How Agile Adoption Impacts Support Organizations

Brian Haughton

Presented at AgilePalooza
June 17, 2014
Outline

• Background
• Changes Within IT
• Changes Outside of IT
Agile adoption is a major disruptive event for organizations.
Changes Seen with Agile Adoption

- Vocabulary
- Governance (allow multiple paths for product development)
- Interactions between supporting groups and project teams
- Existing roles and new roles for individual contributors
- Organizational structures – everyone is on a team
- Management model – learning/adapting is valued as well as success
- Project reporting rolls up using different metrics
- Funding model (quarterly)
- Capitalization vs. expense rules
- HR performance matrix -- how the team performs is part of the annual review process
- Legal contracts
Agile is not just another way to develop software.

Agile is a philosophy that affects everything.

If executives knew when they started what Agile adoption would mean for them, they would not start it unless their business demanded it.
Differences between Waterfall and Scrum

**Waterfall**
- Phases: Define, Design, Build, Test, Go Live!
- Funding: Plan & Prep, Design, Build, Test, Go Live!
- Release mgmt
- Architectural Runway
- Agile Process Office

**Scrum**
- Phases: Define, Design, Build, Test, Go Live!
- Funding: Plan & Prep, Design, Build, Test, Go Live!
- Release mgmt
- Architectural approval

PMO
Governance Model Changes

OLD: One Path

NEW: Many Paths

The Governance model must adapt to enable a choice of methodology and prepare leadership for how to govern Agile value streams.
Work is Organized via Value Streams

**OLD:** Projects with start and end dates encompass work

**NEW:** Value streams, which exist in perpetuity, encompass all work for a business portfolio

<table>
<thead>
<tr>
<th>Insurance Services</th>
<th>Insurance Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement Solutions</td>
<td>Retirement Solutions</td>
</tr>
<tr>
<td>Wealth Management</td>
<td>Wealth Management</td>
</tr>
<tr>
<td>Private Banking</td>
<td>Private Banking</td>
</tr>
<tr>
<td>Annuities</td>
<td>Annuities</td>
</tr>
</tbody>
</table>
Role Changes

OLD: Project Manager led

NEW: Business led

- Product Owner
- Project Manager
- Business Analyst
- Story Author
- Scrum master
- Architect
- Agile Coach
- SME
- Developer
- Tester
- Tester
Everyone is on a team!

OLD: Manage by individual resources

NEW: Manage by teams-as-a-unit
Architects change metaphors

OLD: build a house

Step 1: Foundation
Step 2: Frame
Step 3: Finish

NEW: approx area

Step 1: Slice architecture into vertical functions and build a few
Step 2: Build a few more
Step 3: Finish
Organizational Structure Shifts

Traditional

Office of the CIO / CTO
- Infrastructure
- Architecture
- Security
- Corporate functions (Finance, HR, Legal, etc.)

Office of the COO / CFO
- Line of Business
- Corporate functions (Finance, HR, Legal, etc.)

Agile-Enabling

Office of the CIO / CTO
- Infrastructure, Architecture, Security
- Enterprise APO
- LOB Portfolio Management
- A&D Dev QA RM PMO OPS
- TEAMS

Office of the COO / CFO
- Corporate functions (Finance, HR, Legal, etc.)

Line of Business
- Value Streams
- APO
- Team Groupings
- RM Dev Ops
- A B C D
Enterprise APO

- Agile Tool Support
- Metrics & Reports
- Training Curriculum
- Maturity Models & Frameworks
- Process Operations (Communications, Helpdesk, etc.)

LOB Portfolio Mgmt

Field Coaching
DevOps
the intersection of Development, Operations and Infrastructure

System Team

- Configuration Management
- Continuous Builds & Deployments
- Release Management
- Quality Assurance, Test Automation & Performance Validation
- Enterprise Environment Management
Shared Services

**Feature Teams** build deep vertical slices of the architecture

**Component Teams** provide the technical frameworks (a.k.a. “bedrock”) for feature teams Formerly known as “Shared Services”. Examples: DBA, UX, SME
Support Outside of IT – Business Expectations

Waterfall Business Owner Involvement

Agile Product Owner Involvement
Support Outside of IT - Finance

Office of the CFO

- Shift to quarterly funding with an “office of CFO” representative as a stakeholder on all programs
- Participate in quarterly reviews of all programs: if IT and business are not satisfied then provide small amount of funding to shut down the initiative; limits risk to one quarter’s worth of work
- Establish policy for project leads for how early/late the Technological Feasibility point should be in your projects (allows for capitalization of certain tasks)
- Determine common tasks for capital vs. expense; use liaison to work with teams to identify and classify uncommon tasks
- Result: Agile projects may shift more work toward capital; risk is reduced and capitalization rules are simplified; reduces anti-Agile behavior
Support Outside of IT – Human Resources

Human Resources

• Recognize that contributors are part of one team that moves as a unit from project to project

• Add team effectiveness to the review cycle for individuals (in addition to personal, departmental, and overall company success)

• Incentives: individuals on higher performing teams should receive meaningful incentives; management receives incentive for establishing & maintaining environment for higher performing teams to thrive; team effectiveness and team utilization metrics (instead of individual metrics) become key measures for management

• Adjust reviews to avoid penalizing teams for failure in sprints

• Result: provides drive to create high performing teams for staff and management
Support Outside of IT - Legal

Legal

• Contracts with third-party suppliers needs to encourage them to follow the methodology selected for the overall work

• Contracts for software creation or enhancement needs to be adjusted to support the spirit of partnership in alignment with Agile principles
  • Failure to deliver some functionality in one sprint should not trigger a penalty
  • Failure to clear impediments quickly will increase the delay and the overall cost of the project

• Result: reduces friction in start of projects and strain in ongoing relationships with partners and third-party suppliers
Support Outside of IT - Vendor Management

Traditional Structure

Outsourcing by role

Agile-enabling Structure

Outsourcing by business portfolio
How Agile Adoption Impacts Support Organizations

Brian Haughton
brian.haughton@cognizant.com

Thank you!

Presented at AgilePalooza
June 17, 2014