

Agile + DevOps **WEST**

A TECHWELL EVENT

AD17

Team Health & Collaboration

3:00 PM

AD17 - Sparking End-to-End Agility

Presented by:

Sanjiv Augustine, LitheSpeed LLC
Charles Kennedy, Nationwide

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Sanjiv Augustine

Sanjiv Augustine is the founder, president, and CEO of LiteSpeed LLC and an entrepreneur, industry-leading agile and lean expert, author, speaker, management consultant, and trainer. With nearly thirty years in the industry, Sanjiv has served as a trusted adviser to executives and management at leading firms, including Capital One, The Capital Group, CNBC, Comcast, Freddie Mac, Fannie Mae, General Dynamics, HCA Healthcare, The Motley Fool, National Geographic, Nationwide Insurance, Royal Bank of Canada, Samsung, and Walmart. Sanjiv is the author of the books *Managing Agile Projects* and *Scaling Agile: A Lean JumpStart*, as well as several publications, including "Transitioning to Agile Project Management" and "The Lean-Agile PMO: Using Lean Thinking to Accelerate Agile Project Delivery." He is a dynamic, sought-after keynote speaker who presents regularly at agile and PMI user groups and conferences worldwide.

Charles Kennedy

Charles Kennedy is an Associate Vice President and Executive Program Manager for Nationwide Insurance. He has led large, complex programs delivering digital capabilities for the Digital Enablement business and Nationwide Financial. He is currently leading a multi-year \$570M+ program for the Personal Lines insurance business implementing a new policy administration system. In addition to his delivery responsibilities, Charles has also led Lean Agile transformations at Nationwide for the Personal Lines and Digital businesses resulting in improved customer experiences and allowing those businesses to rapidly adapt to market and environmental changes in productive and cost-effective ways.



Sparking End-to-End Agility

Sanjiv Augustine and Charles Kennedy

ABOUT US



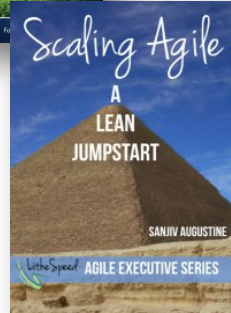
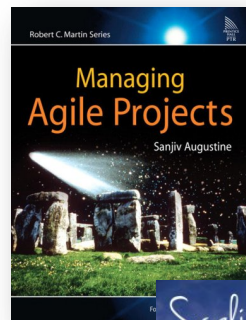
Sanjiv Augustine

Founder and CEO, **LitheSpeed LLC**

Experience: 29 years industry, 19 years of Agile, 16 years of Lean

Specialties: Agile, Lean, Leadership, Innovation

Practitioner, entrepreneur, consultant, trainer, author, speaker and community organizer



Charles Kennedy

Associated Vice President, **Nationwide Insurance**

Experience: 45 years industry, 12 years of Agile, 24 years of Lean

Specialties: Agile, Lean, Innovation

Executive, Practitioner, trainer , speaker



ABOUT NATIONWIDE INSURANCE



Nationwide

- Nationwide is one of the largest insurance and financial services companies in the world.
- Focusing on domestic property and casualty insurance, life insurance and retirement savings, asset management, and strategic investments.
- Nationwide currently has about 34,000 employees
- Is ranked #68 in the most recent Fortune 500
- Is currently ranked #53 in Fortune's "100 Best Companies to Work For"
- Started by the Ohio Farm Bureau in the 1920s and is approaching it's 100th birthday

“

**LitheSpeed is #1,
not just some
top 10 company**

”

-Organizational Development
Executive/LitheSpeed Client



ABOUT LITHESPEED



We are one of CIO Review's 2018
"10 Most Promising Agile
Consulting/Services Companies"

Agenda

1. What is Business Agility?
2. Sparking End-to-End Agility
3. What's Next?

1. End-to-end transformation needs to be sparked with discipline as disruptive business, organizational and cultural change.

2. To lead, executives need to learn, adopt and model an agile mindset.

3. Evolving from project to product focus is the first major structural change.

4. Organizing around product innovation and product management is the next big leap in maturity.



Poll Question

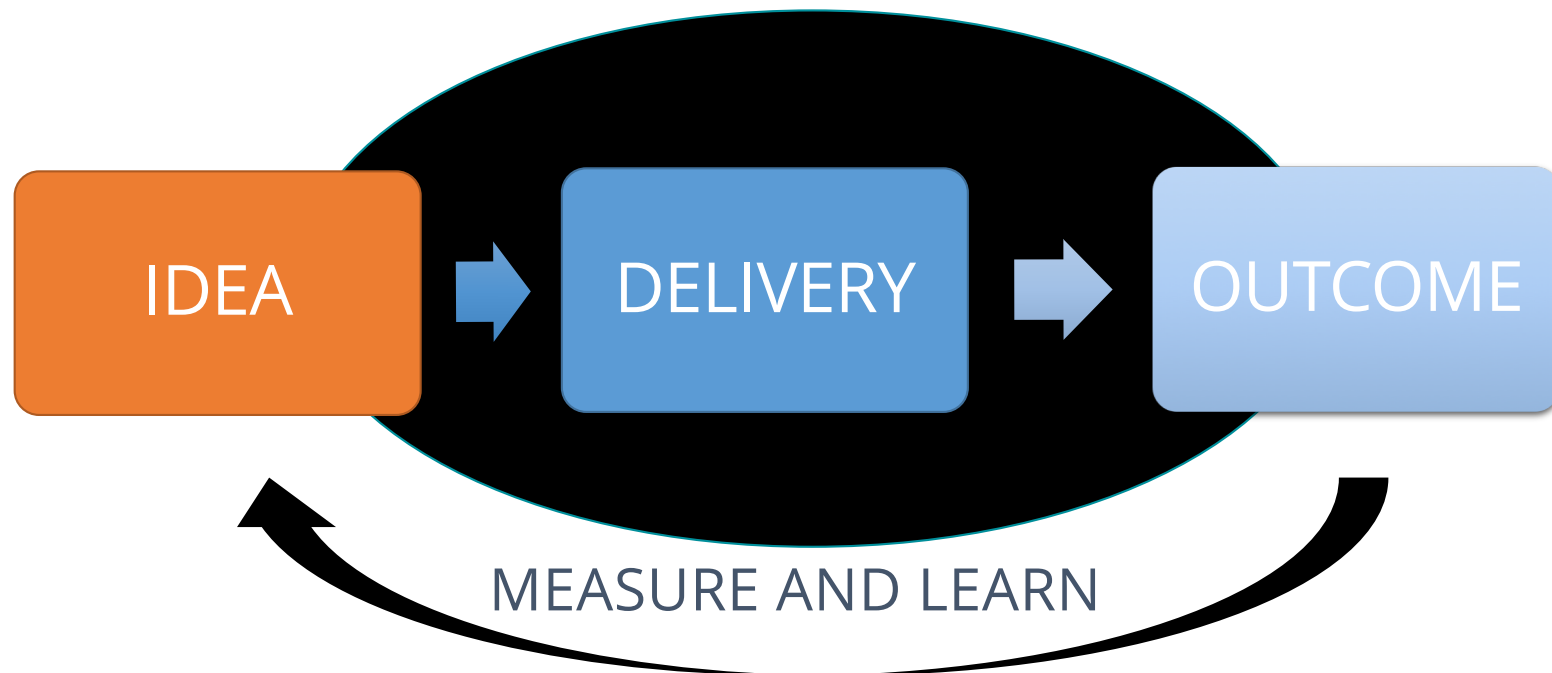
Expected Benefits from an Agile Transformation?



What is Business Agility?

Turning on a dime, for a dime.

Business Agility is the ability of an organization to create and respond to change through the customer-focused, holistic embrace of the Agile mindset, principles and practices from individual teams and programs to the portfolio level, and across the entire enterprise.

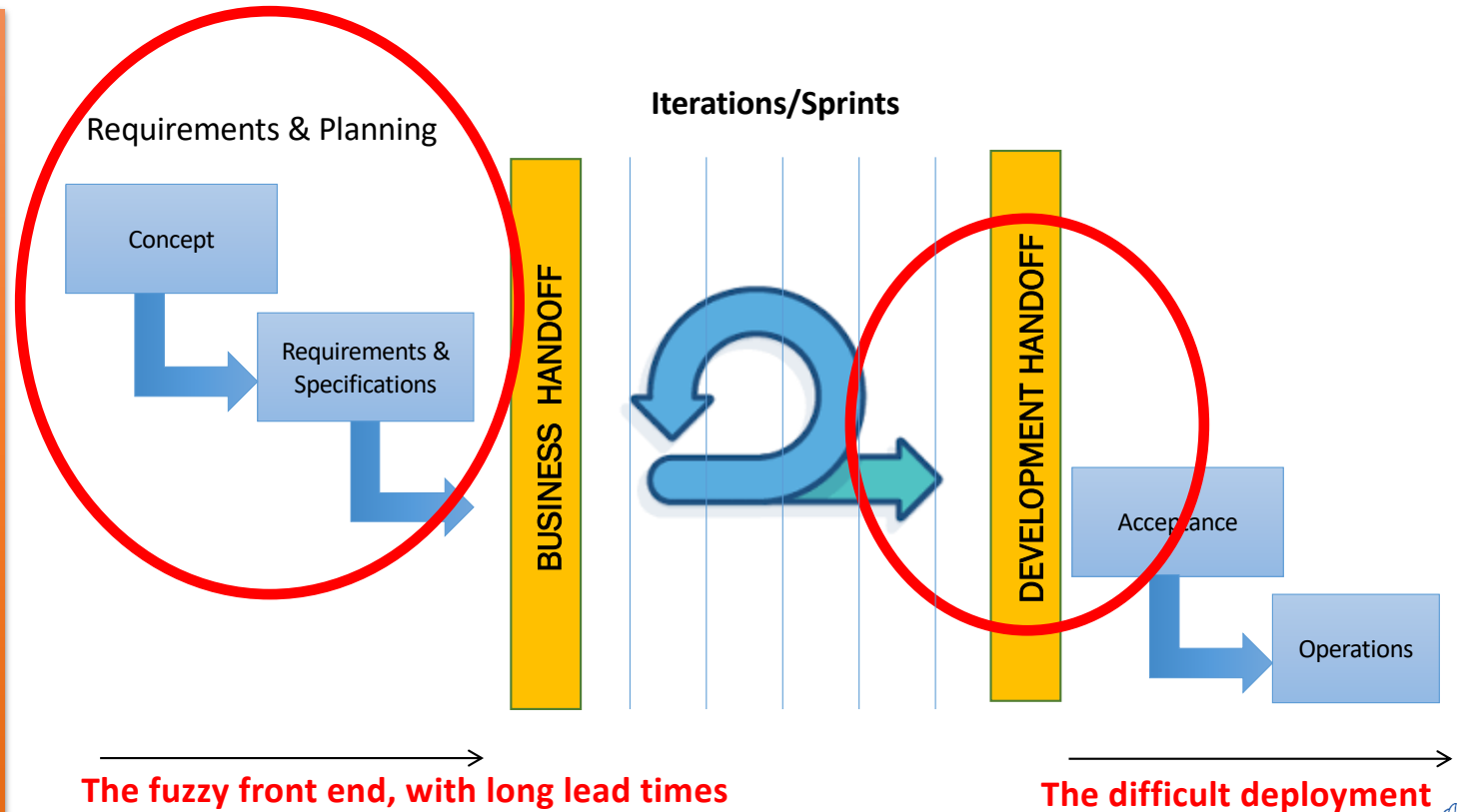




JOHN KOTTER ON THE 21ST CENTURY ORGANIZATION

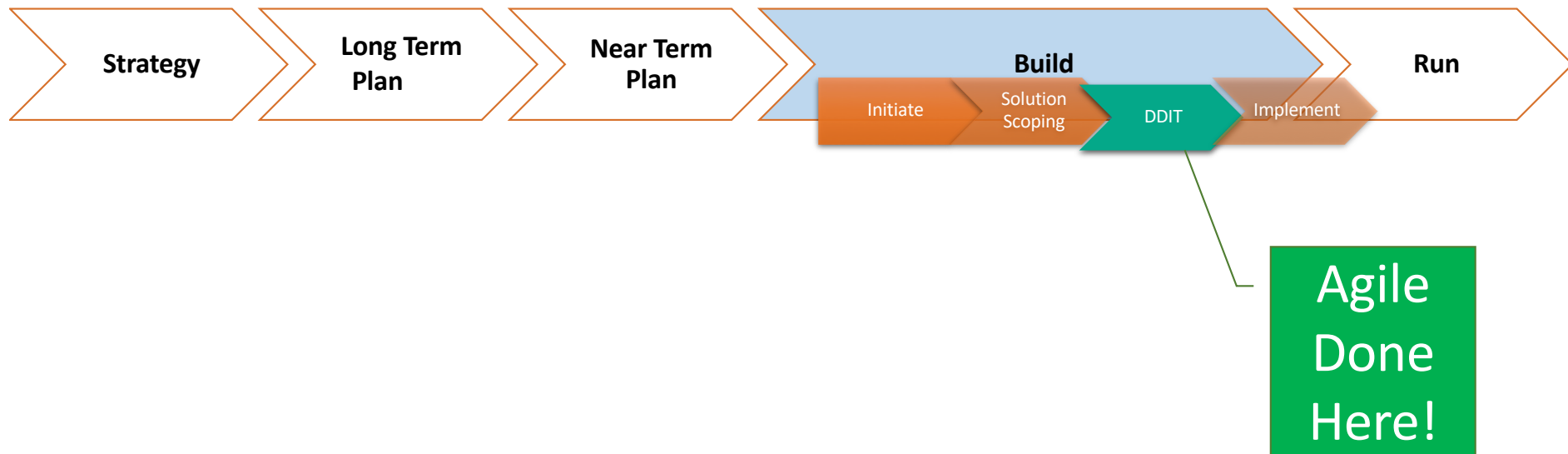
Even with mature agile/IT teams, true business agility requires a wider business transformation.

- Long linear process pre-development "Water-Scrum-Fall"
- Large, Infrequent Deliveries – Too Slow & Too Expensive
- Rigidly defined Roles & Responsibilities
- Silo-ed interactions, too many handoffs, duplicate work
- Annual funding isn't fast and flexible enough; scope that is currently being worked was identified months ago
- Business is not adept at running experiments, validating needs, designing smaller, faster, cheaper solutions, validating the hypothesis, and pivoting based upon data
- Deployment technologies and processes are outdated



Sparking End-to-End Agility

Nationwide Digital's approach pre-transformation was classic Water-Scrum-Fall, with agile constrained to the development cycle.



The Results – A Sneak Preview

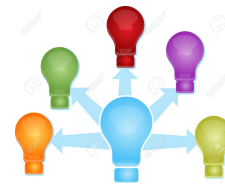
Improved end to end cycle time and frequency of capability delivery by 30%+



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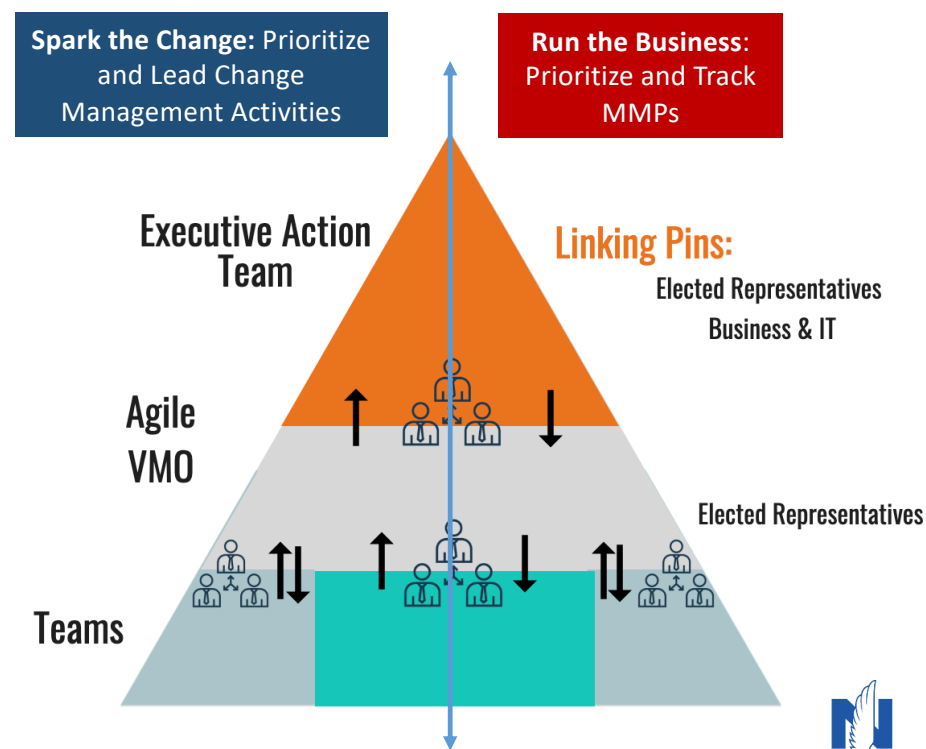
Achieving speed and growth through end-to-end Agile transformation demands full-scale executive and business engagement to simultaneously drive change and run the business.

1. End-to-end transformation needs to be sparked with discipline as disruptive business, organizational and cultural change.

2. To lead, executives need to learn, adopt and model an agile mindset.

3. Evolving from project to product focus is the first major structural change.

4. Organizing around product innovation and product management is the next big leap in maturity.



1. End-to-end transformation needs to be sparked with discipline as disruptive business, organizational and cultural change.

The crucial elements of end-to-end transformation include vision, governance, a transformation roadmap, objectives/key results and change management.

Guiding Vision	A clear, inspiring vision for the ideal customer experience and the capability for employees to deliver it consistently	<ul style="list-style-type: none"> • Voice of the customer: what matters and to whom • Compelling change story • Brand value proposition
Light Touch Governance	Agile organization & collaborative decision structures to align on priorities and actions	<ul style="list-style-type: none"> • Functional alignment • Cross-functional decision committees and working groups • Agile VMO™ & Executive Action Team
Transformation Roadmap	A portfolio of outcome-based Minimal Viable Products (MVPs) that will deliver on the vision; clear performance and accountability	<ul style="list-style-type: none"> • MVP design eliminating pain points and injecting wow moments • Process and policy changes • Rapid test and learn
Objectives & Key Results	Driving metrics to gauge progress, adapt to change, & improve organizational outcomes	Objectives and Key Results (OKRs): “Hard” and “soft” measures to manage performance and health
Organizational Change Management	Changing learned behaviors to pivot from how we work today to how we will work differently in order to accomplish things that today’s ways of working cannot	<ul style="list-style-type: none"> • Leaders, role modeling change • Change agents, including willing leaders as well as skeptics • Teams, empowered to move quickly • Communications, clear and consistent messaging

Training, coaching, 10X communication, phased transition and servant leadership are essential.

"The soft stuff is the hard stuff"



- LitheSpeed's Agile Leadership Academy for senior leaders and business partners
- Certified Agile Leader training for execution leaders
- Lean/Agile model training for teams
- DevOps training for teams
- Train teams on Big Room Planning



- Coaches to deliver team level training
- Provide support during initial execution of the model to answer questions, provide guidance, remove barriers & constraints and help overcome resistance



- Transition team that created the strategy and plan to adapt the model
- Conduct assessment & planning
- Decision making, issue resolution, risk mitigation
- Lead changes to execution practices and roles
- Lead implementation activities



- Create and execute the strategy to communicate and support the changes in mindset, culture, policies, processes and organization structure.
- C-Suite & Senior Leaders critical for creating sense of urgency and communicating vision

Source: <https://www.kotterinc.com/8-steps-process-for-leading-change>



Leaders need to become Servant Leaders to provide people with control, autonomy, and decision authority over their own work... they need to connect people with shared vision and purpose.



Changing learned behavior is challenging.

- Consistent pattern – people attach **too much weight to the risk of the new** vs. **too little weight to the risk of the status quo**
- Typical objections ...
 - People may not fully understand the new model but they reflexively say it is **“Too Risky”** and **“It Won’t Work Here”**
 - **Not Open to Change...** they only trust their past experience
 - Our culture is naturally **Risk Adverse**
 - **Defend current model as “Better”** ... even though it is not producing desired results
 - **Won’t work on backend systems** (e.g. policy admin systems)

“...the disease that affects every great company: the assurance that what worked before will work eternally into the future, even if circumstances have changed. What makes companies great is inevitably what makes companies fail, whenever that day comes.”

Ben Thompson of Stratechery

- Start with executive support, pilots, and a willing coalition
- Choose pilots carefully... Consider dependencies and the ability to get quick wins
- Get highly engaged champions at different levels (team, mid-level, executive)
- Demonstrate results through pilots and then build momentum to scale
- Continually adjusted our plan to scale based on learning
- Keep interested parties informed, avoid surprises



© marketoonist.com

2. To lead, executives need to learn, adopt and model an agile mindset.



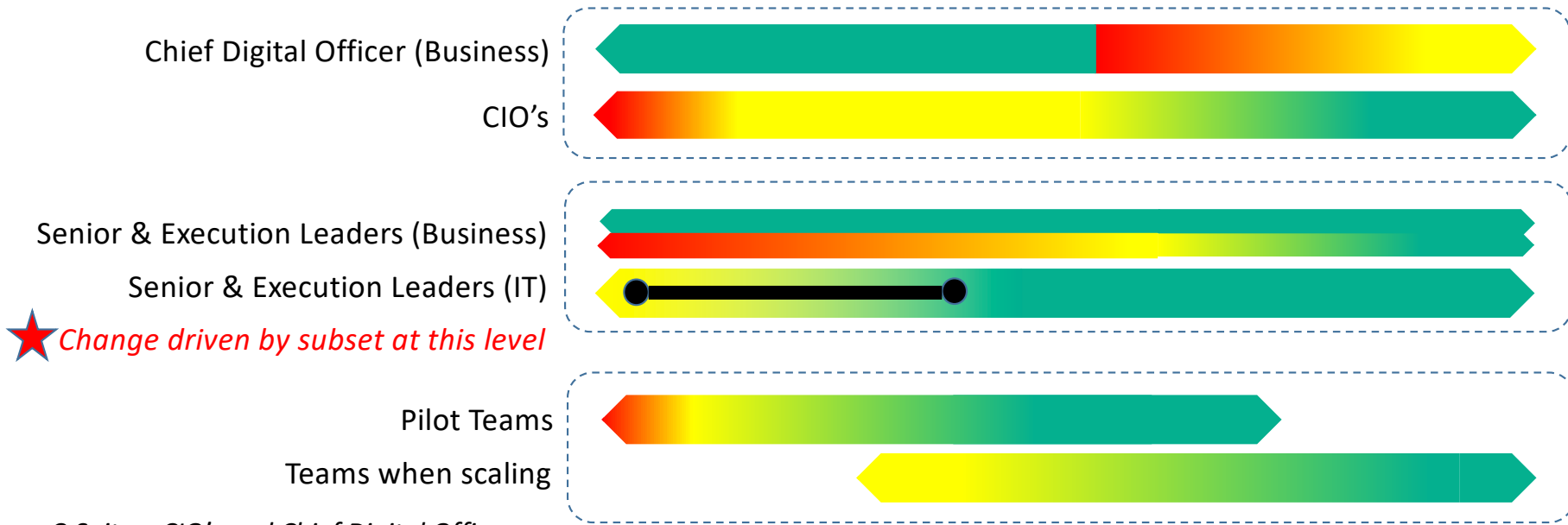
GENERAL McCHRYSTAL ON CREATING A TEAM OF TEAMS

True Agile transformation starts with a personal transformation for executives.

- **Agile Mindset.** Model agility by personally driving innovation and differentiation.
- **Air Cover.** Support the transformation by removing organizational obstacles and enabling the flow of value to customers. **Allow for empowered decisions by teams and a fast *experiment-fail-learn-improve* cycle.**
- **Intelligent Control.** Understand where the new control levers are. Monitor and track progress in new ways. Adapt approach as new lessons arise.
- **Change Management.** Provide clear support and enthusiasm for the transformation. Drive the change management effort.

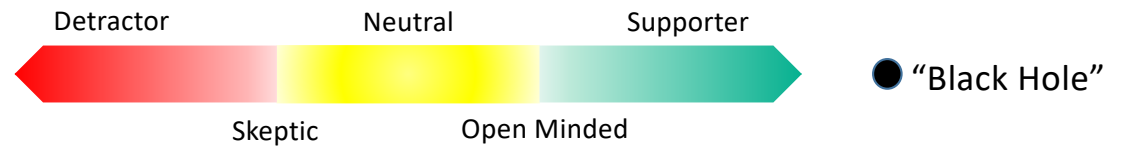


Changing hearts & minds happens over time.



★ *Change driven by subset at this level*

- *C-Suite – CIO's and Chief Digital Officer*
- *Senior Leaders – VP's and AVP's*
- *Execution Leaders – Directors, App Owners & Application Delivery Leaders*
- *Teams – Scrum Masters and key influencers on the teams*



Overcoming the command-and-control leadership style is essential.

- Some Leaders view this style as necessary for success
- Slows down decision making and delivery speed
- “Innovation” becomes predominately top down - inhibits learning and improvement
- Robs teams of autonomy needed to move faster and deliver business outcomes
- Inhibits focus on delivering customer value
- Also impacts...
 - How we hire people and staff teams
 - Performance management policies and practices
 - How funding is determined and allocated
 - Reinforces our siloed organization structure
 - Contributes to a risk adverse mentality



- *Influence executives that are skeptical... communicate often with facts*
- *Encourage and reward servant leadership*
- *Set the vision and provide direction but give teams autonomy*
- *Built feedback loops into our model*
- *“Test & learn” became a part of our portfolio of work and mindset*

Leadership & mindset change need alignment, vision, urgency and challenge.

Leadership is the difference between success and failure



- Business and IT leaders need to be in **Alignment**
- Align people to the **Vision** with aspirational goals
- Create a Sense of **Urgency**
- **Challenge** accepted ways of thinking and practices



Mindset & Cultural change... hardest thing to do

- Ignoring or minimizing the cultural and mindset changes that need to happen will block your success
- You can change the broader culture by changing how you do work (i.e. practices) but people must have the right mindset and intentions

- *Senior leaders need to internalize and communicate the “**Why, What, and How**”*
- ***Own driving the change...** actions, personal behavior and decisions that support it... otherwise viewed as next “fad”*
- *Need Leadership from both a **top down and bottom up** perspective*
- *Communicate the “**What’s in it for me**” at all levels... give people a compelling reason to change*
- *Infuse **learning, experimentation, and fast feedback** loops into the DNA of the organization*

Poll Question

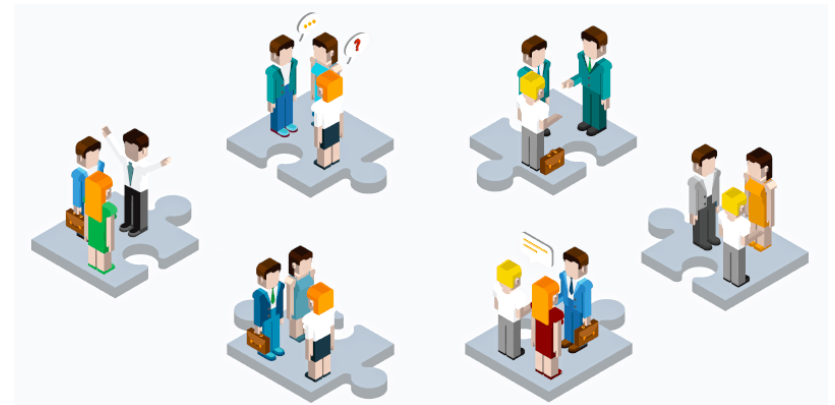
Your Barriers to Success?



3. Evolving from project to product focus is the first major structural change.

Organizational silos always pose a significant challenge.

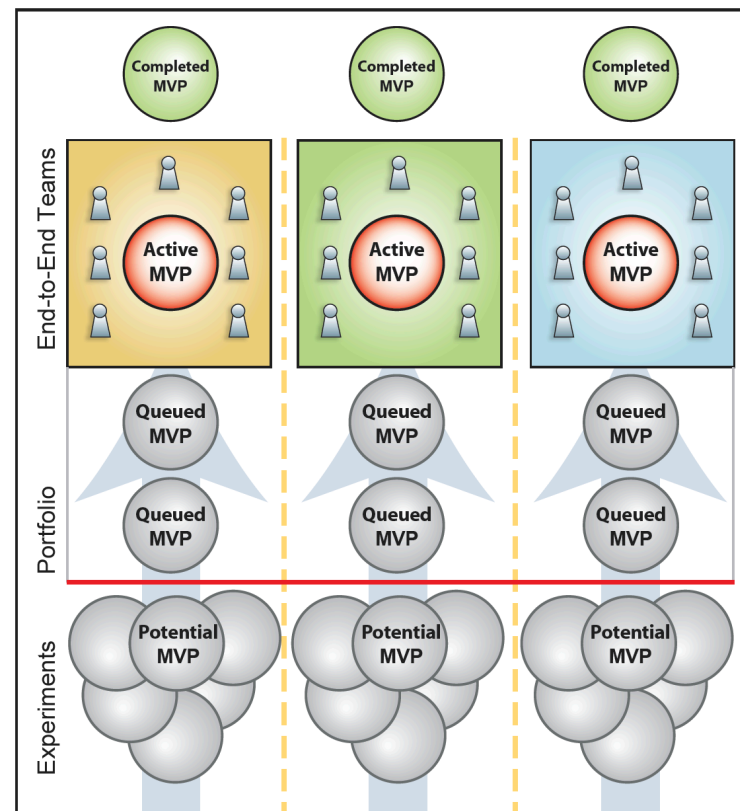
- Different organizations within IT are often viewed as “rivals” ... sometimes lack of trust between teams
- Dependent team roadmaps & plans often do not align
- Not allowed to change code outside your silo
- Co-location often not encouraged
- IT organization matrix structure creates overlapping & redundant roles



- *Big room planning allowed us to minimize the impact of the silos and dependencies... broke down the silos through face to face planning*
- *Improved collaboration and communication between teams*
- *Identified roadblocks and constraints faster*
- *DevOps practices & tools provide ways of working across teams to overcome silos*

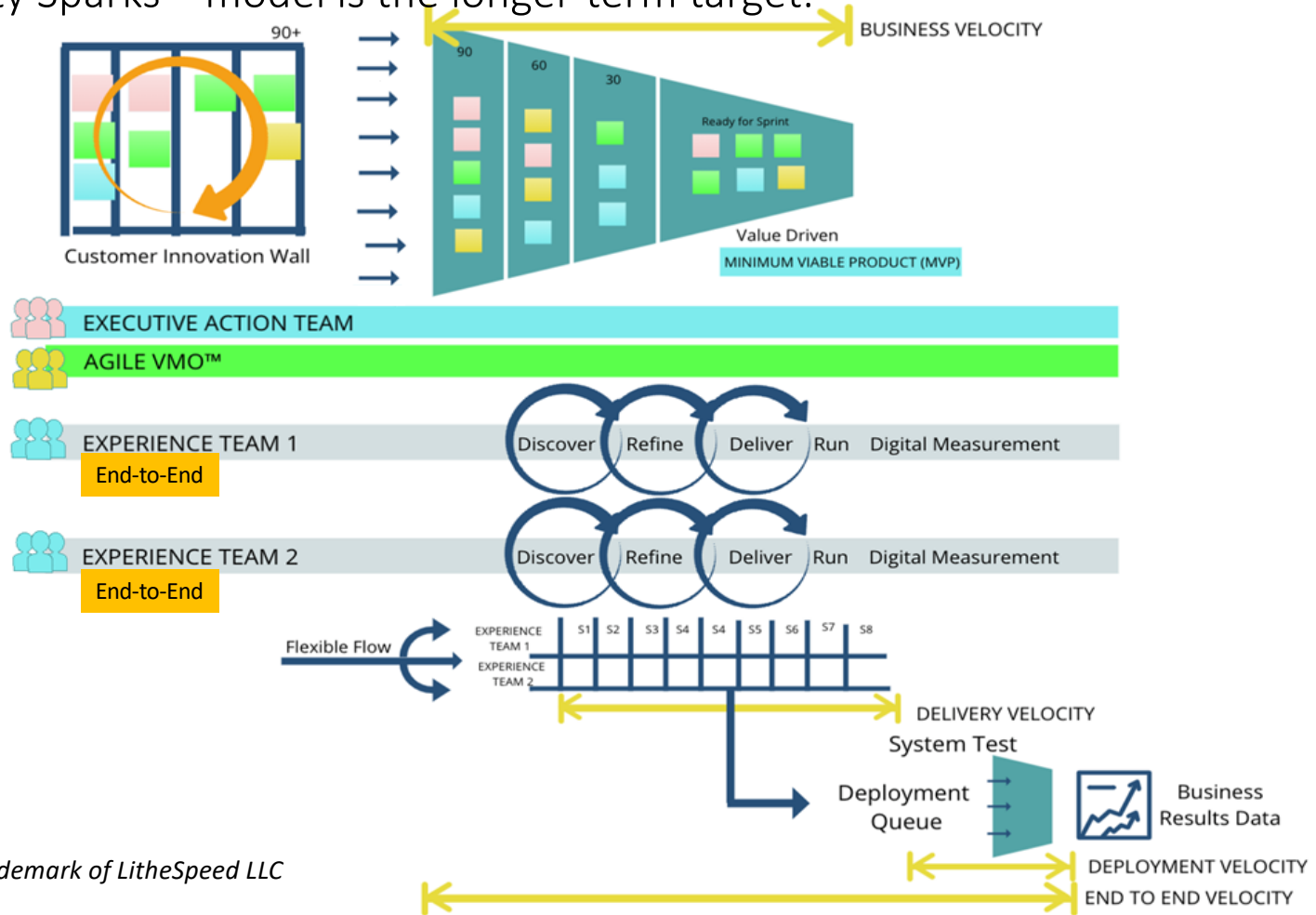
Rapid, continuous delivery, and “release when ready” of outcome-driven work on End-to-End Teams is the immediate goal.

- Multiple, **end-to-end teams** support **Value Streams or lines of business.**
- Each end-to-end team **focuses on a single Minimum Viable Product (MVP)** at a time.
- Value Stream owner **prioritizes next MVP.**



4. Organizing around product innovation and product management is the next big leap towards maturity.

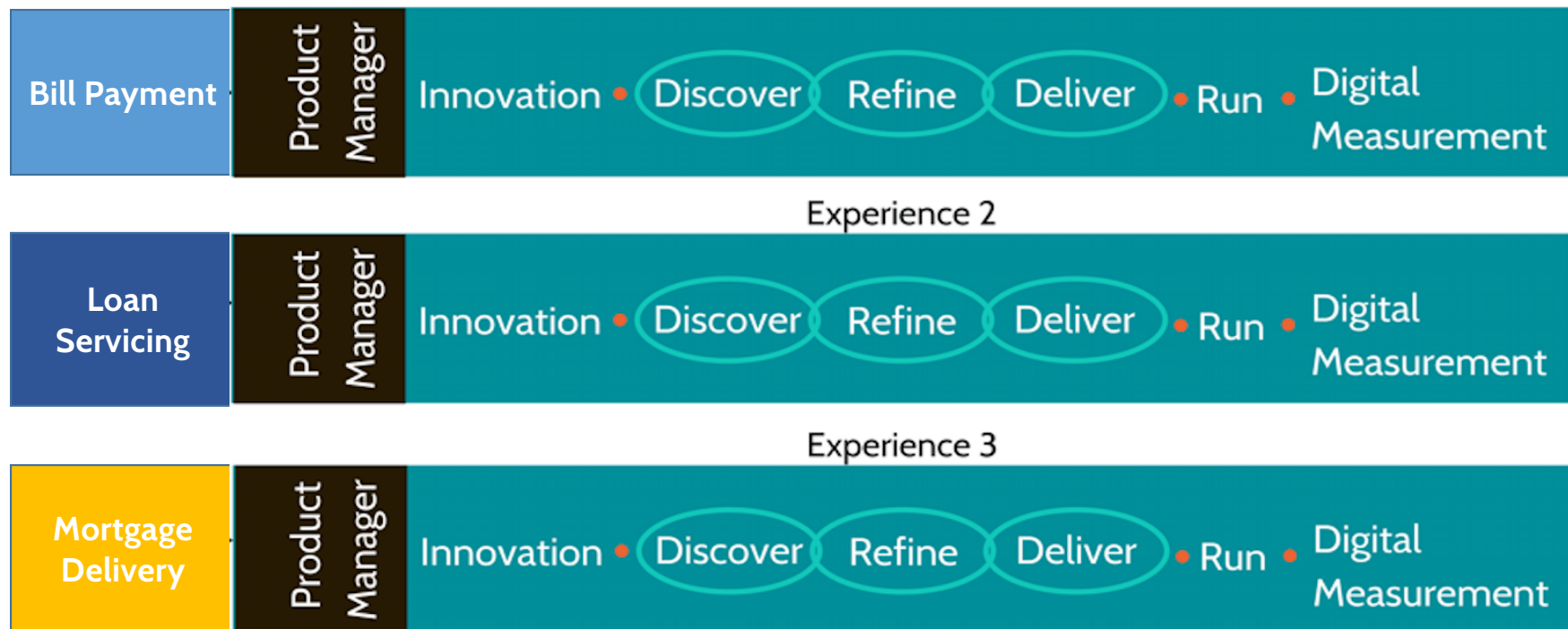
Business innovation and differentiation based on customer experiences and outcomes with the Business Agility Sparks™ model is the longer-term target.



Business Agility Sparks™ is a trademark of LitheSpeed LLC



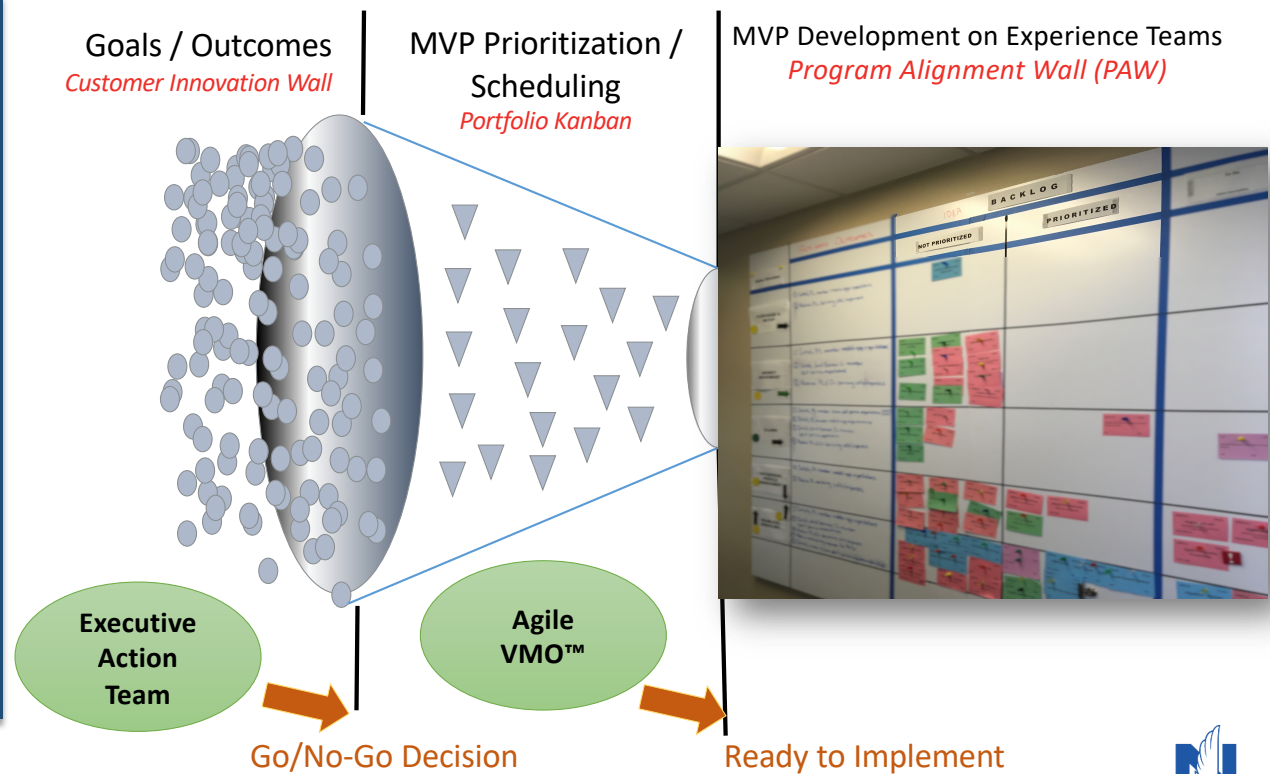
Realigning the organization in line with customer journeys, and populating them with end-to-end teams facilitates flow, throughput and customer outcomes.



Prioritizing and tracking MVPs is the key to delivery of customer value with maximum speed and creativity, and minimum waste and redundancy.

Minimal Viable Product (MVP) Prioritization

- **Terminate** sick projects/products
- **Split** large projects/products into smaller MVPs
- **Prioritize** MVPs by business value within business unit
- **Limit** MVP delivery timeframe to months
- **Re-prioritize** MVPs regularly



The Art of the Long
View.

What's Next?

Results from the program were very positive.

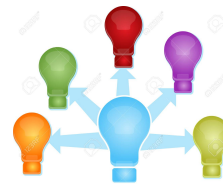
Improved end to end cycle time and frequency of capability delivery by 30%+



Reduced cost initially by 15-20%... Future gains can be achieved... Getting more done for less money



Releasing capabilities to our customers up to 50 times a month versus a single monthly release



Organic change – other organizations are beginning to adapt our model

Future challenges exist that will continue to challenge us.

Funding Cycle

OUTCOME



Scaling Across IT



Break Down Silos

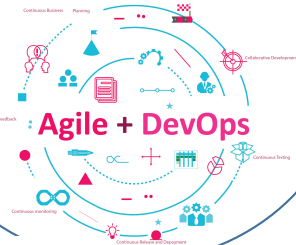


Servant Leadership




DevOps Proliferation

Agile + DevOps



Consolidating Roles



Culture Change



Performance Management



Final thoughts – are you satisfied with your status quo?

Why

- Greater Business and IT Alignment
- Increased Delivery Velocity and Frequency of Business Capabilities to our Members
- Increased Efficiency, Improved Quality and Reduced Delivery Expense

What

- Product / Value Stream centric
- Business & IT partnership
- Agile + Lean practices – full lifecycle from Near Term Plan through Build
- Continuous Delivery Flow
 - Smaller Batches of Work
 - Eliminate Handoffs & Duplicate Work – Limit Work in Progress
- Smaller, Cross Functional, Polyskilled, Self Managed, Co-located Teams
- DevOps – Continuous Integration & Continuous Delivery
- Quarterly “Big Room” Planning with Dependent Teams

How

- Education & Coaching for both Business & IT
 - Executives
 - BSA, Program, Team levels
- Servant Leadership
- OCM Strategy to drive Mindset Changes
- Transition Team to lead changes in each BSA

- Be **PERSISTENT...**
Create a sense of urgency...
Have an aspirational vision...
Never give up
- Start with **Principles and Outcomes**
- Relentlessly communicate the **“Why, What, and How”**
- **Adapt...** not Adopt
- Do not become enamored with your success...
Do not think you have all the answers...
Pride becomes the enemy of continuous improvement*



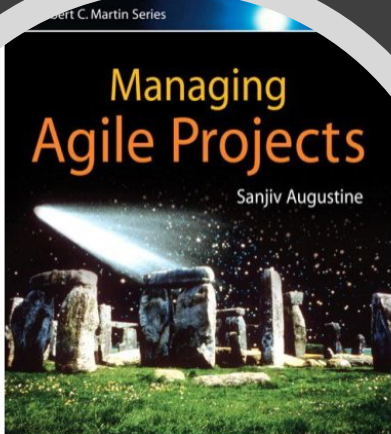
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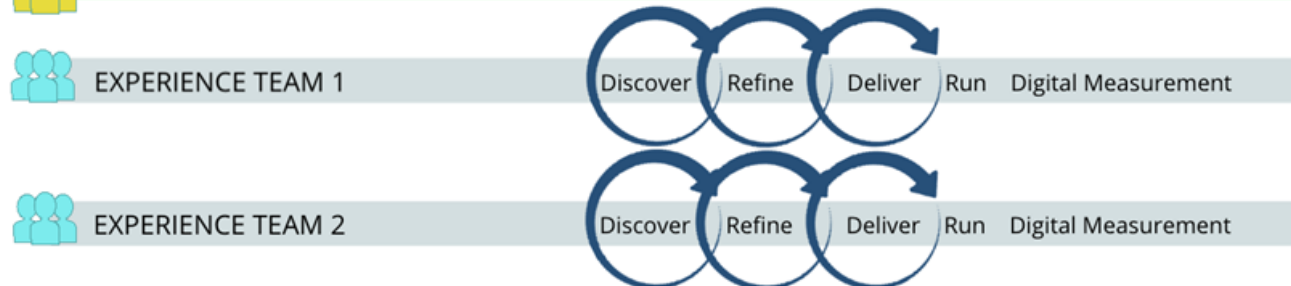
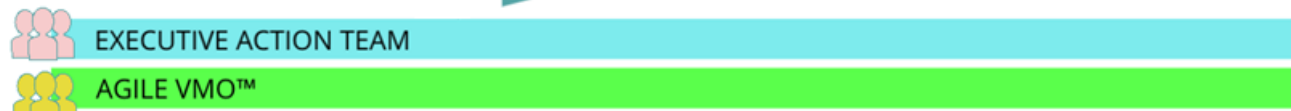
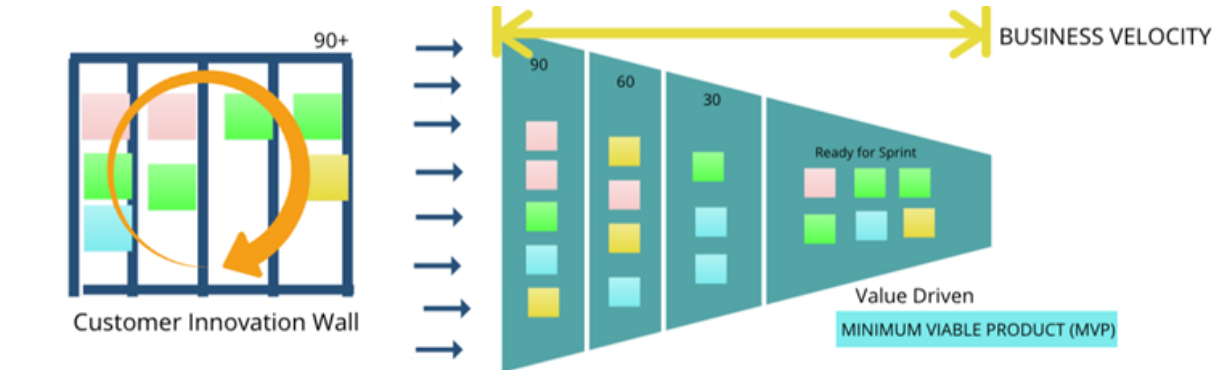
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