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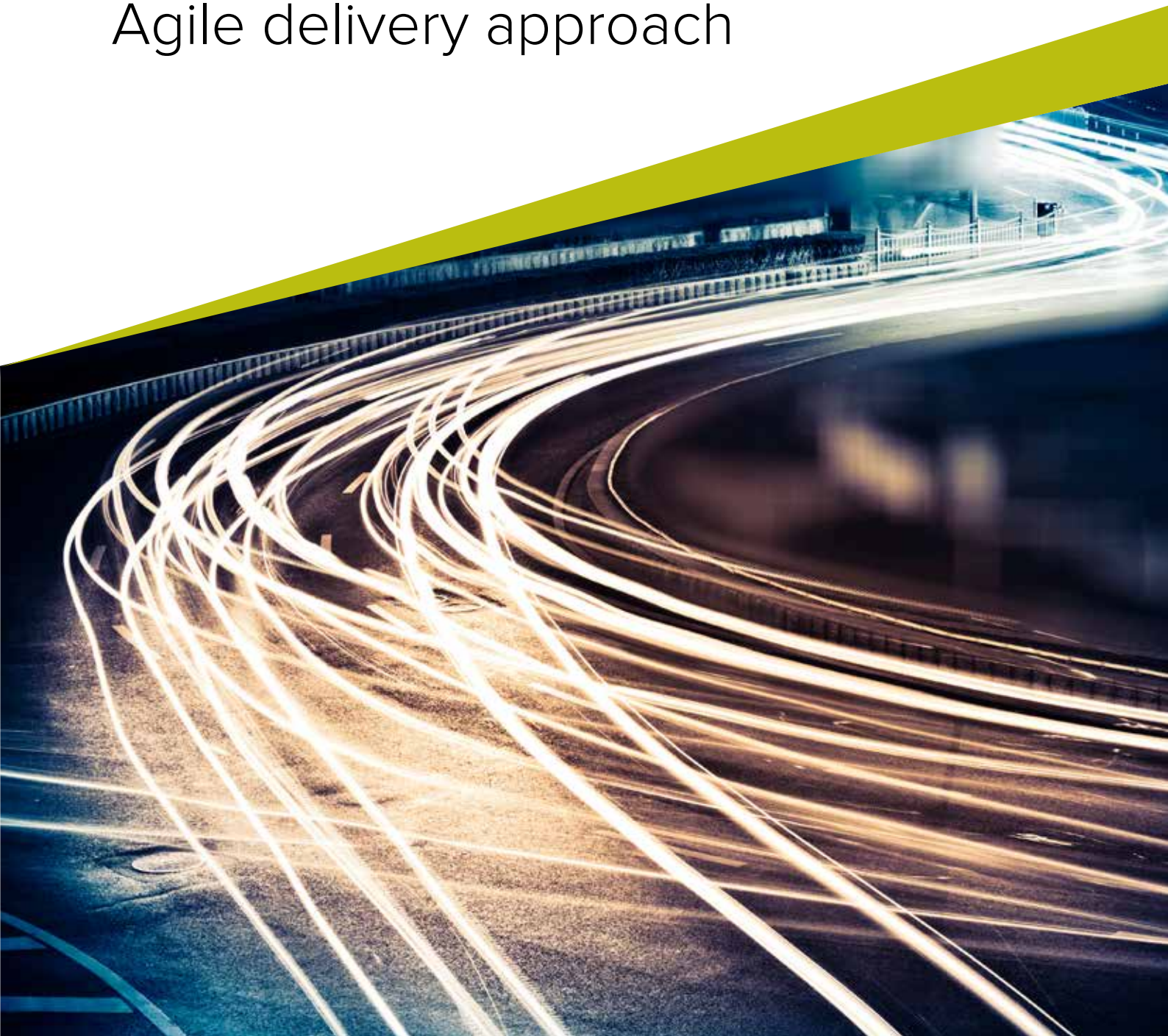
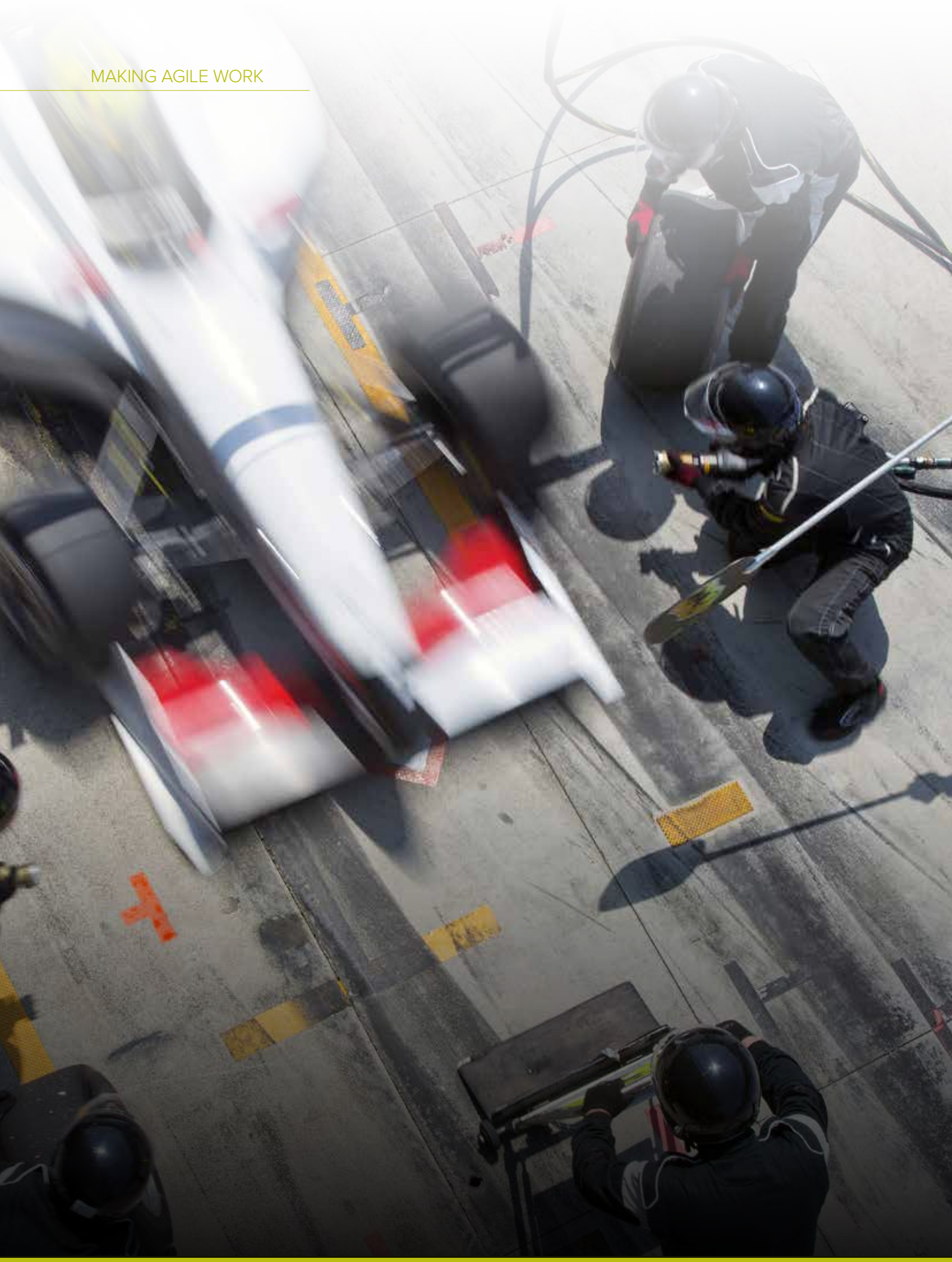
OAKLIN INSIGHTS

Making Agile Work

Drawing benefits from an Agile delivery approach





Agile is mainstream. No longer solely the modus operandi of start-ups and software engineers, Agile principles and delivery methodologies are used cross-industry and cross-function by the world's largest and most complex companies. There must be something in it for Agile to have attained this level of adoption, and there is. Deployed in the right context, with the right people and processes, there are clear advantages to the approach, which can achieve benefits with relatively small investments.

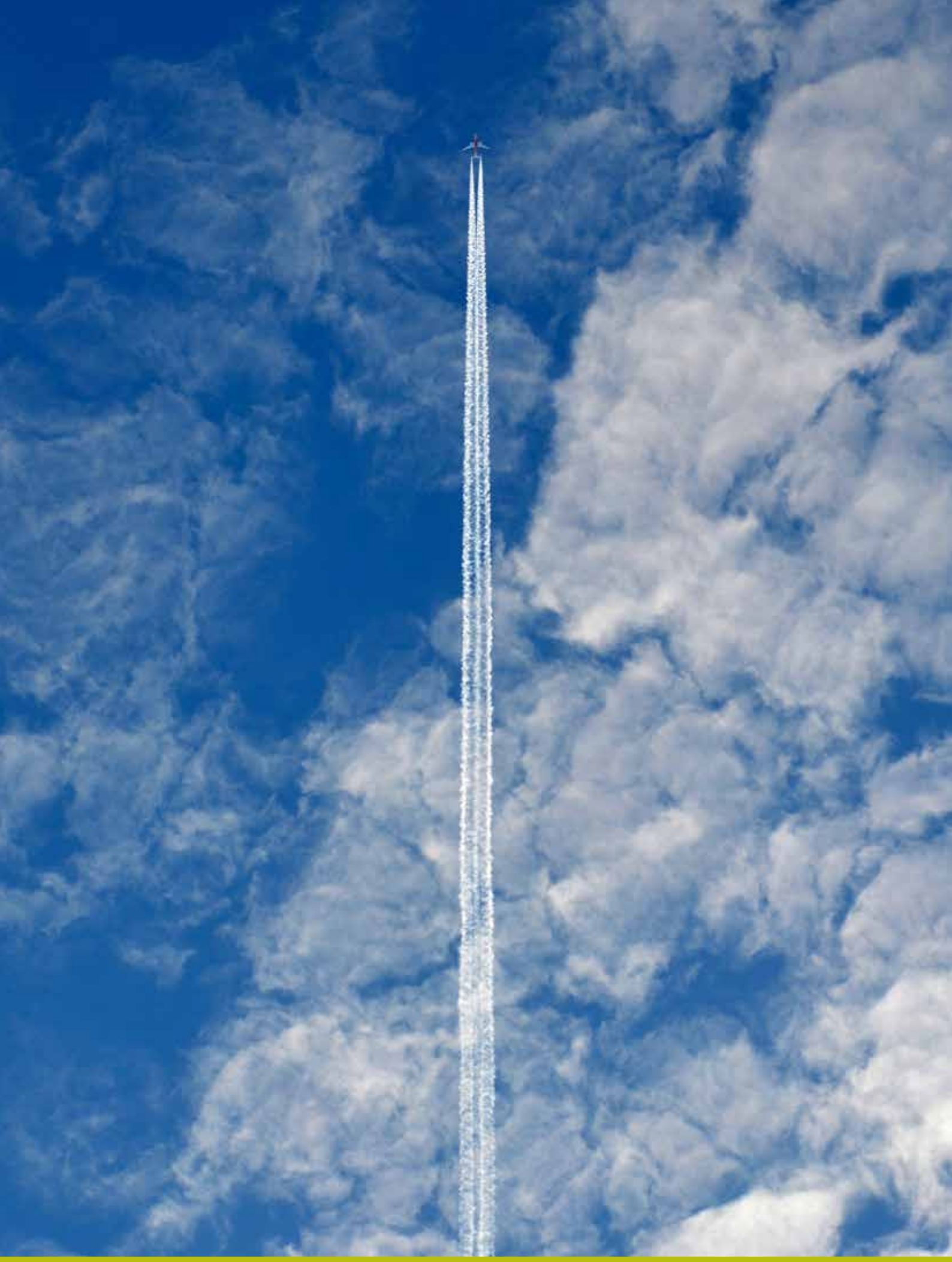
There are plenty of Agile definitions online, with multiple terms used to describe the same process steps, documents and stages. Whilst we at Oaklin have our own views on the specifics of implementing Agile processes, this Insight focuses on the rationale for 'going Agile' and the major factors that influence the success of Agile delivery implementation. In particular those that drive rapid evolution and pilot-to-scale expansion. This insight delivers pragmatic advice on the advantages of this methodology and explains how to unlock its success.

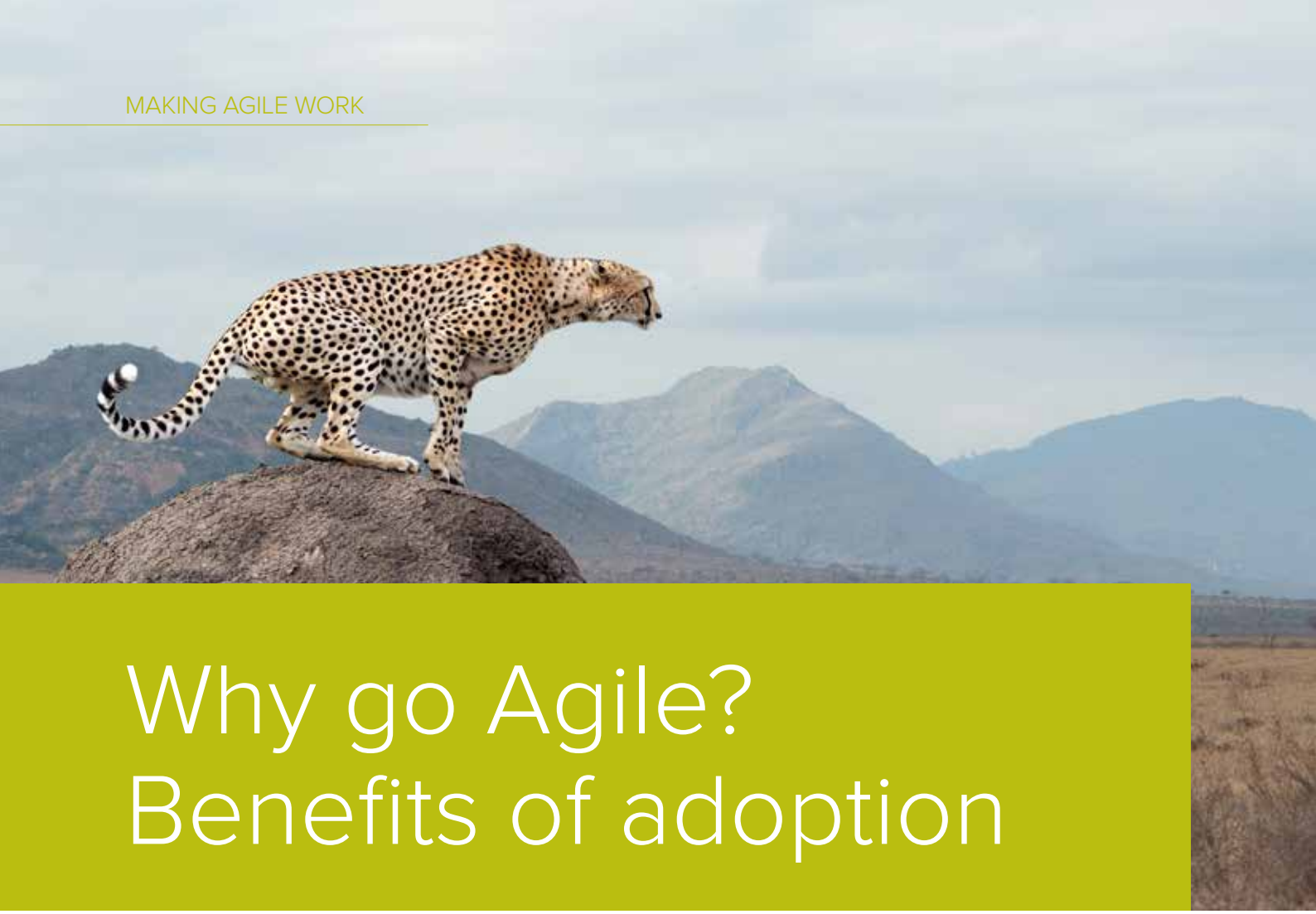
Defining Agile

From the outside, Agile can look, and sound, like a cult: the alien lexicon; the militant certainty with which some practitioners advocate its use above all else; the 'Agile Evangelist' title with which these advocates describe themselves. This can imply a radical ideology rather than a method of completing work. Beyond the hype, the jargon and the noise, Agile is just that - a carefully considered, mature and structured way of working that aims to get teams moving at speed.

Agile is a delivery methodology centred on empowering cross-functional teams to work collaboratively through structured processes to create better output faster. Like any delivery methodology there are multiple flavours and frameworks to choose from, yet the core objectives, processes and controls remain the same.

As with every great success story, there are failures. Agile is regularly deployed badly, used in contexts and environments in which it cannot succeed, or forced upon organisations without the requisite change management needed to ensure not just execution, but acceptance and personal investment. As a consequence, we frequently encounter organisations that are not gaining the expected benefits from Agile initiatives.





Why go Agile? Benefits of adoption

Why should any organisation deploy Agile as a methodology? The advantages associated with the iterative delivery of products, applications or processes include **productivity, speed to benefit, capital investment and collaboration.**

The iterative and simultaneous nature of Agile delivery drives **faster product cycles**, from inception through to release. The focus on output – essentially on the delivery of deployable content, and building functionality or processing capability iteratively, enables early return on investment. Provided the delivery is structured and planned well, this enables business value throughout the delivery lifecycle, rather than a single release deploying all new capabilities at the very end of the delivery process.

> "Whatever failures I have known, whatever errors I have committed, whatever follies I have witnessed in private and public life have been the consequence of action without thought."
>
> **BERNARD BARUCH**

Investment Efficiency

The creation of useable, live products early in the delivery cycle allows the business to obtain value from investment faster than under traditional project management methods, in which the business must wait until all phases of work have been completed to receive their product. As Agile teams typically become productive and create output much faster than organisations following Waterfall delivery practices, the capital cost associated with standing up a project or delivery organisation is typically lower. Dependent on corporate capitalisation rules, the spread of Opex vs Capex can also be optimised, as post-analysis product design/ build activities occur far earlier than under a Waterfall delivery process. This can therefore provide for more even distribution of P&L cost impact across the lifetime of the delivery.

Business and Technology Collaboration

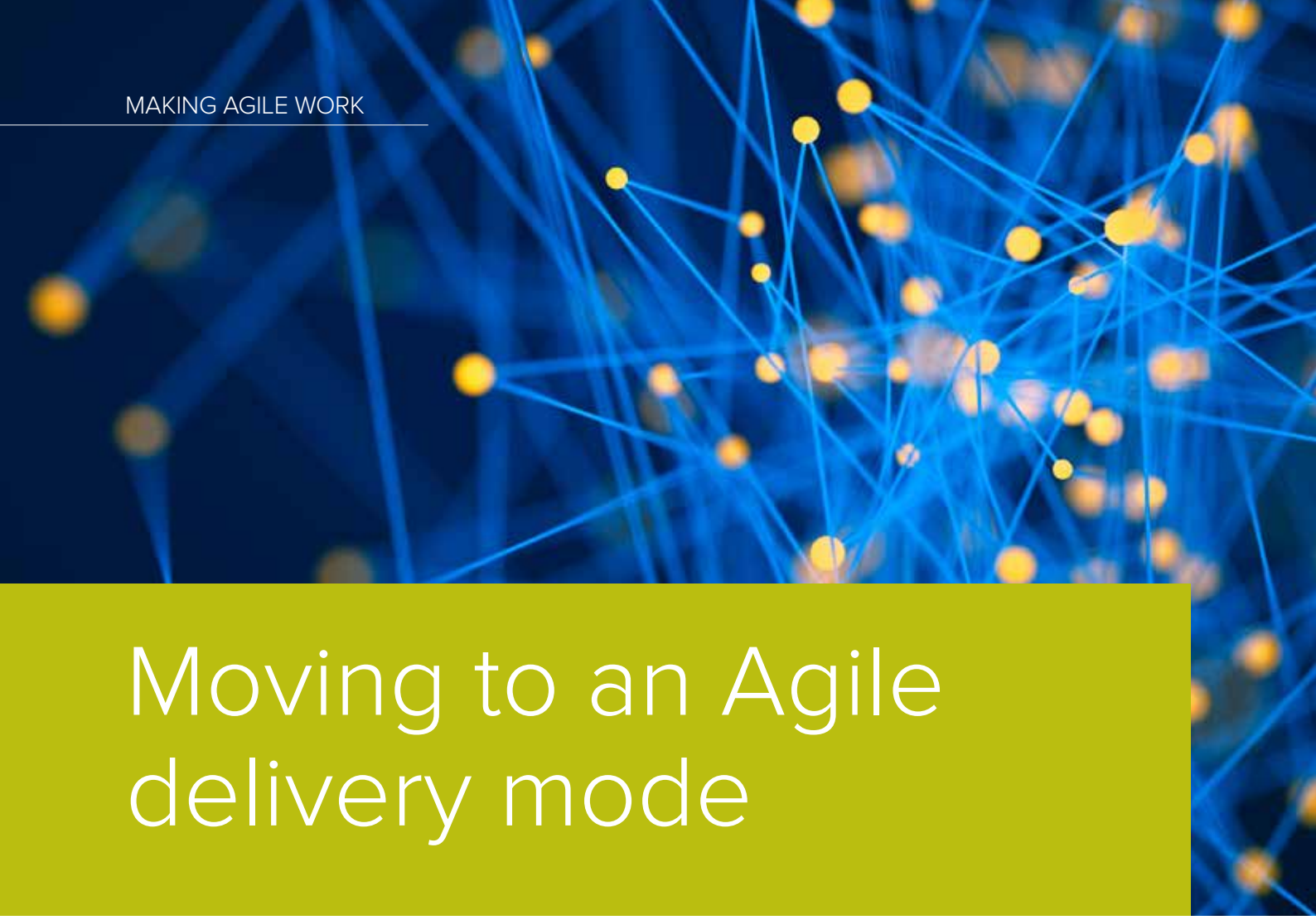
Agile delivery practices, when deployed in the correct context and with the right people, create closer collaboration between technology and the business. The major advantage of this is the deeper understanding Agile team-members gain from working intensively with their counterparts, which in turn makes the delivery engine more efficient. Business Product owners and SMEs understand both the product and the delivery cycle better, leading to a greater alignment of expectation of delivery capability, both in terms of what is technically possible, and change lifecycle duration. Technology teams gain a greater understanding of business drivers, end user requirements and business/end user workflow, therein producing more accurate software, a better user experience and thus can deliver more business value per investment unit. The overall effect is a reduction in friction between demand and supply, ultimately leading to increased trust between functions within organisations.

Utilisation and Productivity

Efficient Agile teams are characterised by high utilisation and high productivity. Due to the iterative approach, all team members are required throughout the delivery cycle. They work together with continuity of personnel and a single focus on one (or several related) objectives.

Flexibility and Change Response

The close collaboration of resources, iterative production and low capital cost of Agile delivery has one final major benefit – the ability to adapt scope and schedule to accommodate in-flight change. This can be done at low cost and with the ability to quickly and clearly understand the impact. Ultimately this leads to the end-product more closely matching end-user / customer requirements. Crucially, the early release of a product does not negate the ability to improve end-product releases further down the line.



Moving to an Agile delivery mode

To unlock the benefits of an Agile delivery approach, all functions within a business need to understand the key concepts of the delivery method.

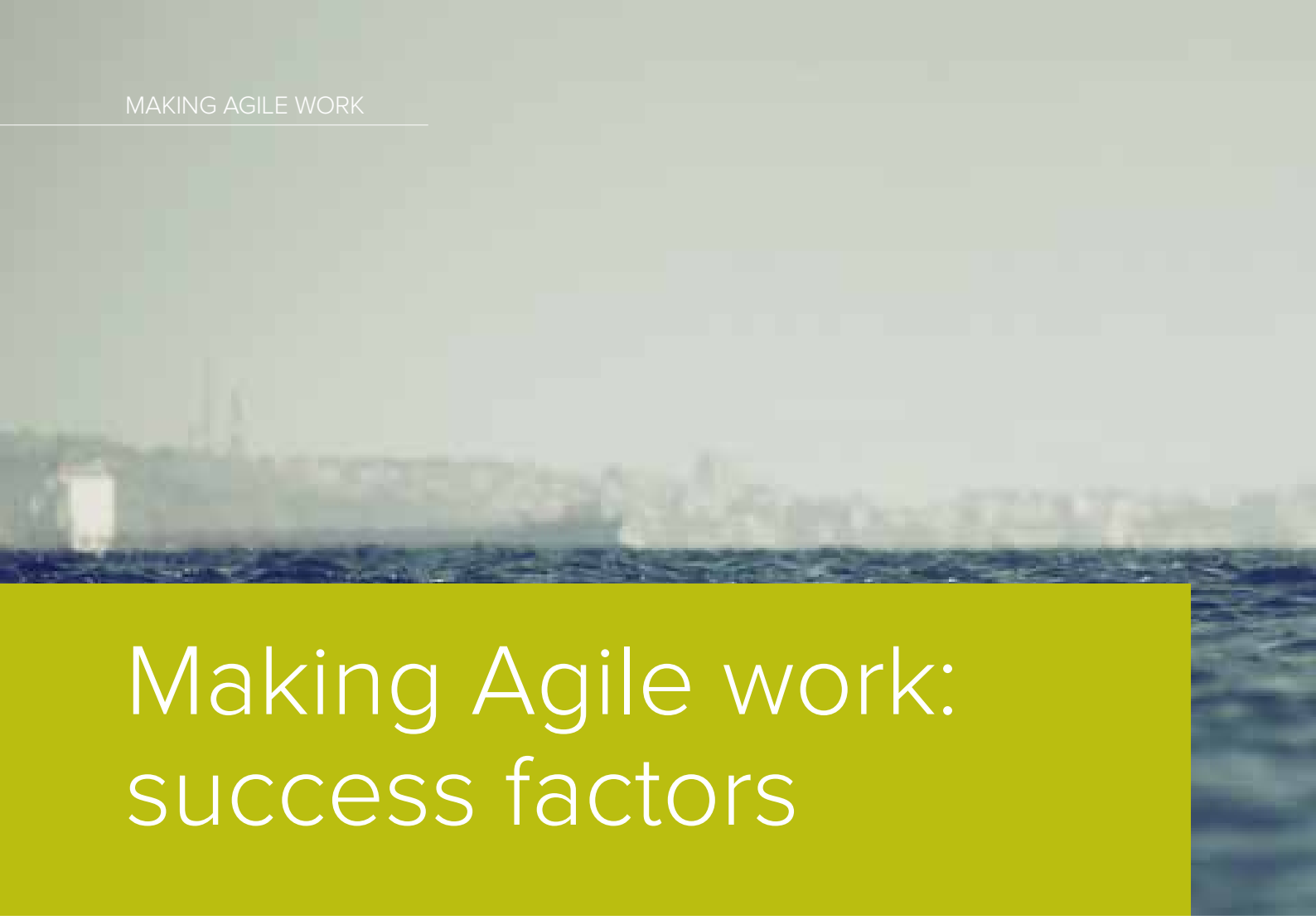
Executive Management teams need to **empower the organisation to deliver on an Agile basis.** This requires clarity of the Agile vision and strategy, and communication of the rationale for Agile to the wider business in order to overcome inertia and resistance. An understanding of the enablers and mentality that makes Agile successful, underpinned by process, reward and recognition of practices that support Agile delivery, is critical to embedding Agile within the business.

> "It is the long history of humankind (and animal kind, too) that those who learned to collaborate and improvise most effectively have prevailed."
>
> **CHARLES DARWIN**

Agile delivery achieves a more customer-centric approach. Customers are placed at the centre of the delivery process for the full lifecycle, and benefit from both the ability to see tangible product early, and the capability to change requirements and design in delivery without heavy change processes and costs.

To achieve this, sales-side stakeholders (clients, sales teams, customer relationship management teams) **must buy into Agile delivery**. The iterative plan/design/deliver cycles mean fixed schedule/price deals should be avoided and litigated damages should be avoided unless requirements are understood at a very detailed level and fixed contractually. Additionally, commitments to dates/functional releases should be viewed as provisional – the adaptation of scope to in-flight change, and the potential for over/under estimates per functional requirement usually results in schedule shift for the first few iterations. This is a fundamental and foundational requirement that prevents conflict during delivery arising from misplaced sales commitments and vague descriptions of the delivery process and its requirements upon the customer.

Finally, back-office functions must understand the impacts of Agile delivery on their processes and data. **Procurement functions will require greater flexibility in the services they source,** targeting scalable, flexible services that can be uprated or terminated with ease. Additionally, they will need to execute workflow rapidly to complete procurement requests within the accelerated timelines the delivery organisation requires. Finance will require policy changes to alter the way in which costs, assets and revenues are recorded based on a changed delivery model. In addition, changes to delivery structures and processes may mean changes to Capitalisation rules, or changes to the application of those rules. Human Resources departments will need to change their performance management policies, and reflect new resource requirements for skills/knowledge in their recruitment practices.



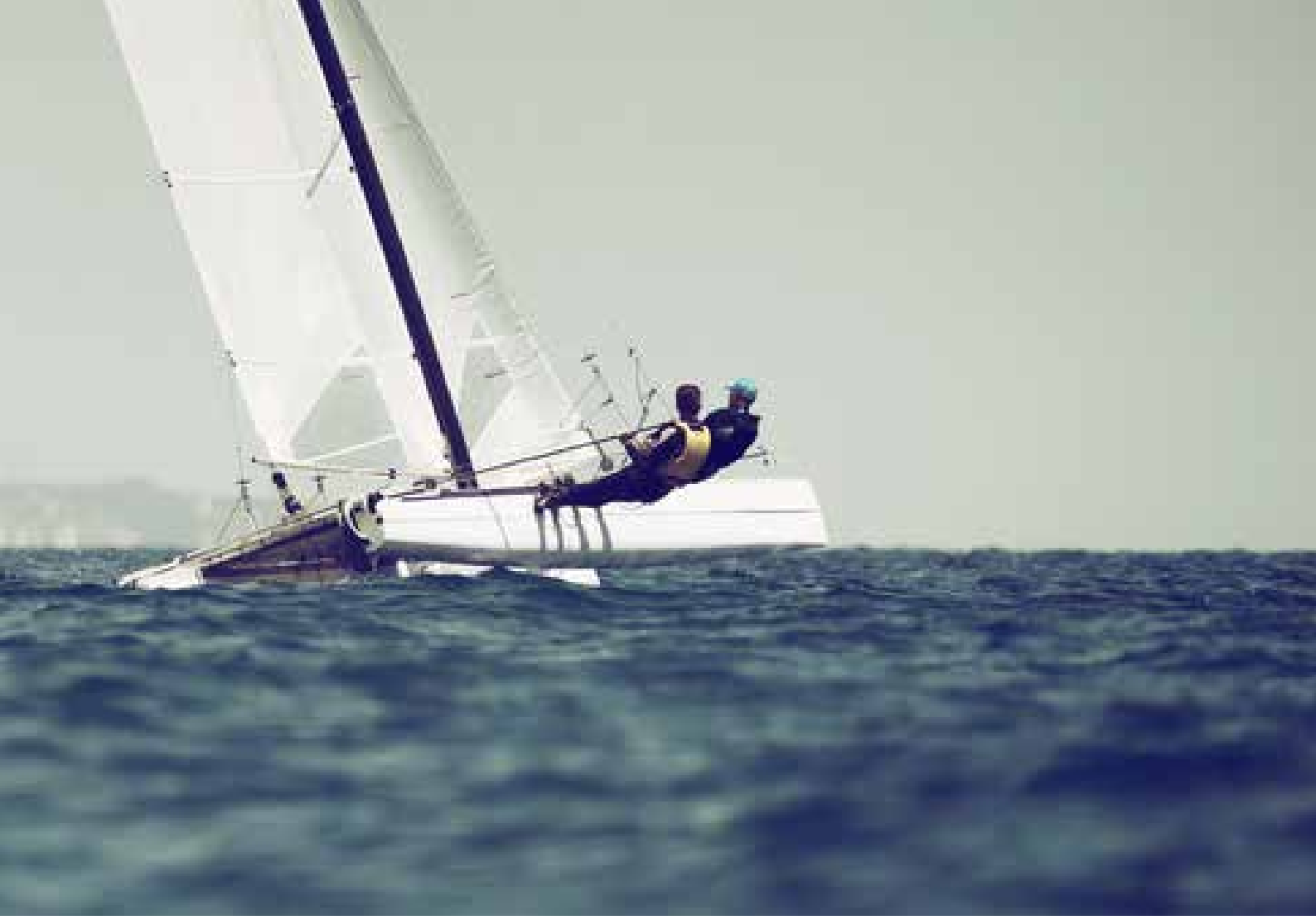
Making Agile work: success factors

Agile is like any other initiative; it requires planning and preparation to be successful. We have grouped the components critical to a successful Agile delivery organisation into four themes.

Without each component fully deployed and tuned to operate seamlessly on an integrated basis, the risk of technical, functional or process problems, unwarranted outside intervention or poor quality/inaccurate results increases.

Strong leadership and deep content knowledge

Agile delivery relies on leaders with strong skills and knowledge of both "Design, Build, Test" functions combined with the environment the product is being delivered into. This includes the user-base, the processes impacted and the underlying technology. These leaders hold together cross-functional teams with the devolved responsibility to make scope, design



and architectural decisions. They should be supplemented by knowledgeable, trained, experienced people that understand the objective, requirements, technology and delivery process.

Process Rigour

A strong Agile team executes against detailed, comprehensive processes. Successful Agile execution depends on clear, precise workflows and teams that execute predictably based on various event triggers. Continuous handover between sub-teams (product, technology, QA) requires rigorous process adherence to prevent content falling through the gaps. The tracking of events and status provides a multitude of data points that allow detailed internal analysis of performance and tuning of delivery within the lifecycle.

Agile teams that don't adhere to processes quickly lose control of their delivery. This causes multiple issues across prioritisation of work, reporting, planning and productivity. The ultimate consequences of poor process rigour are missed commitments, extended timelines, substandard quality and increase cost.

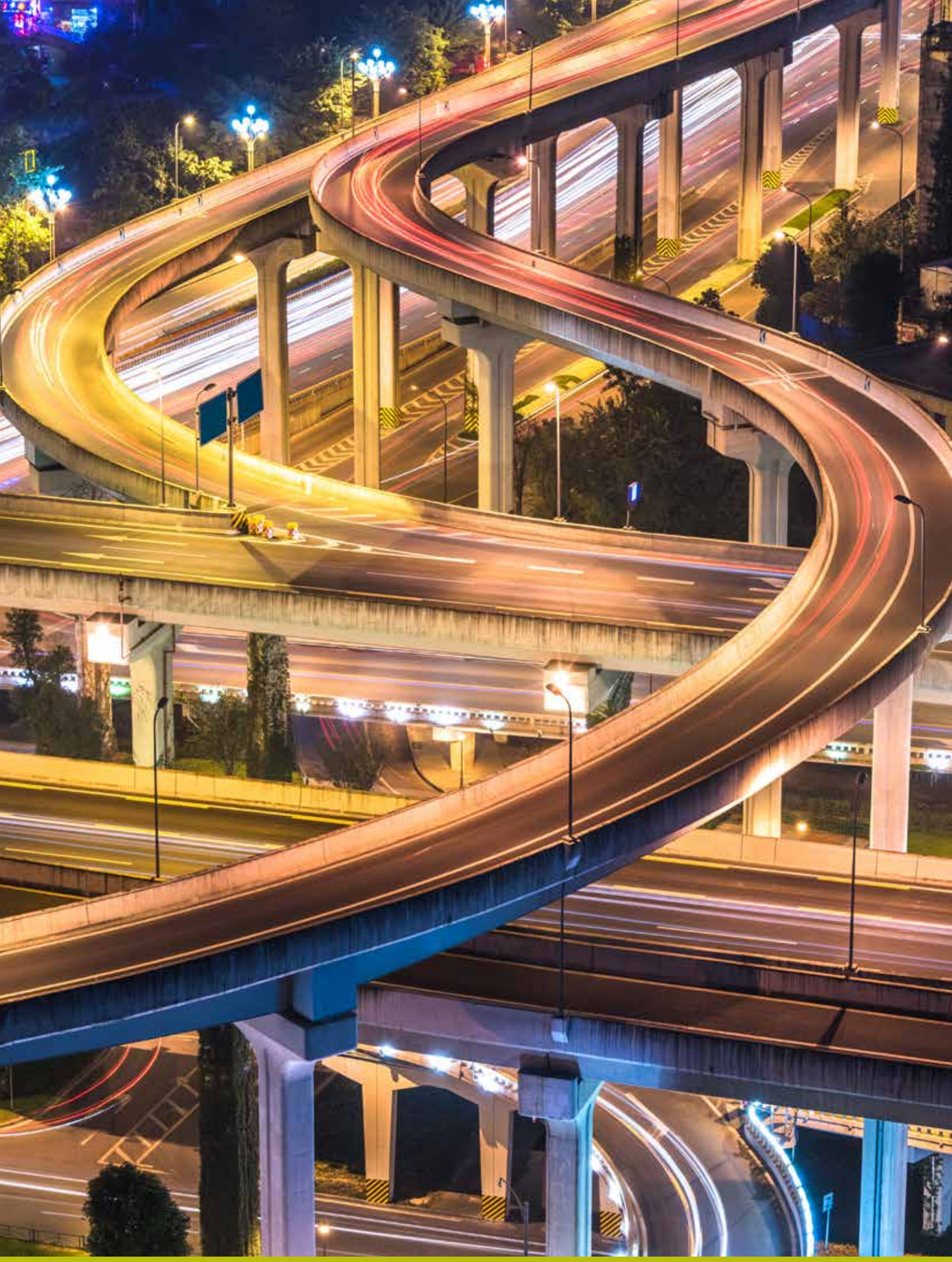
Embedding delivery tools to manage workflow

As Agile adoption has permeated delivery organisations, more advanced applications have emerged to provide integrated, configurable processes for delivery and technology management. Delivery tools automate workflow between individuals, teams and steps, manage quality assurance check processes and capture content for collaboration purposes. They also automate analytics, providing detailed, multi-dimensional reporting for status reporting, performance management and process improvement that can be produced on-demand in real-time. Advanced Agile teams have integrated these process management tools into Software Code Management (SCM) tools that enable automated checking, compilation and promotion of code packages between environments based on workflow triggers in process management tools. This controls quality, integrity and visibility of status across multiple application levels.

Effective Governance

The final of the four critical success factors is a governance and management structure that understands the process, and therefore understands reporting and metrics in the context of Agile. In addition, governance and management forums should match their frequency of occurrence to Agile project timelines, to ensure reporting is aligned to completion of iterations. This enables constructive communication with senior stakeholders and reduces the temptation for intervention and disruption in the day-to-day workings of the team. This also ensures disruption is limited to those situations in which performance improvement is definitely required.

One of the major issues we often see is the extension of an inefficient Agile project to include additional iterations to deliver original or additional scope. This frequently increases cost and does material damage to the business case. In these instances, the governance structure should have recognised the issue early and taken corrective action through any of the scope/resource/budget/schedule/priority levers available to the leadership team. Effective Agile governance structures ensure issues are identified early, communicated to the relevant stakeholders and managed proactively until resolved. The delivery advantages of the Agile methodology, when properly implemented, comprise the ability to design, build, test and deploy rapidly through a predictable, tightly managed process. Projects should be able to deliver quality and accuracy, and rapidly assess and forecast the impact of in-flight change and respond positively and proactively.



Conclusion

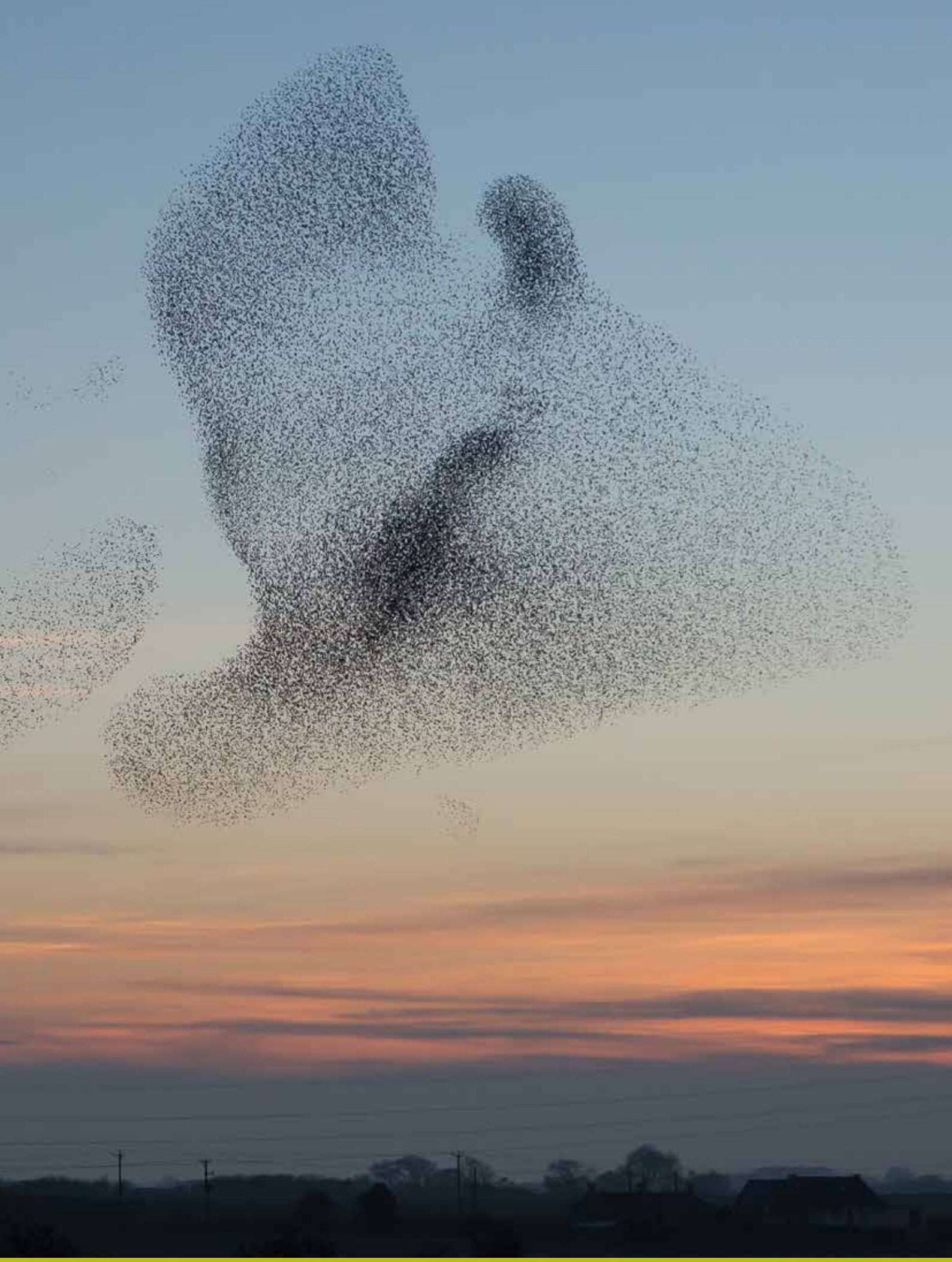
This Insight should not be interpreted as presenting Agile as an easily achievable panacea. It is intended to deliver pragmatic insight into the advantages of using this capability and how to unlock its success, rather than to dispel the myths surrounding Agile. Agile requires careful design and front-end investment in people, processes and technology to unlock benefits. It also requires buy-in and understanding from the business functions that need to integrate and collaborate with an Agile delivery team. Context is critical to success, and therefore selecting projects to 'run' Agile based on the fulfilment of a set of defined criteria is important - there are many scenarios in which Agile is an inappropriate methodology.

Agile is an important contemporary tool within the wider suite of delivery capabilities that a business can use to achieve specific goals. With the right execution components in place, and supported by strong, educated business and technology functions, an adaptive, iterative and evolutionary delivery model creates tangible value for the business.

When implemented effectively in the correct context, there are tangible and intangible benefits associated with implementing an Agile capability. Tangibly, cost and margin benefits can be measured and realised, as can quality, release speed and productivity. Customer satisfaction and internal morale are more subjective values, but can also be measured to understand improvement over time.

Collaboration between technology and the business is difficult to measure, but closer collaboration generally manifests itself in improvements in the performance indicators mentioned previously. The devolved decision-making required within an Agile delivery methodology drives ownership and typically increases motivation amongst team members. The higher level of responsibility Agile teams must accept (versus phase/workstream-specific Waterfall teams) also creates consistent self-management and leadership learning opportunities.

Finally, there are transferable knowledge, process and work management advantages that can be built into other non-Agile business and technology delivery processes. Strong workflow management, granular process management, a focus on performance analytics and lean thinking are all beneficial when deployed within Waterfall and business process execution environments.



Get in touch

If you would like to discuss using Agile working practises to optimise the way your business delivers for your customers, please contact James Evans.

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