? (e.g., shorten the time to market, headcount reduction, expanded capability, higher quality results)
- How will you recognize and measure progress and success?
- What is the scope of change?
- What part of product life-cycle are you in?
- How much time do you have to make the change?
- What is the current state, the perceived state (what you think you are doing), and the future state (where you want to get)?
- Are the changes minor adjustments or full transitions?

- What are the constraints you are facing?
- What groups are most Agile now and what areas will be resistant?

Transition planning starts with where you are and where you want to go and then considers how to get there. The pace of transition depends on the buyoff you can engender and the constraints you will face.

Significant questions in transition include:

- What is in it for the people and groups involved?
- What fears and pain will be incurred?
- What concrete steps can we take?
- What processes have to be impacted, changed so that we can be agile?
- What is driving the change? Why must we change *now*? What will happen if we don't?

The assessment will uncover many areas where there can be improvements. Often, the biggest improvements come not from changing development methodologies but from improving the interaction between the Business and IT (as illustrated in the Acme example). Anything you can do to get quicker wins helps to develop momentum for future quality improvements.

To get there, we find it helpful to work with customers to develop a technical execution plan that allows the organization to pilot Agile approaches. Learning what works and what does not work will help develop plans for the next phase. It is important not to over plan.

Summary

Enterprise Agility seeks to create an environment in which the whole organization is prioritized to develop and deliver the highest business value quickly and sustainably. Getting to Enterprise Agility involves an intentional focus by management to execute better, to learn as much as possible, and to improve constantly. It is a journey and not a destination.

Net Objectives has helped many organizations in this journey, through assessments, coaching, and training in the principles and specific practices and disciplines required to achieve progress. We would be delighted to work with your organization to help you deliver value to your customers in a more Agile fashion.

Learn more by visiting our website, www.netobjectives.com, or call us at **1-888-LEAN-AGILE**.

How can we help you?