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Monetical Agile Change Programme Framework Part II

A practical guide to successful evaluation, execution and optimisation of enterprise-wide Agile

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Content

1 Enterprise Benchmark Evaluation

All business change programmes, including Agile, must focus on progressing the strategic goals of the enterprise, e.g. reduce operational costs or increase revenue. Therefore, the adoption of Agile is more than an Engineering activity; it is also a complex one. It is critical business change programmes methodically measure, plan and change the right enterprise characteristics. For business change programme to succeed they must incorporate 10 key enterprise characteristic (innovation, communication, resources, sourcing, facilities, operations, knowledge, commercialisation, customer services, financial & legal) throughout all the three stages shown below.

Figure 1.0: Stage 1 – Programme Evaluation - Enterprise Characteristics

Through a series of integrated Agile specific benchmark audits and checklists that exploit subject matter experts, the Monetical Agile change programme framework captures quantitative data on the impact the proposed business change programme will have upon individual aspects of these enterprise functions. This evaluation activity also accurately reports how well each of these enterprise characteristics are prepared to meet the Agile manifesto. Integrate root cause analysis capabilities and a repository of best practice guidelines (i.e. proposed corrective measures) ensure performance weaknesses are addressed quickly and existing strengths are exploited.

Benchmarking is the process of comparing enterprise characteristics to other characteristics that are widely considered to be industry standard best practices. Essentially, benchmarking provides a snapshot of the performance of the business and understands where it is in relation to a particular standard. Monetical benchmark audits provide real-time, unambiguous, quantified and measured assessment of such best practices.

1.1 Organisational Innovation

The Agile development framework aids the organisation's identification of how its current and future internal innovation capability will be influenced by the change programme; in particular, how it's ability to innovate in four key areas will be influenced: Offering (products and services), organisation (resources), Infrastructure (processes) and Delivery (route to market).

1.2 Organisational Communication

The Agile manifesto places more reliance on the organisation's people and their creativity and responsiveness rather than processes. A series of benchmark audits and checklists pay special attention to communication techniques currently being used and new ones been proposed, within the project team, between the project team and senior management and between the project team and customers.

1.3 Knowledge Management

Knowledge is considered by many to be the single biggest influence on project performance. Knowledge evolves from a better understanding of how past experience influence current situations and are exploited to optimise performance. Several Monetical features evaluate and optimise where necessary the proposed changes to the organisations knowledge management capability within an Agile context.

1.4 Resource Management

The resource management element of the framework covers several key characteristics, inc. leadership and management, resource allocation and external resource management. The framework guides the organisations through raising their awareness of the change programme, articulating the appropriate roles and responsibility changes across the enterprise, before, during and after the change programme.

1.5 Facilities Management

Open and active collaboration is central to the Agile philosophy, encouraging self organisation at its centre. The adoption of Agile requires significant changes to traditional facilities, i.e. I.T. hardware & software, accommodation, equipment, and I.T. logistical support, which all have to be considered and managed.

1.6 Operational Management

Agile adoption will bring about changes to risk management, quality management and environment factors, as well as core changes to how projects are planned and executed. The framework helps develop a better understanding of the key characteristics that influence the performance of different types of software and IT project to aid their adoption of Agile.

1.7 Sourcing Management

An increasing number of software and I.T. solutions include a 3rd party intellectual property component. The need to identify and acquire 3rd party IP in short timescales requires selection, ordering and contracts to be turned around quickly. This means existing processes may need to be streamlined and the appropriate changes to resource, financial and legal management processes where necessary.

1.8 Commercial Execution

The influence the proposed business change programme has on internal and external commercial factors must be considered (e.g. delivery channels, size of customer base and licensing models). Where Agile encourages multiple shorter release cycles the current commercial characteristics may need changing or streamlining to ensure continued commercial success.

1.9 Customer Services

The customer services component establishes whether there is sufficient infrastructure and processes to support increased interaction between the project and support teams to resolve issues arising during the release process and post release.

1.10 Financial & Legal Management

Many organisations consist of teams that know a lot about financial or legal matters and little about I.T. and teams that know a lot about I.T. and little about financial or legal matters. The framework draws attention to the skills and activities needed to bring these two knowledge domains closer together within an Agile organisation to promote better financial and legal management.

2 Business Unit Execution

Once an agreed business unit baseline capability has been reached the organisation is ready to select the few projects that will adopt Agile first, before enterprise scale out. It is important to recognise that stage 2 – Execution, must span all five business units. Overall enterprise success is determined by the collective performance of all five core business units operating to the Agile philosophy.

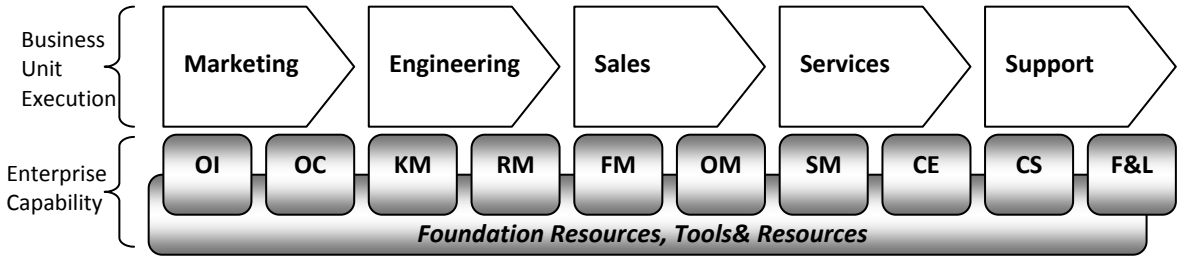

Figure 4.0.1: Business Units

During stage 2 the Agile change programme framework provides access to the appropriate subject matter expertise in the form of preconfigured schedules, tailored benchmark audits and checklists, analysis tools and predefined best practices. Each business unit is granted access to the appropriate support, guidance and intellect as it engages with the programme. Organisations that fail to monitor the adoption of the Agile change programme at an individual business unit level, or only focus in the Engineering aspects of the change programme are typically left with one or multiple ill-fitting business units that fail to meet the broader enterprise-wide strategic objectives described in the change programme business case.

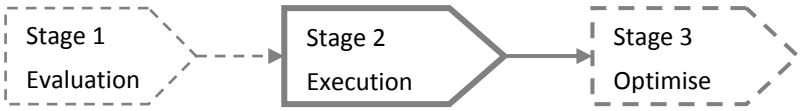

Figure 4.0.2: Stage 2 - Execution

To oversee the change programme within each business unit a *single point of contact* (SPC) is assigned. The SPC will collaborate with the change programme owner to devise a suitable change schedule, tailor the baseline benchmark audits and checklists to meet the needs of individual business units, coordinate and oversee the execution of these performance evaluation activities. Importantly, the SPC is also responsible for coordinating the review and diagnosis of poor benchmark audits and checklists (i.e. using root cause analysis techniques), as well as reviewing and selecting the most appropriate corrective measures.

2.1 Marketing

The marketing business unit performance capability is a measurement of individual or collective offering success. In particular, the overall return on invest of products, services or solutions within a defined period.

Whilst the adoption of Agile calls for the greatest changes to the engineering business unit a number of important changes are required within the marketing business unit to deliver enterprise-wide success.

The Product Owner plays a central role throughout an Agile project. It is therefore critical that the changes:

- help them establishing viable project business cases without an upfront clear/agreed set of deliverables and a wealth of documentation (financial and technical)
- enhance their ability to accurately capture and analysis market requirements (i.e. the techniques for documenting and managing requirements in the form of stories, as apposed detailed use-cases will require changes to many product management processes and the tools they use throughout a typical project life cycle.)
- engage with the customer base on a more frequent basis to gather feedback on each sprint deliverable.

Therefore, the primary enterprise changes necessary to support the Agile change programme - that require care evaluation and optimisation are organisational communication, financial & legal management, plus organisational innovation.

2.2 Engineering

The engineering business unit performance capability is a measurement of project milestones completed on time, to specification, and to budget. The successful application of Monetical will ensure the engineering business unit retains an ability to accurately capture the appropriate engineering data to report on its performance capability at a number of levels,e.g. milestone, project and period.

With far less documentation generated as part of a typical Agile led project and the lack of a dedicated project manager, the Agile change programme requires significant changes to the way the engineering business unit operates. Because greater emphasis is placed on the understanding of goals and objectives (defined scope) over detailed specifications, to gain management trust it is critical that the changes to this central function should include:

- organisational environment fuels open and frequent discussion / collaboration between all stakeholders
- access to simple I.T. tools that record and broadcast (in a non-complex manner) short term project deliverables
- access to the appropriate facilities to hold daily progress meetings, group planning sessions and performance evaluation sessions (e.g. sprints, scrums and retrospectives).

As a consequence the primary enterprise capabilities that required care evaluation and optimisation from a marketing business unit perspective are organisational communication, facilities, resource management and organisational innovation.

2.3 Sales

The sales business unit performance capability is a measurement of how many qualified sales opportunities are converted in to actual orders (i.e. Won/Bid= %)

With the Agile manifesto calling for the organisation to respond more quickly to both internal and external changes - over following a documented plan; the Agile change programme should be of significant interest to the sales business unit. For example, if a large sales opportunity has been identified that requires small alterations to the current project (or sprint), the Engineering business unit has the authority to change scope in pursuit of the opportunity, without having to go through a lengthy bureaucratic process first.

For the sales business unit to exploit the opportunities offered by the Agile change programme a number of important requirements need to be met as part of the Agile change programme. These requirements include:

- open and honest collaboration between the engineering, market and engineering business units
- awareness of the current project scope and timeline (i.e. sprint)
- an ability to quickly quantify the sales value of individual qualified sales opportunities
- an ability to quickly quantify the cost of implementation
- quickly relaying changes to the market
- assess the impact on medium to long term income.

2.4 Services

The services business unit performance capability is a measurement of project milestones completed on time, to specification, and to budget (resources).

Agile methodology can be applied to I.T. service delivery projects (installation and customisation of tailored client solutions) in exactly the same way as internally development software.

2.5 Support (Customer Services)

The support business unit performance capability is a measurement of the average length of an open support call.

The Agile change programme provides an opportunity for this business unit to exploit its direct communication with the customer base and its indepth understanding of their operations to:

- improve the development of stories
- participate in sprint evaluations
- release readiness (via testing participation).

With the appropriate changes to their processes the increased participation by the support business unit in these three functions will increase product quality, which inturn will drive down the average length support calls are open.

3 Enterprise Optimisation

Once the organisation has firmly adopted Agile methodology across all its primary business units, the third stage of the Monetical Agile business change framework commences. The aim of stage 3 it to:

- streamline project execution by tailoring the underlying processes, resources and tools to each of the project types described earlier
- ensure the enterprise's overall performance capability does not decline although it continues to undergo changes in response to external market conditions
- measure the return on investment of adopting Agile described in the original business case.

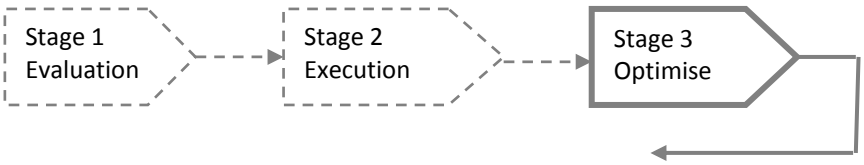

Figure 5.0: Optimising the Agile Enterprise

3.1 Monitoring Performance

To ensure the Agile change programme brings long term benefits to the enterprise, it is necessary to build performance monitoring capabilities into all of the main functions within each of the 5 business units. The primary purpose of these on going performance monitoring activities is to ensure the overall enterprise capability is retained, rather than decline, whilst the enterprise continues to undergo changes.

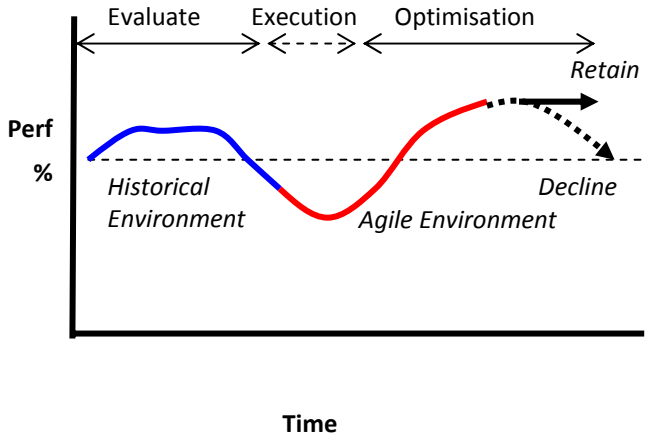

Figure 3.1: Retaining an Optimum Level of Performance

3.2 Capture Performance Challenges

To ensure the organisation efficiently identifies and prioritise the appropriate changes to underlying resources, processes and tools, each time a performance challenge is identified (poor benchmark audit result, unplanned project change record) - the framework encourages project teams to accurately record the impact the change has on project schedules, resources, income and expenses.

3.3 Root Cause Analysis

Associating the captured performance challenges (i.e. impact costs) with the identified root causes provides a holistic view of enterprise performance and aid the investment decision process. Root cause analysis (RCA) is a problem solving method aimed at identifying the root causes of problems or events and correcting or eliminating them, as opposed to merely addressing the immediately obvious symptoms. In this situation, root cause analysis is used to enable the programme team understand why they are not exploiting industry best practices and therefore, set about correcting this situation.

Monetical preconfigured-electronic fishbone diagram (i.e. a root cause analysis technique), provides a highly efficient way of identifying underlying weaknesses within organisations, wherever they arise (e.g. poor benchmark audit result, unplanned project change or inbound support call). The provision of a preconfigured fishbone enables online collaboration amongst stakeholders, which in turn leads to real-time diagnosis of the underlying weaknesses rather than simply dealing with the symptom. The root cause analysis techniques also provide an opportunity to capture in real-time the associated corrective costs of each weakness in a consistent manner.

3.4 Best Practices

A best practice is a technique, method, process or activity that is more effective at delivering performance improvement than any other technique, method or process when adopted by the business unit in response to an identified root cause.

As the organisation reaches its optimum performance capability level, Monetical will have helped the organisation develop a set of best practices, which are shared via an array of operational specifications, e.g. quality procedures, work instructions and specification templates etc.

3.5 Performance Improvement

The ability to generate regular performance capability and cost of quality reports allows the organisation to evaluate, prioritise and plan the necessary investment needed to eradicate underlying enterprise weaknesses.