

Cognizance into Agile Transformation Success

TRADITIONAL

METHODOLOGY

AGILE

METHODOLOGY



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Abstract

In this white paper we share some of the common elements of a successful Agile transformation in Four primary focus areas: leadership effectiveness, Product innovation, Organizational Adaptability and delivery Agility. We demonstrate where successful Agile organizations place emphasis and offer insights for what aspiring Agile enterprises can start doing to get the real business results they seek.

Introduction

Agile helped a growing number of companies successfully kick off and execute many large-scale Agile transformations. Having done this now with dozens of enterprises, we decided to retrospect on some of the common elements of a successful Agile transformation.

FOUR LAYERS OF AGILE TRANSFORMATION



1. Leadership Effectiveness

In a modern, digital organization of knowledge workers, traditional industrial-age management approaches (e.g., Taylorism) are ineffective at maximizing performance. Modern pressures to move and change quickly necessitate a new mindset, one that motivates people and challenges them to use innovation to gain a competitive edge. Agile leadership helps organizations develop organizational structures that allow them to adapt in the face of ambiguity and continual change.



The Agile leader also demonstrates leadership qualities that promote transparency, decentralization, participation, cooperation, and responsibility in the workplace.

2. Organizational Adaptability

The ability of a company to recognize and adapt to change in ways that allow it to grow and innovate is referred to as business agility. Organizational agility is made up of a collection of competencies, if you think at it that way. Organizational structures, rules, and practices, as well as cultural ideas and individual mental models, all contribute to these competencies. This includes everything from onboarding to staff reviews and incentives to finances and accounting, as well as everything else that enable the firm to operate as a healthy living organization.

3. Product Innovation

How clear is the product strategy to those who are placing it into action? What is the relationship between strategy and day-to-day software development? The Product Owner job and Product Management skill sets, as well as how the company specifies and prioritizes work for the software development team, are essential to this connection.

4. Delivery Agility

Agile started as a technique to accelerate the delivery of software products, and as a result, this is the area that is considered the absolute scope of what Agile can do. However, as shown in our diagram, the Delivery layer is simply one of the segments that can benefit from Agile transformation. Focusing on the practices and processes of teams and groups of teams delivering a project, programme or product, Delivery encompasses how well individual teams and sets of teams are using Agile frameworks like Scrum and Kanban, how Lean principles are being applied to value streams, and how successfully we are applying scaling patterns and frameworks like the Scaled Agile Framework.

To get long-term transformational effects from an Agile transformation, the approach used must be thorough and complete. When we work with firms to design their Agile transformation plan, we usually base it on these four primary capability dimensions. Now that we know what the aim is, let's take a closer look at each of these four dimensions to provide some learning insights into the patterns we've seen in businesses who have successfully implemented Agile transformation

Modern demands necessitate a new leadership approach that engages employees and challenges them to use innovation to gain a competitive edge.

Leadership Effectiveness



Leaders of organizations in the midst of a successful Agile transformation have committed to a few key leadership activities, starting with a clearly articulated vision of the future state you are trying to reach, in addition to adopting new leadership practices and styles that are congruent with the modern expectations of knowledge workers. The following are some questions to consider your board and leadership:

- » Why is the company undertaking an Agile transformation in the first place?
- » Is it to achieve parity with peers?
- » Is it to leapfrog the competition in terms of time to market and/or quality?
- » Is it to achieve a level of disruptive innovation and enter new markets?

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Leaders empower people to resolve problems and only intervene when issues are escalated to them

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It is necessary to be clear on "why," as well as to ensure that the entire organization, from top-level leadership through middle management and down to delivery teams, is aligned and committed to

that vision. You can actualize some really far-reaching and transformative future states once you reach that level of alignment.

Establishing a communication plan is another effective practice we've seen. This is more than just a message from the top; it's a two-way feedback loop that communicates intent, invites and receives feedback in a transparent manner, and measures success objectively.

Finally, a higher level of empowerment across the organization is one of the main success markers for an Agile transformation:

- » Leaders empower middle managers to resolve problems at the sub- executive level and only intervene when management escalates issues.
- » Management empowers teams to provide guidance in terms of best practices to yield optimal results and only intervenes when the team escalates issues.
- » Team members empower each other to be informed about what high quality means at the development level and how to achieve it. Team members are also empowered to request resources to achieve their goals while actively radiating progress.

Emphasis Areas for Agile Leadership

This is not a simple task. To achieve the desired goals, a well-thought-out plan must be articulated by a committed leadership team on a consistent and unwavering basis. This is one of the reasons why, in "The Third Wave of Agile,"

Leadership Styles & Development- The agile manager is responsible for Alignment, Transparency, Skills and Staffing the teams and systems that, in the right environment and with the right man power, can create AS an amazing result. The Leadership style is required in the new paradigm

Cultural Adaptability - Have a compelling reason to change. This is the single most important piece of the equation and will serve as the foundation for success or failure moving forward. Every member of organization needs to understand why the shift to Agile is taking place in order to understand why they should change the way they do their jobs. They must make a commitment to the change and respond with more excitement and determination than fear

Vision & Strategy - The Vision is a description of the future state of the Solution under development. It reflects customer and stakeholder needs, as well as the Feature and Capabilities proposed to meet those needs. The vision is both aspirational and achievable.

Communication & People Enablement - Management practices have evolved significantly across the decades. Our organizations are no longer purely hierarchical groups of employees, but more complex networks of permanent, part-time staff, contractors, service companies, resellers, even co-creator customers. Our supporting software architectures and workflows are webs of systems combined to deliver products and services at a speed and convenience that is unprecedented.

Achieves Results
Collaboration

Vision
Culture
Integrity
Goals

A communication plan is a two-way feedback system that communicates intent, invites and receives feedback in an open and transparent manner, and measures progress objectively.

Organizational Adaptability



Agile transformation is, for many businesses, the most significant organizational change they will ever do. The results are extensive and wide-ranging, encompassing structural and behavioral changes as well as the introduction of new mindsets that have the potential to radically alter the organization's overall culture — in a positive way.

These massive shifts, on the other hand, don't just happen. The enterprise must have a plan for developing, executing, and managing change in order to become a learning organization with high levels of transparency and cooperation.

Many of the firms that have had success with Agile transformation have done so in part due to the use of traditional organizational change management models and frameworks, including:

- » John Kotter's 8-Step model
- » Prosci's ADKAR framework

» Jason Little's Lean Change Management, a newer emergent model that is starting to get a lot of attention what makes organizational change management so difficult is that the focus is on people - a large number of people, each with their own set of strengths and fears. Change is something that few people enjoy, as no one will be surprised to learn. Because even minor swings can damage the bottom line, leadership frequently establishes a corporate culture that is resistant to change at all, stability is the only important metric. Only those institutions – and people – who are capable of learning, growing, and changing as swiftly as possible have a horse left in the race in today's constantly changing corporate world.

To put it another way, organizational change management is an important component of any successful organization's survival kit. Any and all success will be ephemeral if this is not the case. This is where previously "support" departments (HR, finance, recruiting, and even sales and marketing) come into the equation).



Emphasis Areas for the overall Agile Organization

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To become a transparent and collaborative learning organization, the enterprise needs to have a strategy for designing, executing and maintaining change

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Also, in order to accomplish long-term improvements in mindsets, culture, and behavior, businesses must fundamentally rethink their whole incentive programmers – a trend we are seeing among many of our clients. When individuals are rewarded and promoted at the expense of their coworkers, the value of collaboration in the workplace is questioned. Fortunately, a few of our clients have switched to more team-based compensation in order to avoid

Business Models and Technology Architectures - The Relationship Between Business Models and Business Architecture in order to successfully execute business models, companies must be able to describe them in sufficient detail. Business architecture is the most effective way for a company to express its business models. Additionally, firms that use business architecture to implement one or more business models benefit from the synergies that exist between the two disciplines. This involves using business architecture to illustrate the business model's external and internal impacts.

Relationship with the Outside World as shown in figure 1, businesses should build and evaluate their business models in the context of the external business environment (the external factors that influence a company's operating situation⁵). External variables aid in the evaluation and adaptation of business models to diverse circumstances. A business concept that works well in North American markets, for example, may not work well in European markets. To ensure that a business

can deploy an effective approach, business architecture articulates not only the business model details but also critical elements of the external business environment (such as stakeholders and business locations).

Product Innovation

We've discovered a direct correlation between the level of investment in the Product Owner job and the ultimate success of an Agile transformation in attaining the targeted outcome. Traditional product and portfolio management roles vary in an Agile company, therefore there isn't a one-to-one correlation between Product Ownership and Agile Product Management. According to our results, companies that invest extensively in product ownership and product management skill sets have the most long-term and comprehensive Agile transformation success.

In particular, Product Owners champion the new Scrum roles of the teams they support, which includes embracing the responsibilities of their own role. Some POs also invest in training and coaching people to be successful in their new roles. Only by understanding the essentials, such as portfolio management, product vision, and product roadmaps, can the organization achieve higher-order capabilities like portfolio management, product vision, and product roadmaps.

Furthermore, these product management best practices are critical because many Product Owners in organizations lack formal training or experience in traditional product management. Another indicator of Agile transformation success is focusing on establishing a clear, effective working connection between product ownership and corporate development.

Market Strategy & Adaptability – Organization need to shift from usual deliberate marketing strategy to an emergent marketing strategy. Each day we should learn something new, by creating hypotheses and testing each one to check success rates. Also, the organization always need to be open to adapt the new cultures and ready to upgrade with the latest technologies.

Customer Validated learning and experimentation – Validated learning is especially popular on the web, where analytics software can track visitor behavior and give accurate statistics and insight on how website features work in reality. Validated learning can, however, be applied to anything; one just needs to be innovative on what to use as metrics.



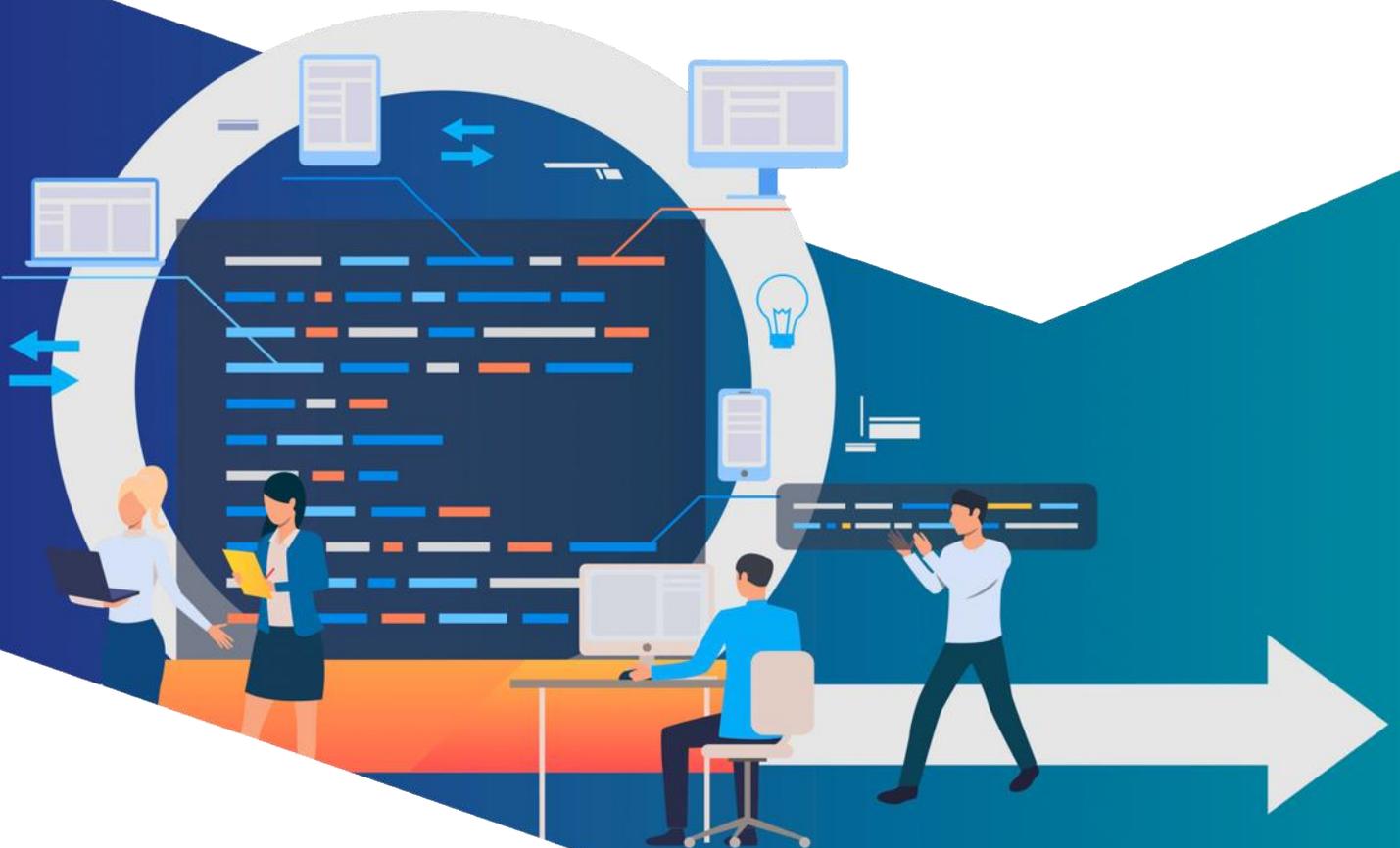
Product Owner Role
 Product Road Map
 Product Portfolio Management
 Transformational Innovation
 Product Innovation
 Product Innovation Management

Product Management - In an agile context, the goal is to set product strategy and create product roadmaps. It promotes a flexible approach to product development and deployment so that businesses may respond fast to customer feedback and create products that meet their needs.

Agile product management is, at its core, a reaction to the increasing usage of agile software development approaches like scrum or kanban. Evolutionary development, early delivery, and ongoing improvement are all highlighted in these strategies. If you're new to agile, our agile development guide about the history and principles of agile can be helpful.

Innovation strategy, management and community - The strategic management process can be broken down into two parts: strategy formulation and strategy implementation. The strategy-making and strategy-executing process, according to Thompson, Strickland, and Gamble (2007), consists of five interconnected and integrated phases: Developing a strategic vision of where the organization needs to go and what its future product/market/customer technology focus should be.

Delivery Agility



The techniques and processes of teams and groups of teams delivering a project, program, or product are the focus of delivery. This includes how well individuals or groups of individuals use Agile frameworks

such as Scrum and Kanban, how Lean is applied to other aspects of value streams, and the enterprise's performance with Agile scaling patterns and frameworks such like SAFe.

According to our findings, businesses that are efficient in their Agile transformation pay close attention to establishing the essential Agile foundations from the beginning. This is crucial since key success indicators like release planning and scaling patterns are all founded on robust Agile-Lean foundations like Scrum, Kanban, and XP knowledge. Enterprises that have had long-term success with Agile transformations often have a small army of highly effective Scrum Masters promoting both the core foundations of the frameworks as well as the larger aims of the Agile transformation.

At the team level, it's necessary to invest lot of focus on the Agile foundations. Many businesses will start with a pilot project at the team level to better understand the kind of barriers that are most likely to prevent team success. The organization may then build on this success with a much broader team coaching strategy once it is well understood and the team tends to experience positive changes.

Eventually, the company will implement a scaling solution that will enable it to deliver on a huge scale rapidly and responsively.

Context Switching Scaling
 Prioritization Release Planning
 Agile Foundations
 Transparency Self-Organising
 Scrum Master Role

One company we recently worked with showed a lot of capability at the Delivery layer and can serve as a model for other organizations to emulate. The company came to the realization that it was critical to invest in foundational Agile training for teams. They made the decision to provide Agile coaching to groups as well as to train a cadre of highly skilled Scrum Masters. They also have dedicated teams with a laser-like focus and little to no context switching. They can now execute multi-team release planning events with a high degree of efficiency and consistency since for their investments in setting down a solid Agile foundation and developing skilled Agile teams

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Enterprises succeeding in their Agile transformation pay much attention to getting the core Agile foundations right from the start

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