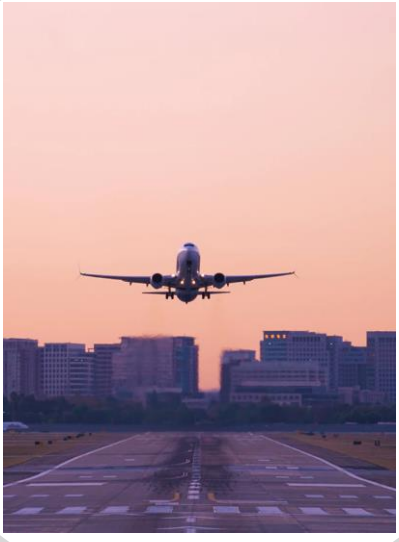


Tools4AgileTeams

Prerequisites for Agility

Getting the starting line-up right

Wolfgang Hilpert

#prereqagility

Sensible Agility

1

Wolfgang Hilpert

wolfgang@sensibleagility.com

/in/whilpert/

Founder of

Sensible Agility

De-Risking Your Agile Transformation

https://SensibleAgility.com

www.sensibleagility.com

Sensible Agility

ABOUT WOLFGANG

Product & Technology EXECUTIVE advisor & Enterprise Agile Transition coach

25 years of **Product & Engineering leadership experience in various CTO, CPO & Head of Engineering roles**

Led organizations that shipped products at **IBM, Microsoft, SAP,** Nemetschek, Sophos, HERE

Transformative Leader, drove significant **product innovation and quality improvements** time and again

Passionate practitioner and perpetual student of **Lean & Agile**; championed several **organization's agile transformations**

Guest **Lecturer** @ Baden-Wuerttemberg Cooperative State University, Mannheim & @ Graduate School Rhein-Neckar, Ludwigshafen on Digital Transformation & Agile Way of Working

IBM Microsoft SAP here

TECHNISCHE UNIVERSITÄT DARMSTADT

UNIVERSITÄT PADERBORN

2

Two thirds of large-scale transformation efforts fail to achieve their intended objectives

– MIT Sloan Executive Education Blog



Various reasons for a large-scale agile transformation ***failure***

- Lack of leadership support
- Lack of commitment at every level of the organization
- Incorrect application of popular agile methodologies
- A lack of understanding of which methodology will suit your organization
- Rushing the transformation process.

3

Why do we want to go Agile?
Leadership and workers talking past each other



Leadership

"I just need you to meet our waterfall numbers faster and cheaper."

Transformation Impasse

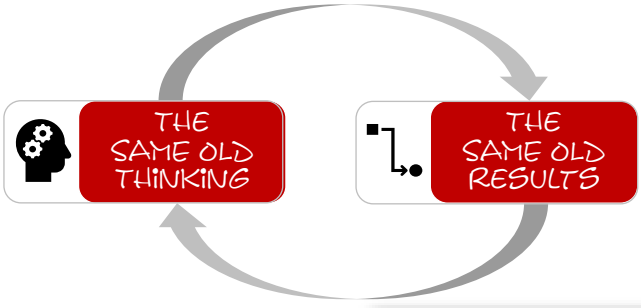
Pretty much everyone else

"We want the leadership to understand and become Agile."

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4

What can go wrong on your Agile Journey?



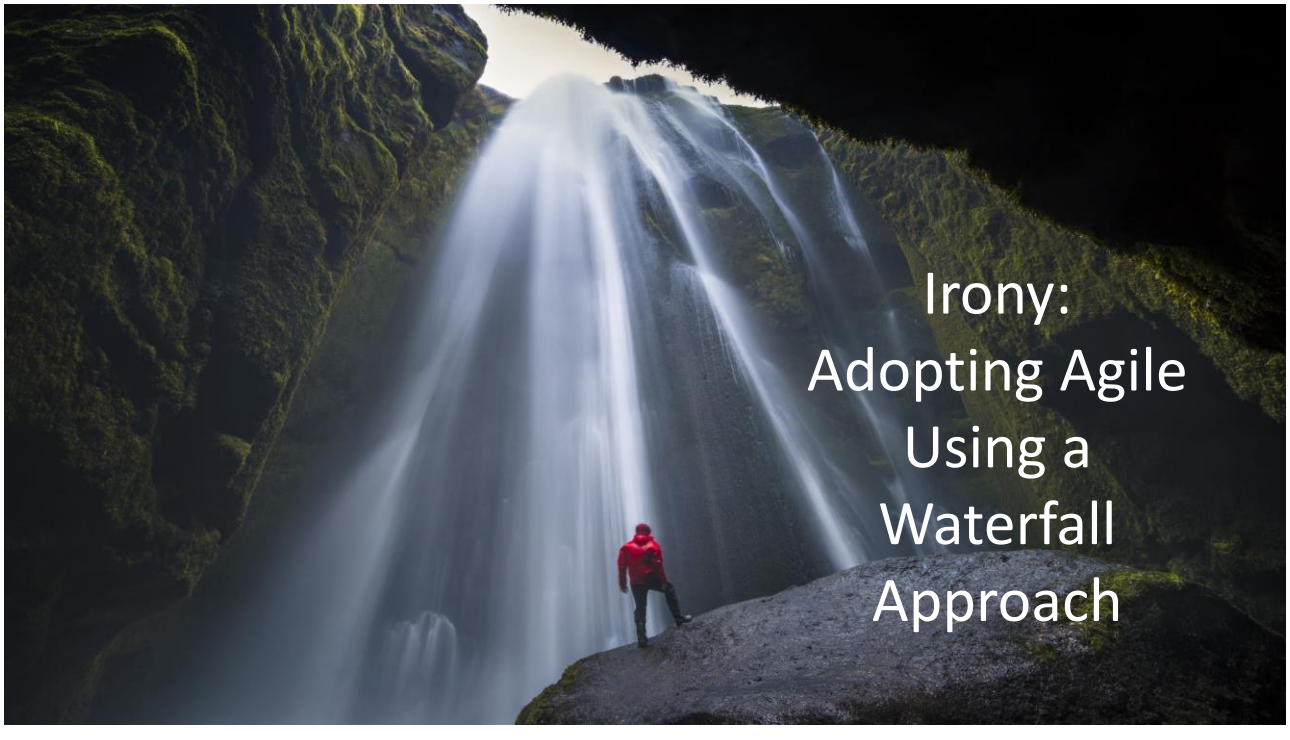


Wolfgang's take:

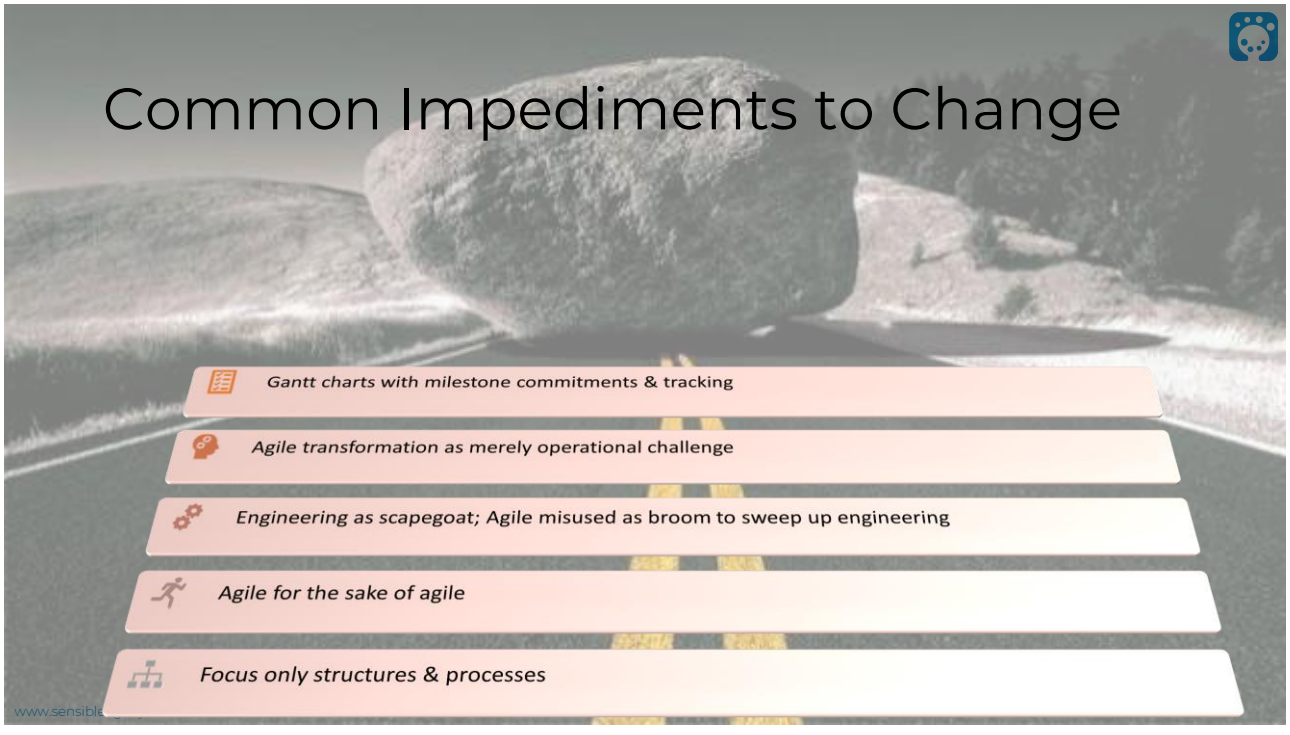
"I have never seen a long-term successful *Agile* transformation using *Waterfall* leadership."

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5



6


Common Impediments to Change
Gantt charts with milestone commitments & tracking
Agile transformation as merely operational challenge
Engineering as scapegoat; Agile misused as broom to sweep up engineering
Agile for the sake of agile
Focus only structures & processes

7


From Pre-Requisites Towards Long-lasting Commitment to Change
Alignment
Guide for leadership on what is coming
Invite broad leadership engagement
Affirm deep commitment to change
On-going Commit-ment
Pre-requisites

8

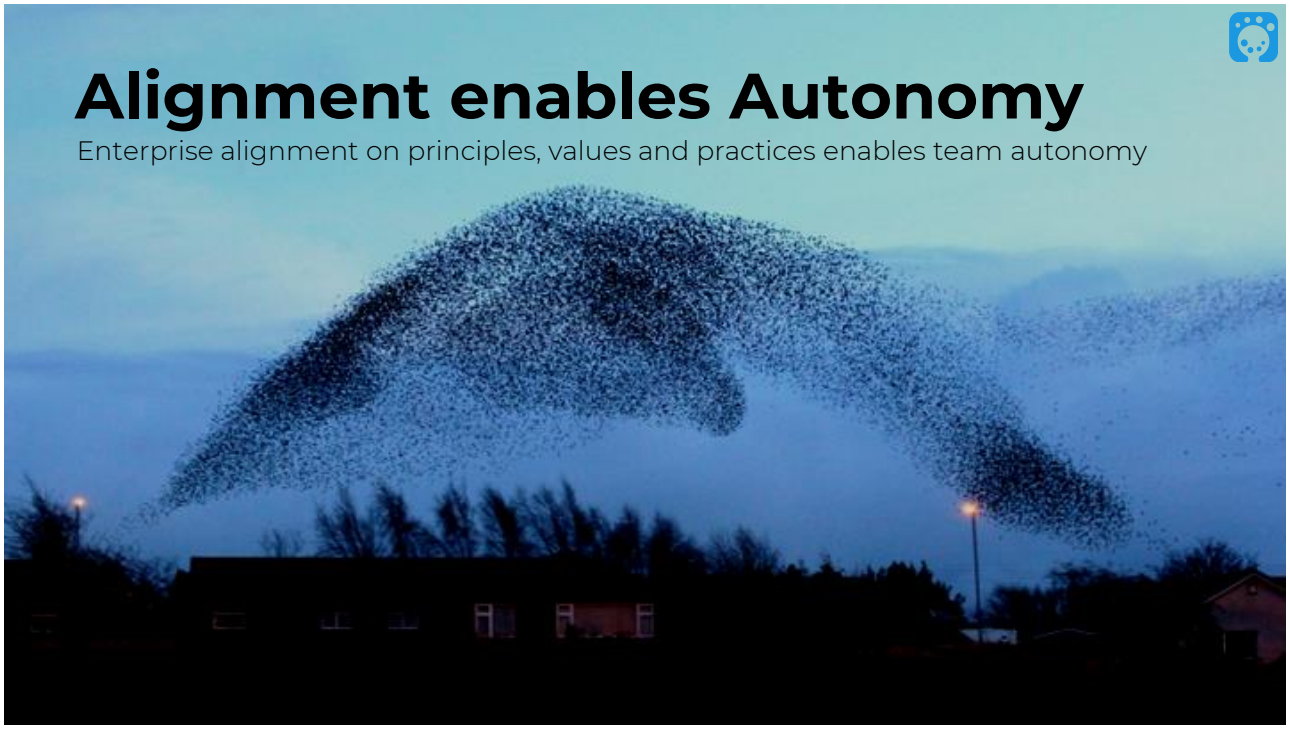
From Pre-Requisites Towards Long-lasting Commitment to Change



9

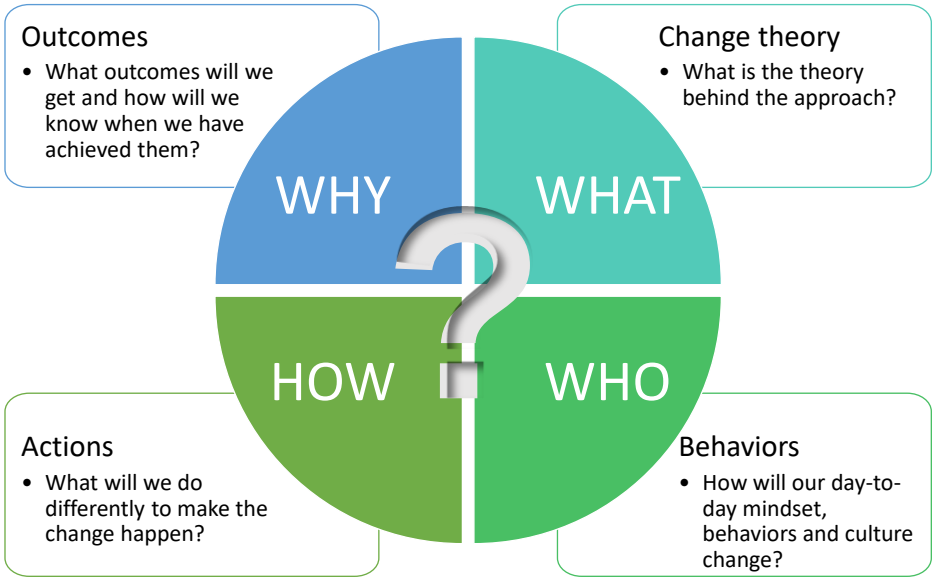
Alignment enables Autonomy

Enterprise alignment on principles, values and practices enables team autonomy



10

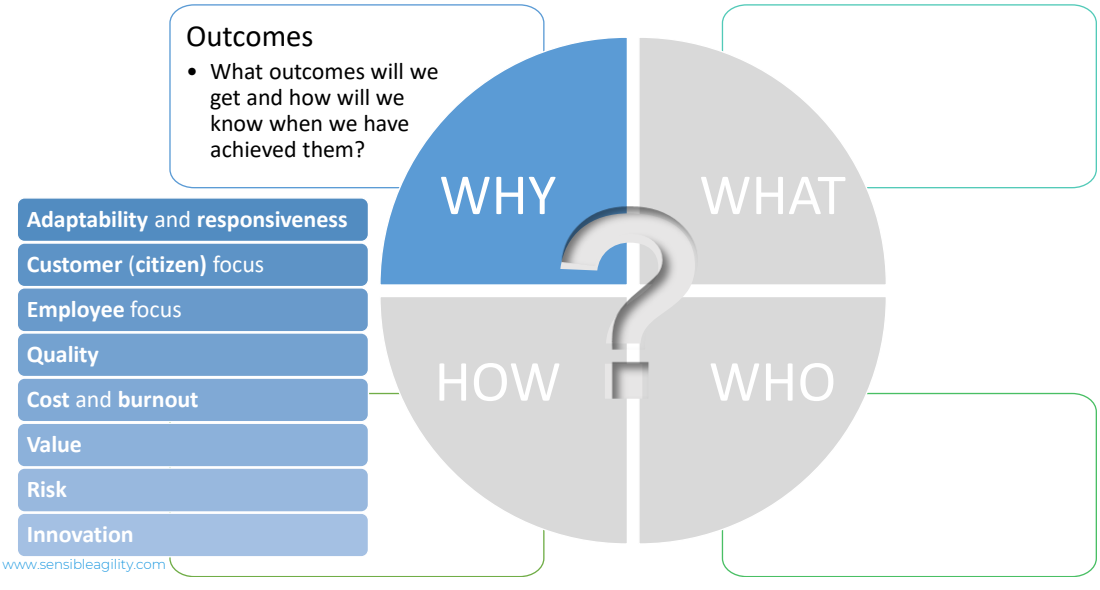
Four Views of Change



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Four Views of Change



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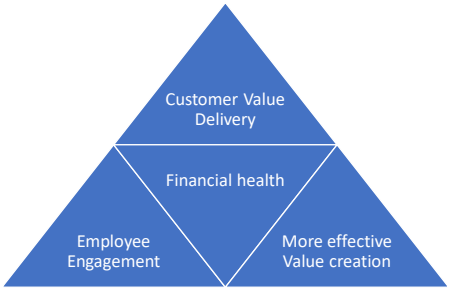
12

Agile organizations have 16 percent long-term EBITDA growth compared with six percent for non-agile organizations

– Accenture Strategy research



Why Agile?



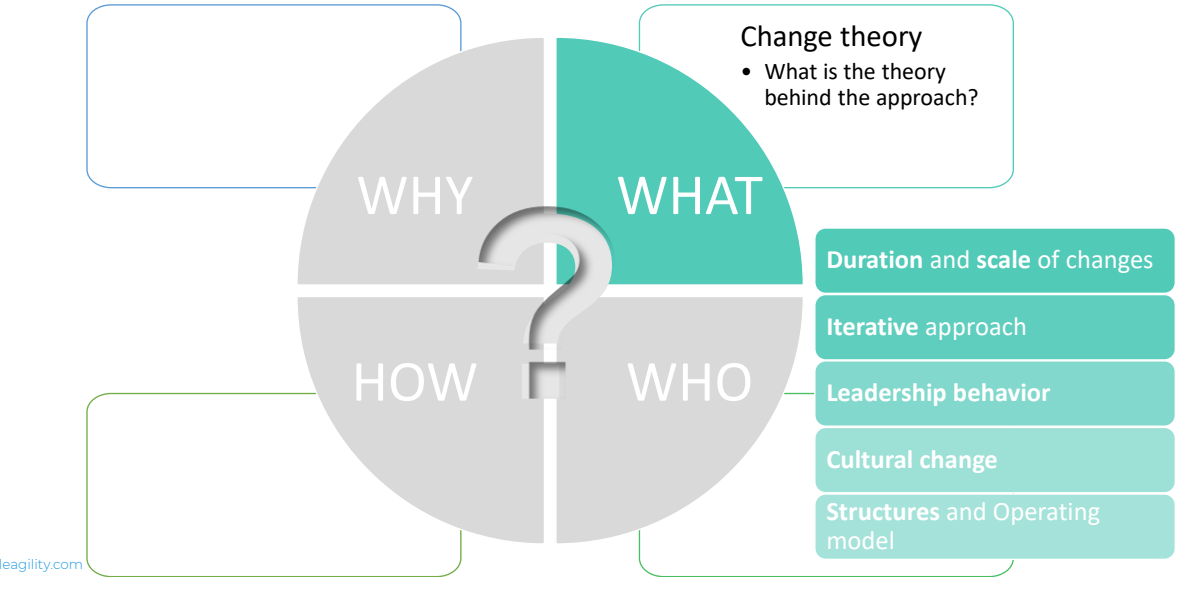
Targeted Outcomes

- increased **efficiency, effectiveness and sustainability**
- shorter **time-to-market**,
- improved **quality**,
- happier customers by **delivering real customer value,**
- faster ROI, **financially healthy** business and
- satisfied employees resulting in an **engaged workforce**
- Organization **recognized** for adding **value by your community**

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Four Views of Change



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Duration and **scale** of changes

Stages on Path to Agility

Superficial Agility	Adopting Agility	Predictable Agility	Persistent Agility
Customer value? What customer? Going through the motions Work is –partially – visible Silo development Lots of carry over No (strong) PO / SM No focus on systematic improvement	Meaningful Retrospectives Scrum Master is coaching Work estimated & velocity being measured Swarming and cross-training starting Team identity established	Carryover is limited Focused teams – limiting WIP Constant team backlog refinement Break down work and swarm Entire cross-functional team shows ownership	Lead time significantly reduced Able to respond to new high priority and deliver quickly Leadership focus on optimizing the whole Urgently resolve organizational impediments Test automation, CI/CD, DevOps in action

Expected Duration: Multiple years

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Iterative approach

Fast Feedback Cycles!

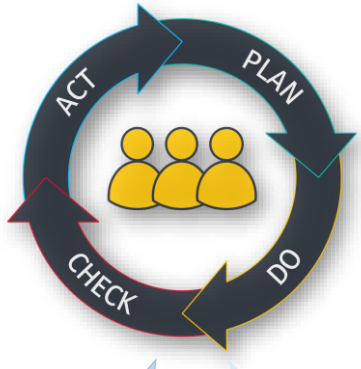
Fail fast, learn fast! - Or: ship all the time

Get your **delivery out** to enough people that can show you ***where you've got it wrong***.

Observe. **Learn.**

Make **improvements**. **Ship** it again.

Keep iterating until you have the confidence that you've got it right.



"The only way to win is to learn faster than everyone else." *- Eric Ries, Author, Lean Start-up*

Why deliver your agile transformation any other way than your products?

Product Goals

Transformation Goals

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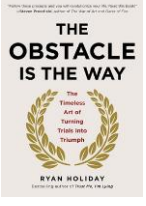
Failure is an option! Everyone fails.



Duncan Maddox https://www.linkedin.com/posts/scrum-duncan_agile-scrum-failfast-activity-6871432697047199744-SwyJ

The Obstacle is the Way - Lean Analogy

Be prepared to discover things that make you feel uncomfortable



Manufacturing

- Inventory hides problems as water in a lake hides obstacle, e.g., rocks
- Reducing inventory ~ "lowering the water level"
  → Makes obstacles visible

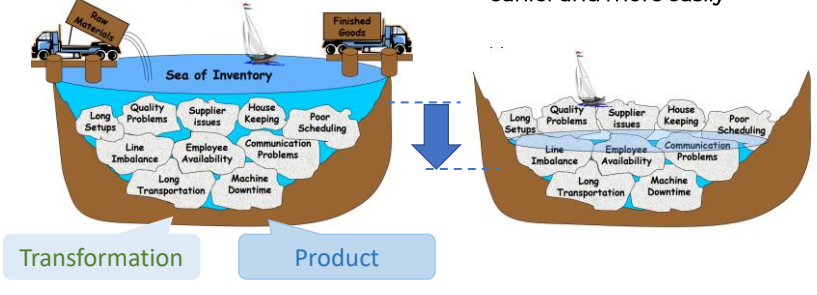
→ Uncovers opportunities to improve

Software Engineering

- Work in progress, **partially done work frequently contains problems**
- **Shorter iterations** / Scrum sprint length: show progress, **shorten feedback cycle** increase **speed of learning**

→ Encourages team to **recognize impediments earlier and more easily**

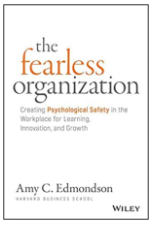




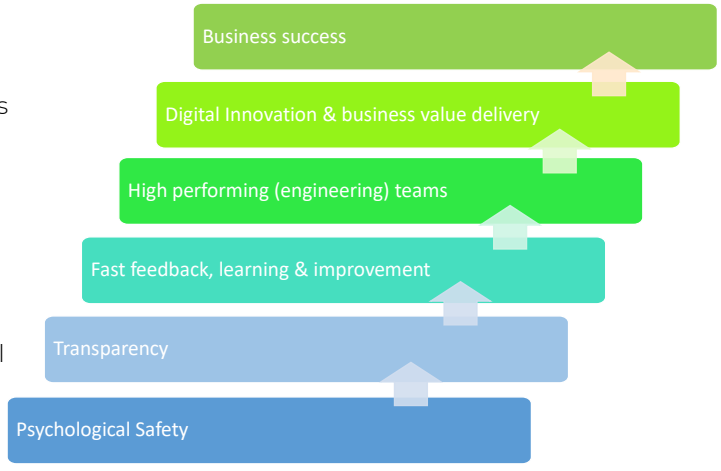
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New Leadership focus: **Psychological Safety of teams enables the *fearless organization***



- A high performing system for (software) delivery needs **excellent engineering** practices
- Achieving *engineering excellence* depends on **fast feedback, learning** & **improvement** cycles
- *Fast feedback, learning & improvement* cycles depend on **transparency**
- Real *transparency* can only be achieved when employees feel **psychologically safe!**



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Google spent years studying effective teams — and **one trait** stood out: **Trust**

- Google studied their best teams to understand what made them great.
- Team "effectiveness" was evaluated by executives, team leaders, and team members, plus sales performance.
- The research found what really mattered was *how* the team *worked together*.
- What mattered most: **Trust**.



→ "Psychological safety," (or trust) was the factor the most effective teams shared.

- https://www.businessinsider.com/google-spent-years-studying-effective-teams-this-is-what-they-found-2018-1
- https://rework.withgoogle.com/print/guides/5721312655835136/

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Agile Values & Principles are the keys to

- Changing culture
- Becoming an Agile Enterprise
- The Agile Way of Working



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What do you mean by "Culture"?

Culture = Values x Behavior

Rather than claiming an unactionable value of "Integrity", share it as "Do the right thing – especially if it's hard and no one is looking."

Simon Sinek
https://simonsinek.com/transform-your-culture/

For a culture to be strong, we **must live the values** we espouse - our **behaviors**.

Anything multiplied by zero is zero. If you have great **values** displayed on your walls or screensavers and **don't live them**, your culture is **weak**.

Anything multiplied by a negative is a negative. If your **actions contradict** your stated **values**, you have a **toxic**, deleterious culture.

And - your **leaders' behaviors matter most**. A whisper is a shout.

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Leadership behavior

Agile Leadership

New Way of Thinking					
Shared Vision and Passion	Market and Customer Value	System Thinking – not Taylorism	Understand where we are VUCA / CYNEFIN	Learning as an Attitude: Learn from Failures	Continuous Improvement

Consensus

New Way of Working					
Leaders that serve	Create Environment, exemplify behavior	Skills, Tools and Techniques	Agile Governance	Control Direction Inspire People Provide Autonomy	Organizational Barbell for Stability and Innovation

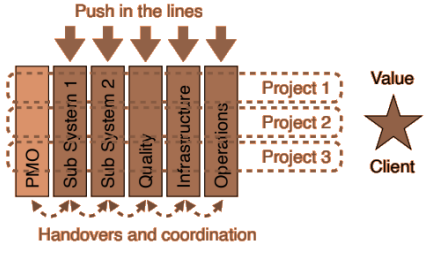
https://www.linkedin.com/pulse/12-dimensions-agile-leadership-jonathan-kessel-fell/

Structures and Operating model

Structures and Operating model

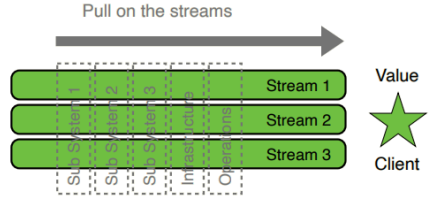
Optimize structure and processes to serve the customer. Remove silos, hand-offs, reduce cost and delay, deliver high value and quality.

The Functional Organization



optimized for ***utilization***, *not* for value delivery

The Resilient Organization



optimized for ***value delivery*** and for ***time to market***

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Structures and Operating model

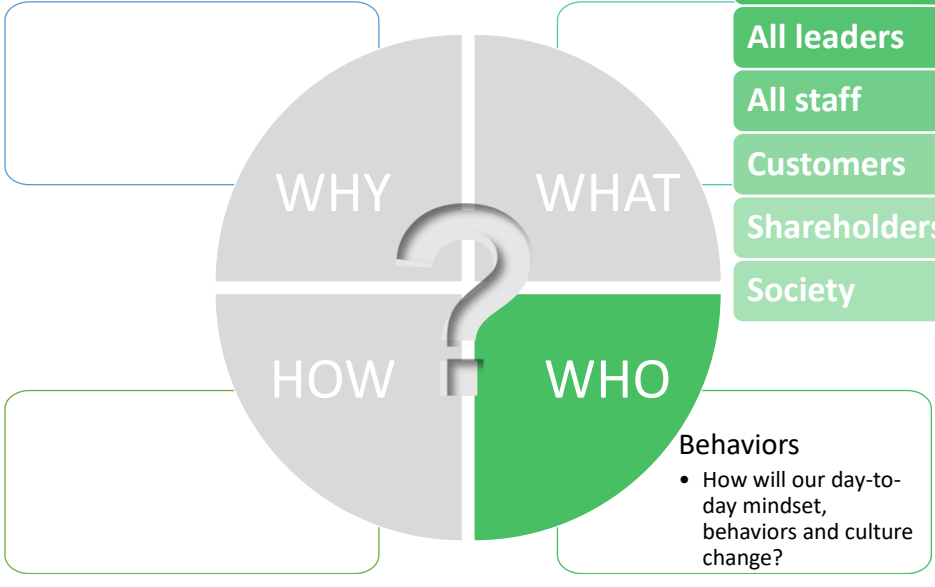
Cross-functional Teams

Characteristics

- End-to-end (value) delivery capability of teams
- The autonomous pursuit of customer value balanced with accountability
- Longevity of teams is paramount
- Abandoning functional silos in favor of focusing on delivering value
- Avoidance of local optimization
- A cornerstone on the path to achieving business agility



Four Views of Change

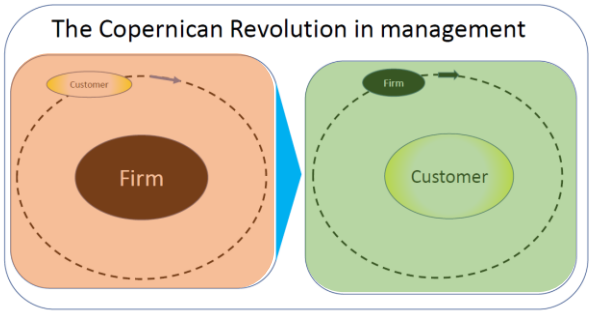


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From ***Shareholder*** to ***Customer*** Focus

Traditional Bureaucracy

- Focus on making money for the firm and maximizing **shareholder value**
- Individuals report to bosses, who define the roles and rules of work and performance criteria
- The organization operates as a top-down **hierarchy** with multiple layers and divisions



A fundamentally different way of understanding how the world works

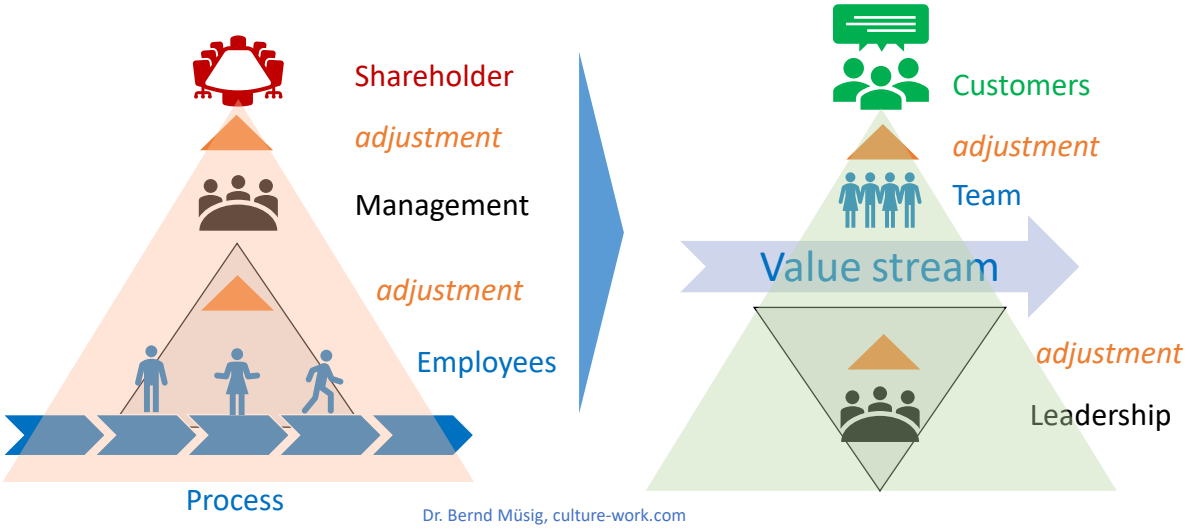


Agile Enterprise

- Obsession with delivering steadily more **value to customers**
- Work done by **small,** increasingly **self-organizing teams**, within short cycles, focused on customer value delivery
- The firm operates as interacting **network** of teams

Mindset Shift:

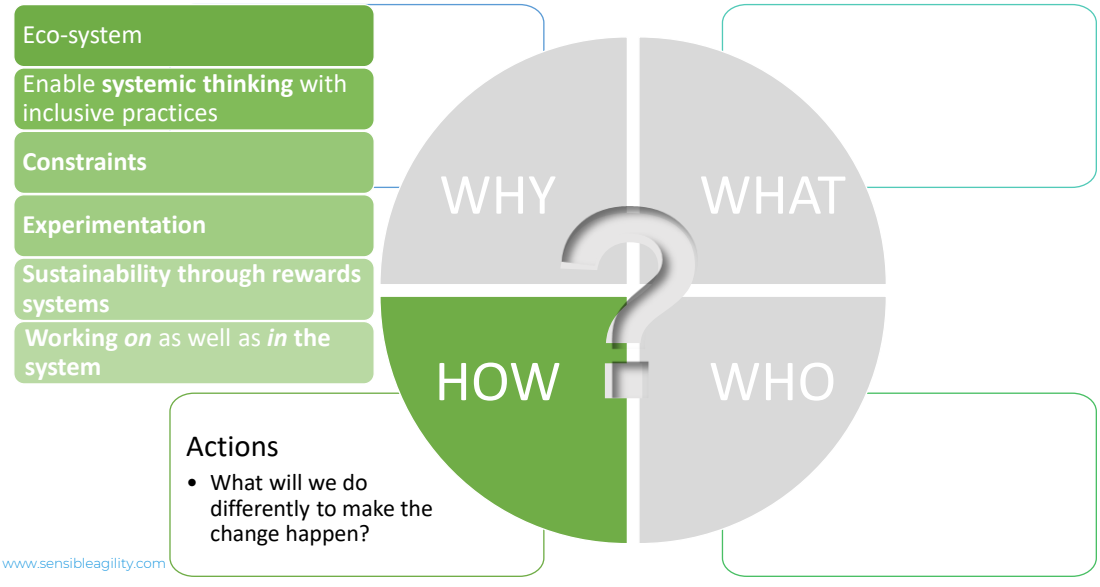
From Shareholder Value to Customer Value Stream



Dr. Bernd Müsig, culture-work.com

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Four Views of Change



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Underpinning Approach



FROM MECHANISTIC TO SOCIAL SYSTEMIC THINKING

"Most managers are still acting as though the *corporation is a mechanism* or an organism, not a social system."



WHY FEW ORGANIZATIONS ADOPT SYSTEMS THINKING:

"We can learn from mistakes if we identify and correct them. Therefore, organizations and individuals that *never admit to a mistake never learn* anything."

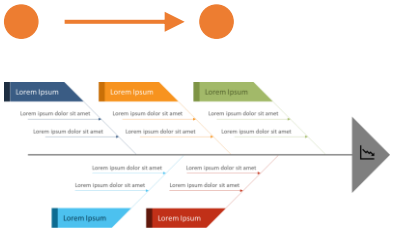
Transformation Challenges Observed Three Decades Ago by Prof. Russel Ackoff

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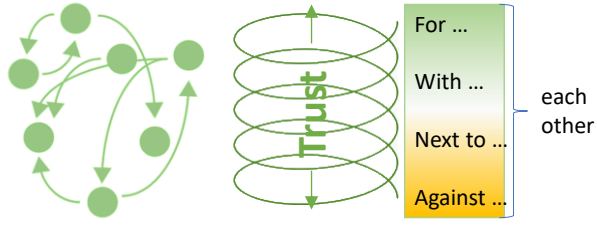
Traditional vs. Systems Thinking

- Linear
- deterministic
- static



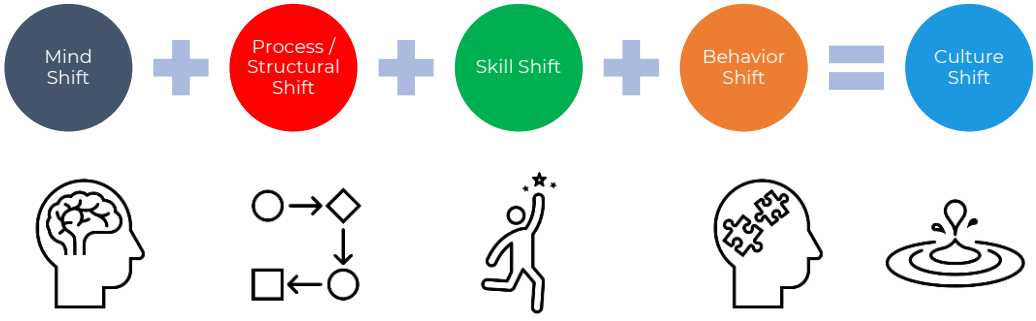
Traditional thinking, a *mechanistic* management approach

- Circular
- non-deterministic
- dynamic



Systems thinking,
a holistic leadership approach

Culture shift is no accident



Culture shift as result of several factors – NOT directly a lever to pull!

(Leadership / Mindset) -> (Structure / Process / Behaviours / Skills) -> (Culture Shift)

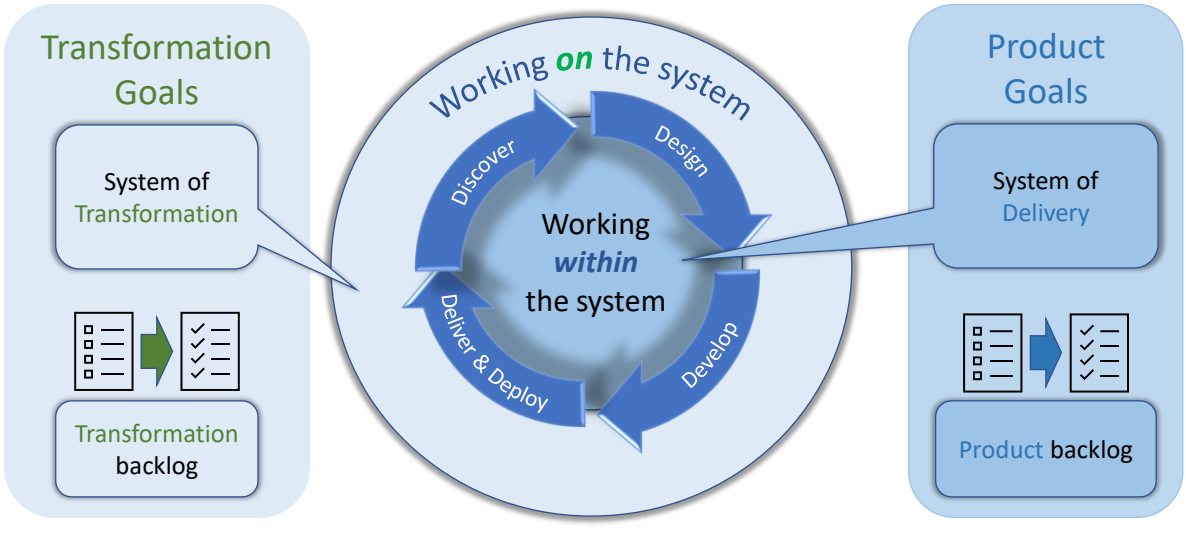
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Slow Down to Go Faster



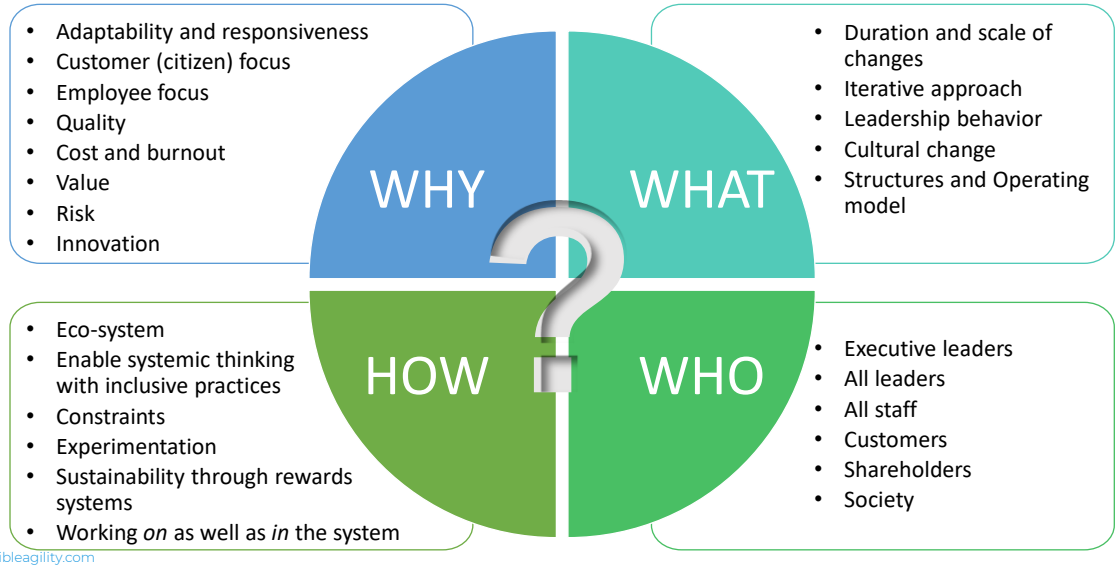
If you can't fly, Run.
If you can't run, Walk.
If you can't walk, Crawl.
But, **by all means keep moving.**
- Dr. Martin Luther King, Jr.

Agile Transformation – Balance work on with work in the system



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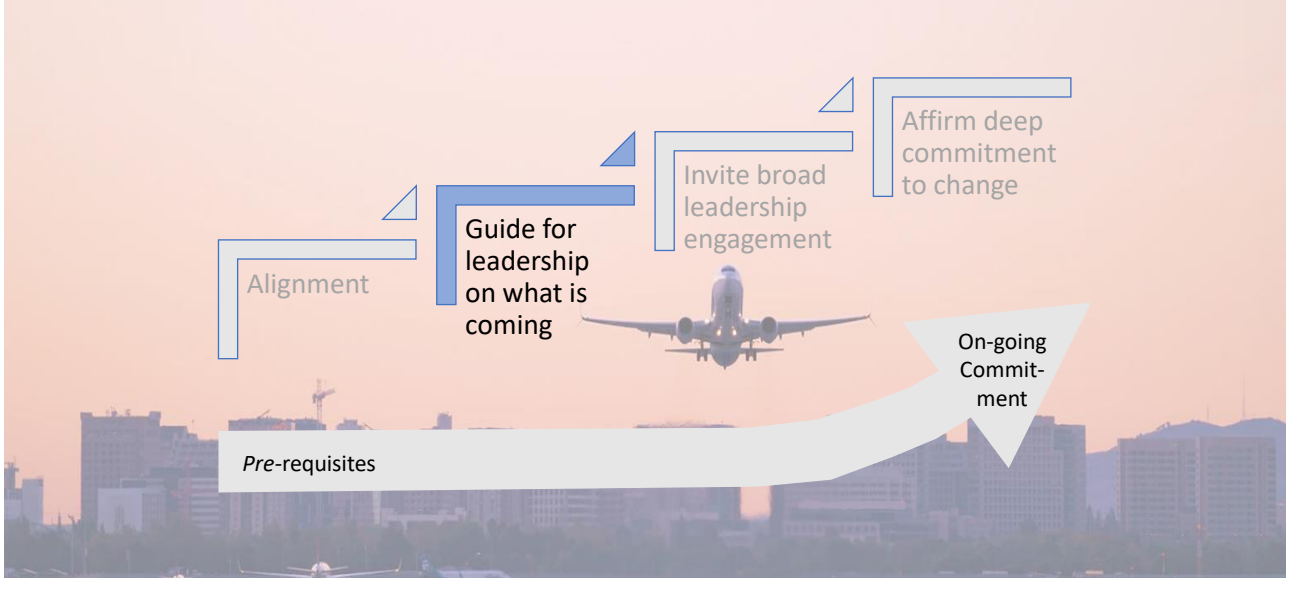
Pre-requisites for Agility



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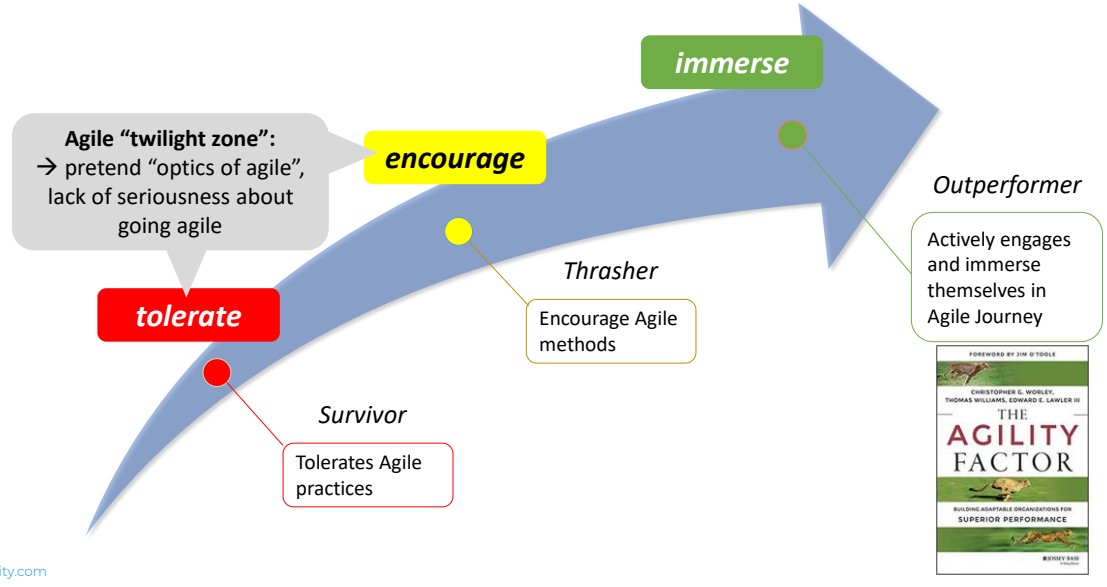
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From Pre-Requisites Towards Long-lasting Commitment to Change



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Leadership Agility



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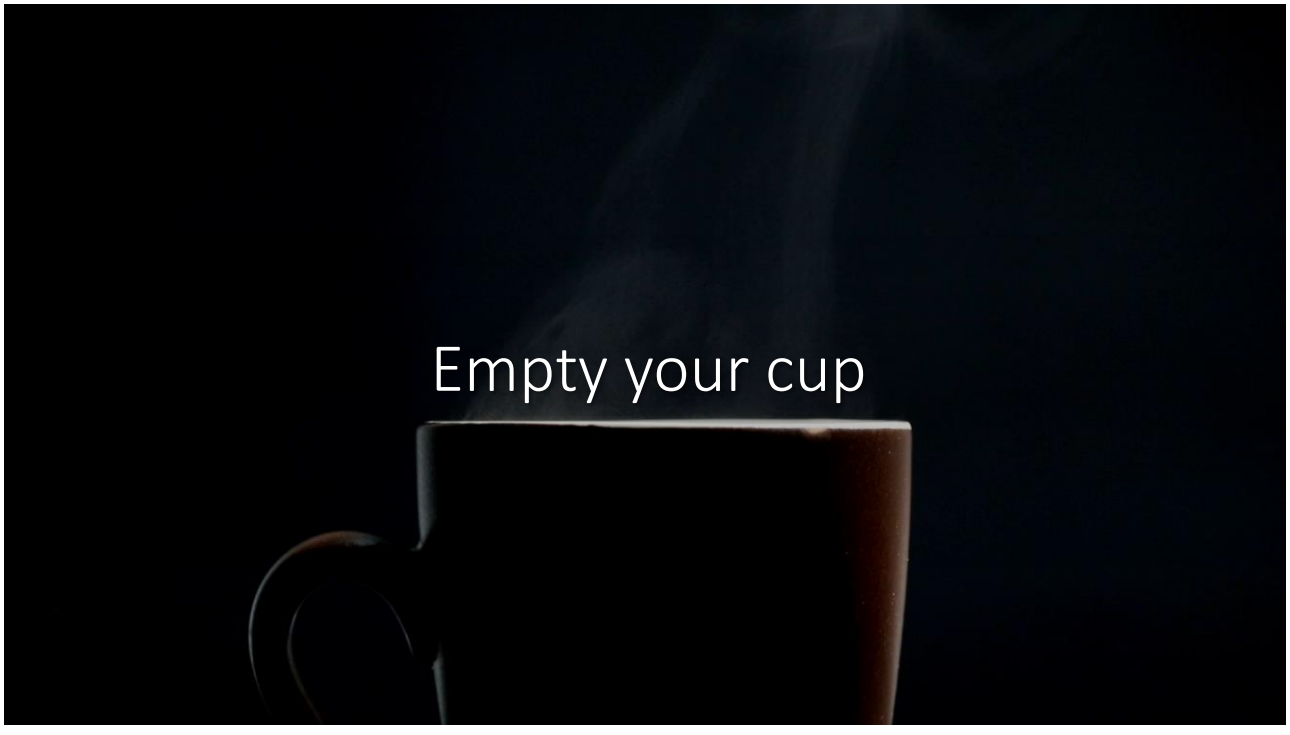
37

Guide for Leadership on What is Coming

Upskill staff with experiential learning of Agile

and *Agile Leadership* responsibilities

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Leaders need to Unlearn

Hero cult	knowing all the answers
	24 * 7 - *decision making as a service*
	Can't show any vulnerability
Leadership style	Treat people as resources
	Optimize for resource utilization
	Control people - no tolerance for failure
Industrial age mindset	Tayloristic task break down – focus on efficiency only
	Strive for the perfect plan – detailed and longer term
	Key activity of Manager role is to ***direct others***
	Expect others to simply execute these directives
Organizational structure specialization	Functional & skill silos – no interest in flow of value
	Territory to defend

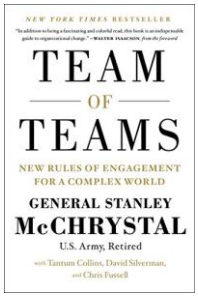


https://youtu.be/MFzDaBzBlL0

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7 Key lessons for Agile Leaders



1. Adaptation Over Taylorism
2. Shared Consciousness Over Information Hoarding
3. Networks Over Hierarchies
4. Gardener Over Chess Player
5. Empowered Execution Over Scripted Directions
6. Resilience Over Predictability
7. Fostering Trust Over Tribal Loyalties

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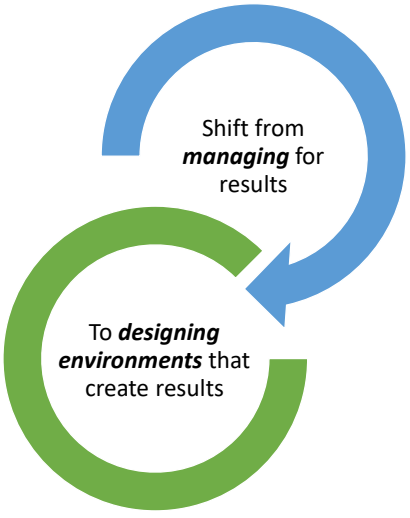
Further Insights for Agile Leaders

Stop Starting, Start Finishing	Slow Down to Go Faster	Don't rush advice - Understand the problem first	Put People First, Empower & Trust
Foster Fully Capable Teams	Experiment, Fail Early & Fail Small	Deliver Business Value, not just Projects	Servant Leadership: "A leader that serves"

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Servant Leadership







Agile Leaders loosen the grip to extend their reach!



Reach
~~Control~~ Is Enhanced By Letting Go Of Control

Managers still exist;
however, their role changes

- From controlling to **enabling**
- **Helping** resolve priorities
- **Removing impediments**
- Ensuring teams **resolve dependencies** on other teams

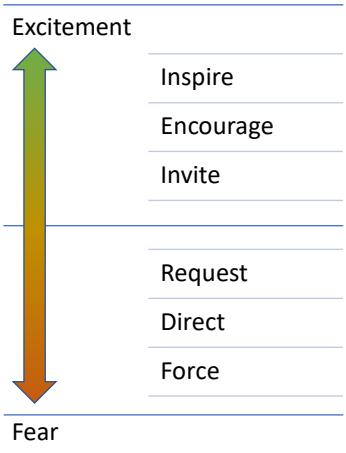
Steve Jobs:

„It doesn't make sense to hire smart people and tell them what to do; we hire smart people so they can tell us what to do."

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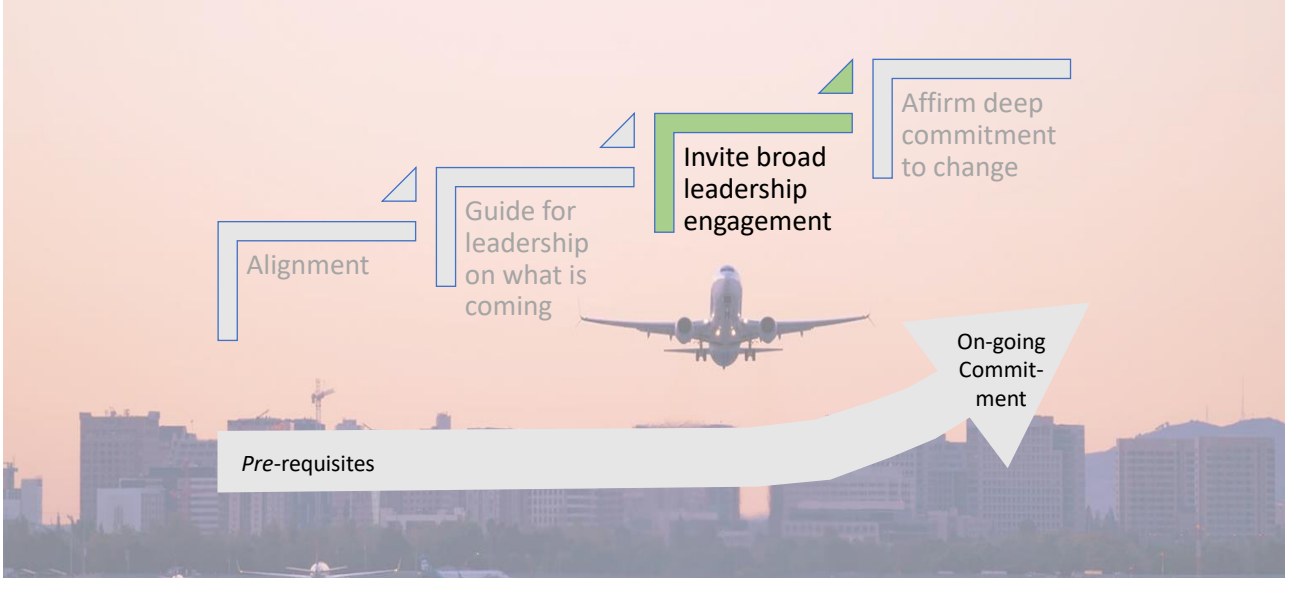
What is the best leadership style?





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From Pre-Requisites Towards Long-lasting Commitment to Change



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Invite Broad Engagement

ENGAGEMENT OF LEADERSHIP LEVELS

ENGAGEMENT OF CUSTOMERS

ENGAGEMENT OF EMPLOYEES

ENGAGEMENT OF SHAREHOLDERS

ENGAGEMENT OF SOCIETY

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Recommended Practice: Jointly define a **Leadership Alliance (Working Agreement)** for the Agile Journey

- Set of **agreements** that a **team** makes **within itself**
- Describes **how the team members** will behave and **work together**
- Created, changed, and enforced by **mutual agreement** of the team members
- *Not* a straight-jacket; **may need to change** as new team members join

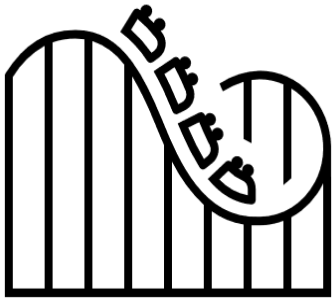
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From Pre-Requisites Towards Long-lasting Commitment to Change



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Affirm Deep Commitment to Change & Relentless Improvement



Readiness to assess & revise current processes & procedures for support of Agile WoW

Bring agile thinking and methods to all areas of the organization

Iterate;
systemic inspect & adapt with closed feedback cycles on all levels!

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Outcome-oriented Change-Approach

Start with *thin* ***horizontal slice*** across the organization	**Engage each layer** for all impacted parties and *involve* them in the change	Align on ***Outcomes*** and Metrics used to *measure* the new way of working	Define *set of* ***principles*** guiding ***behaviors*** and the *way we work*	Create ***Feedback*** *Loops* from those doing the work to those that resolve systemic impedements	Run small **experiments** and focus on quick wins
→ Focus on ***"value delivery stream"***	***"vertical slice"*** of the organization: Individual Contributors, Teams, Middle Management, & Senior Leadership	e.g., OKRs	e.g., **bake quality in** at all steps, **self-organizing** teams, **small batches**, **customer feedback**, etc.	This is called **"Manage Change as Real Work."** **Work on the system of delivery**	You may **think big – but always start small.**

Based on Michael S. McCalla https://www.linkedin.com/posts/michaelsmccalla_agiletransformation-businessagility-agilecoaching-activity-6864192860061782016-KC3h



Commitment

Discontinue patterns such as

- **Executives** prioritizing features, assigning and **controlling work directly**
- **Big-upfront planning** of long-term **detailed product feature** roadmaps
- Maximize capacity and effort, **incentivize output** measurements over outcome
- **Command & control**, driven by meetings and reports and centralized decision making
- Intervene to fix all problems
- Encourage establishing and defending **organizational silos**
- Encourage **Hero cult**
- **Manage Agile** Transformation in **traditional change project management** manner

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Gravity never sleeps

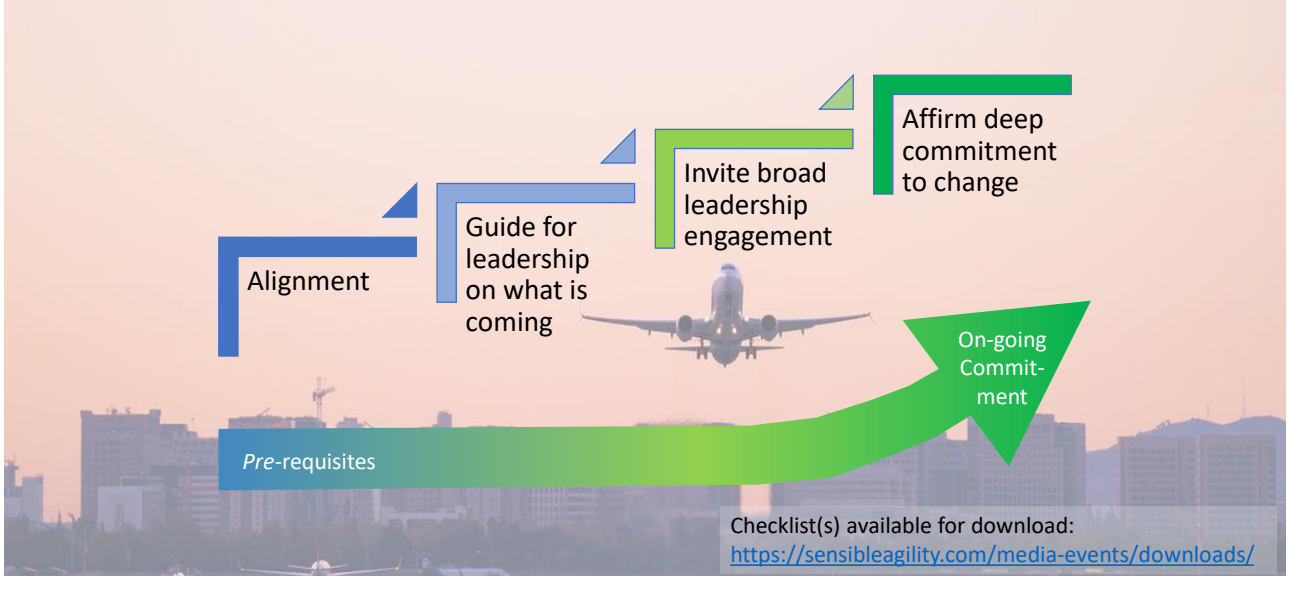
$9.81\ m/s^2$

Adopt Patterns such as

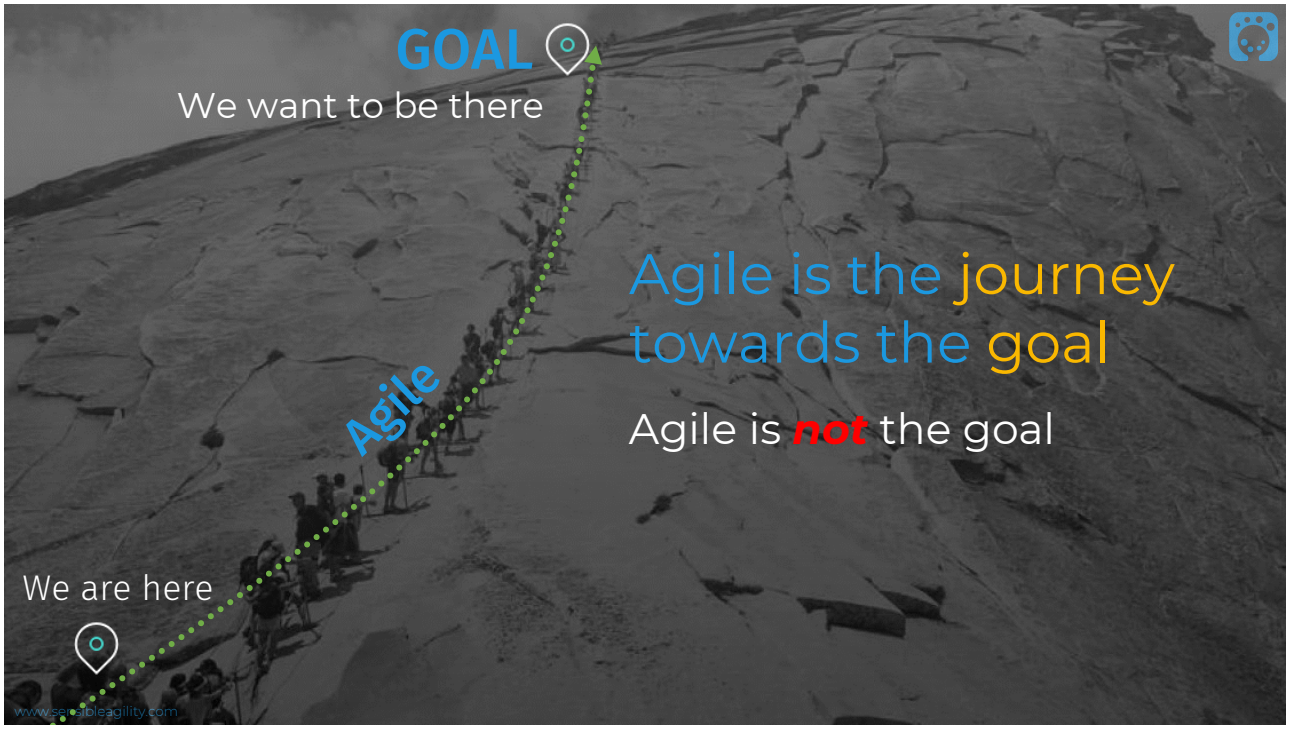
- **Engage** in **Leadership** bootcamp to lead the change
- **Establish purpose** by setting compelling yet credible vision
- Apply **servant leadership**
- Make **everyone feel safe** to provide & receive radical candor & ensure transparency
- Encourage **learning from failure** and relentless **continuous improvement**
- **Empower teams** to align decision making power with holder of insights
- Focus on **outcomes over output**
- Strive for **optimizing the whole**
- **Resolve organizational impediments**

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From Pre-Requisites Towards Long-lasting Commitment to Change



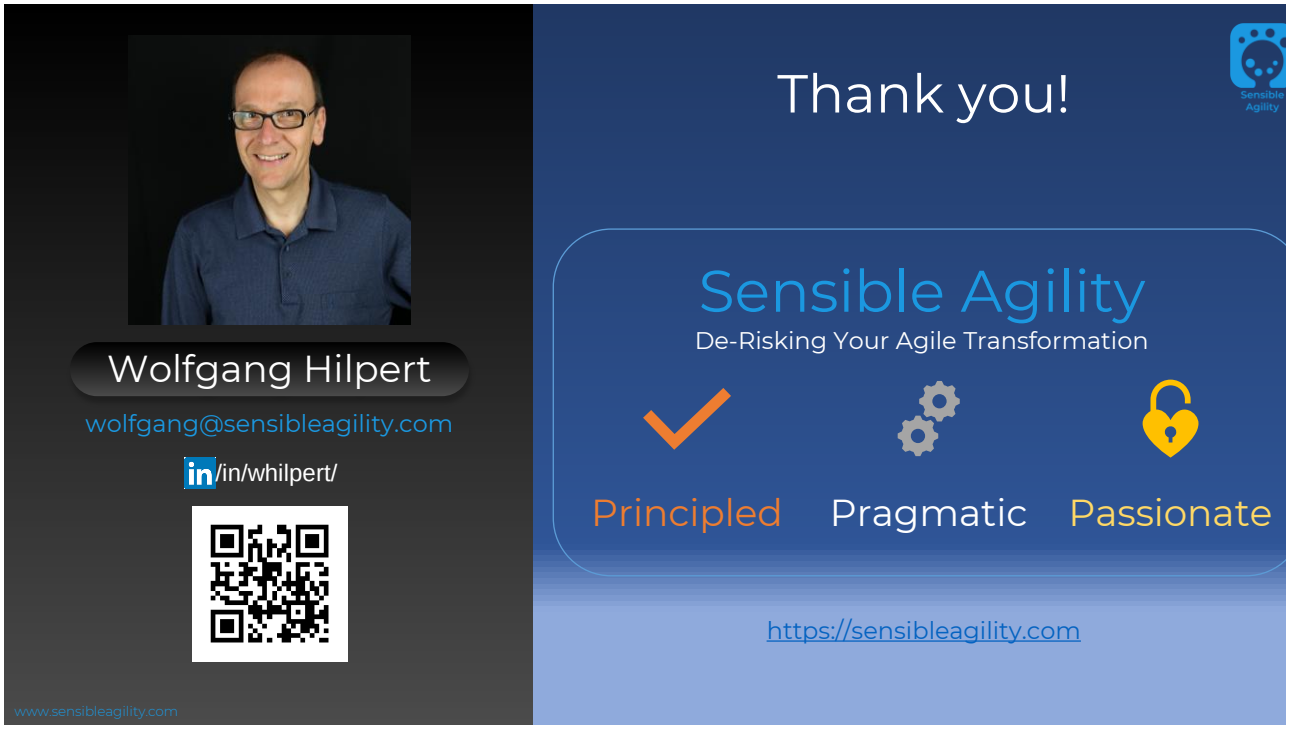
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GOAL
We want to be there
Agile is the journey towards the goal
Agile is not the goal
Agile
We are here
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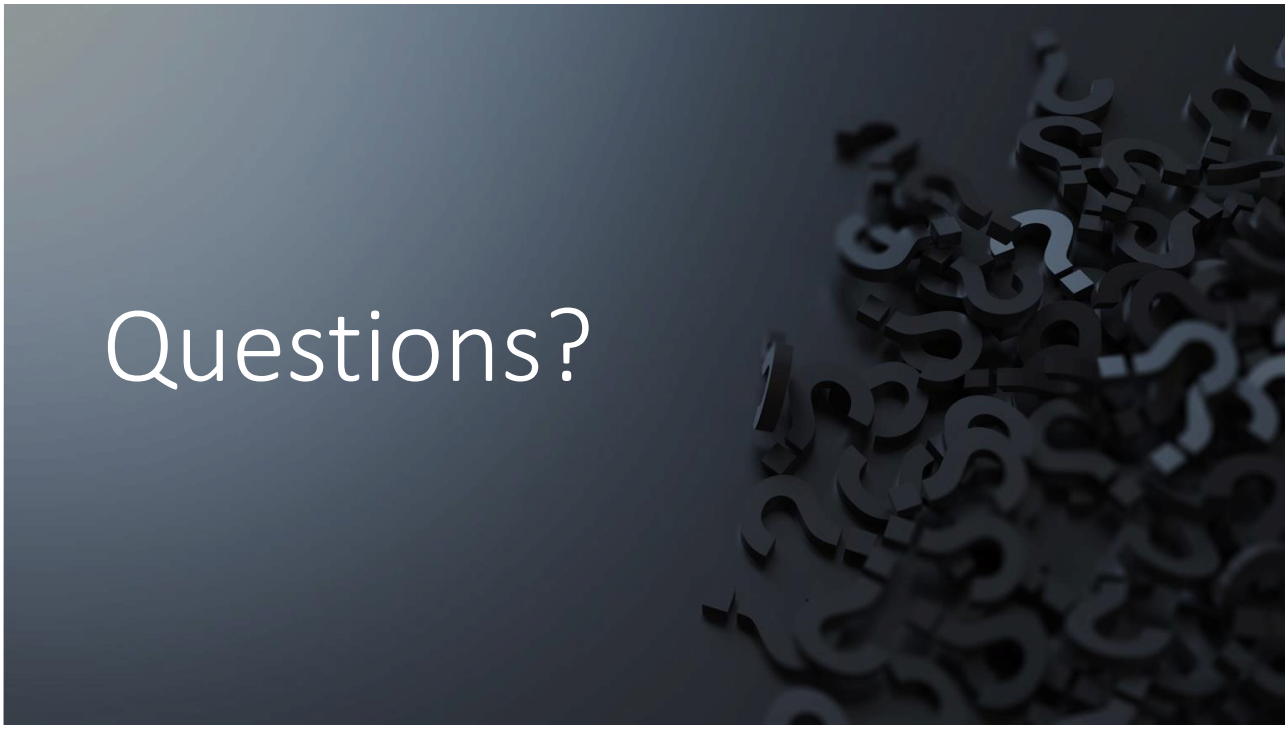
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The question is not:
"Are we Agile?"
The question is:
"Are we delivering business value to our customers effectively, efficiently and sustainably?"
Agility is a means to an end.

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Thank you!
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Questions?

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