

# AGILE TRANSFORMATION

MIKE COTTMEYER



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THIS TALK IS ABOUT  
GETTING PEOPLE  
TO MOVE...



THIS TALK IS ABOUT  
GETTING PEOPLE  
TO MOVE...

AND KEEPING  
THEM MOVING





## WHY



Business  
Case



Transformation  
Hypothesis

## WHAT



Theory &  
Approach



Reference  
Architecture

## HOW



Change  
Model



Results  
Management

## WHO

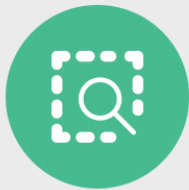


Roles &  
Responsibilities



Skills &  
Experiences

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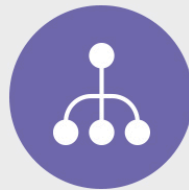


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*To get the deck from today's presentation and  
the associated whitepaper text...*

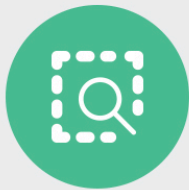
**TEXT AGILE TO 345345 TO GET THE DECK**



**DOWNLOAD  
THE WHITEPAPER**



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# GOALS OF GOING AGILE



# GOALS OF GOING AGILE



## PREDICTABILITY

Agile tends to focus on adaptability but predictability is most often cited as the reason for agile transformation

# GOALS OF GOING AGILE



## QUALITY

As organizations scale, product quality often suffers. Agile focuses on quality from requirements through implementation.

# GOALS OF GOING AGILE



## EARLY ROI

Many organizations struggle with 18 month delivery cycles. Agile helps your team accelerate time to market value



# GOALS OF GOING AGILE



## LOWER COSTS

Cost savings are tough to promise, but agile can help make sure you are spending money on features most likely to generate revenue

# GOALS OF GOING AGILE



## INNOVATION

As companies grow sometimes they slow down and lose the ability to innovate. Agile can help you get back your competitive edge.

# GOALS OF GOING AGILE



## PRODUCT FIT

Delivering on time is only important if you are delivering the right product. Agile can help you get the feedback you need.

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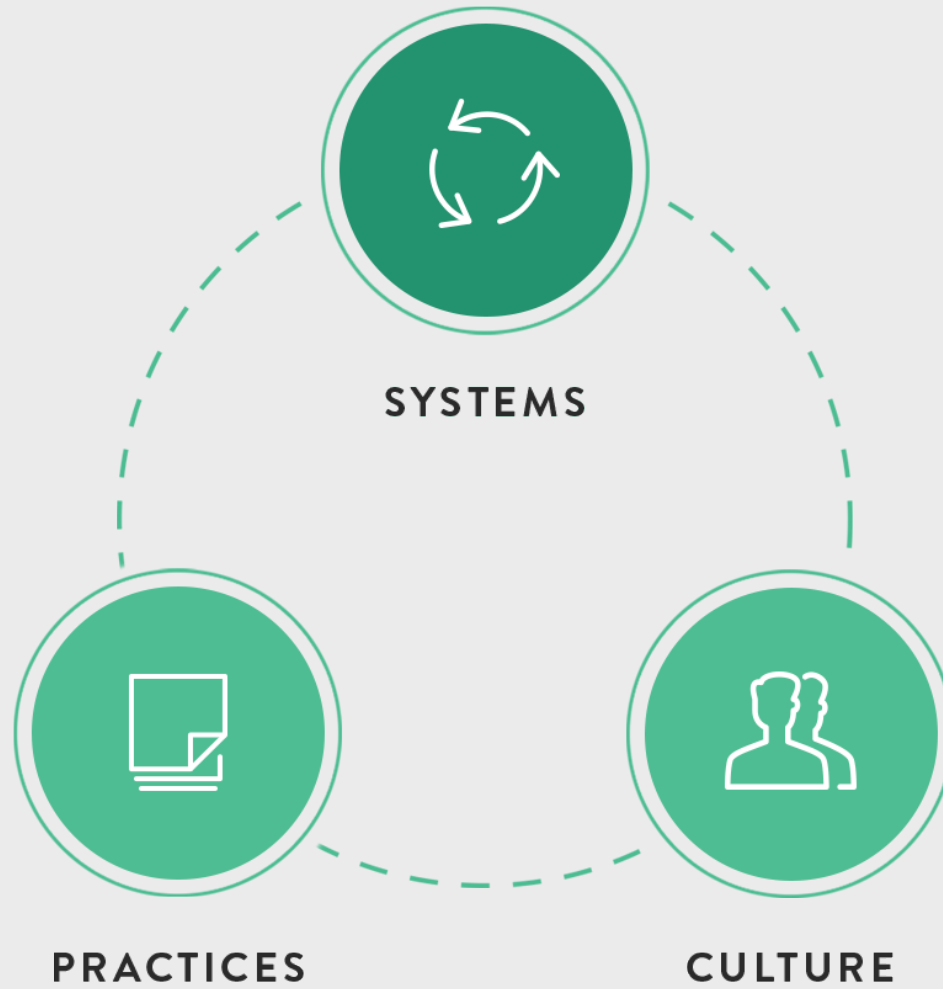
Results  
Management

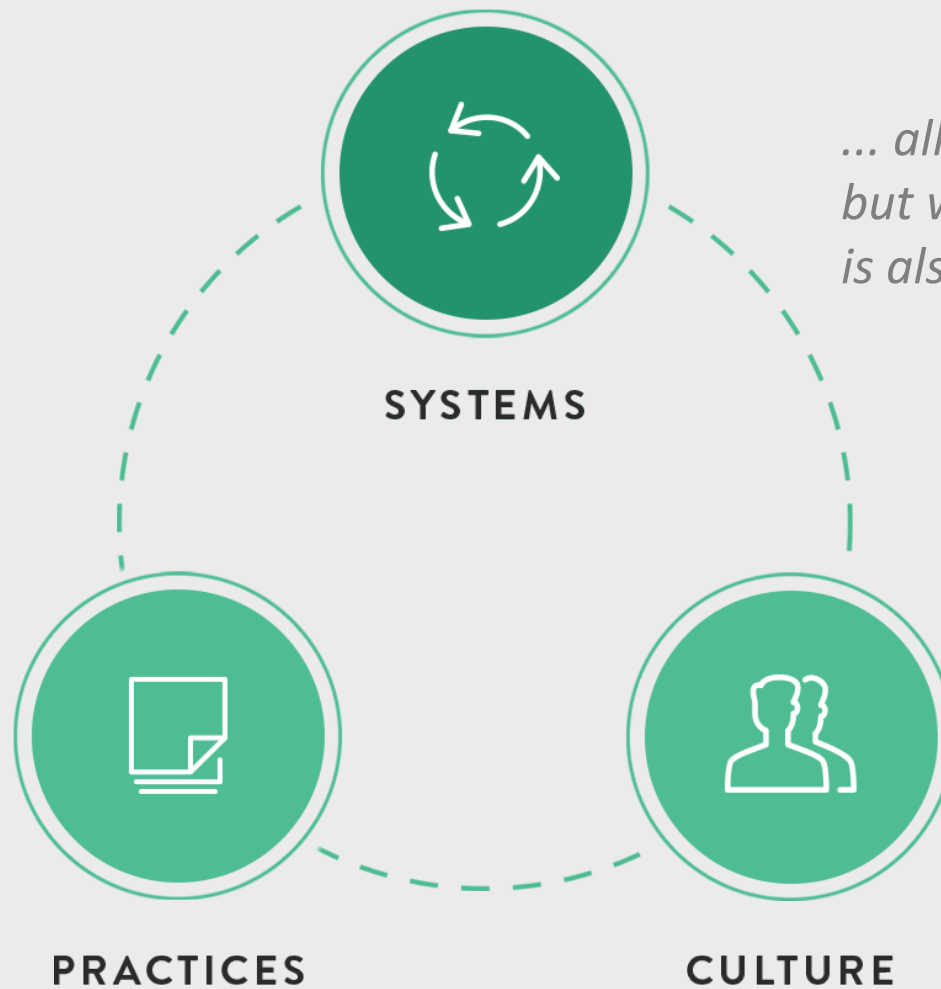
**WHO**

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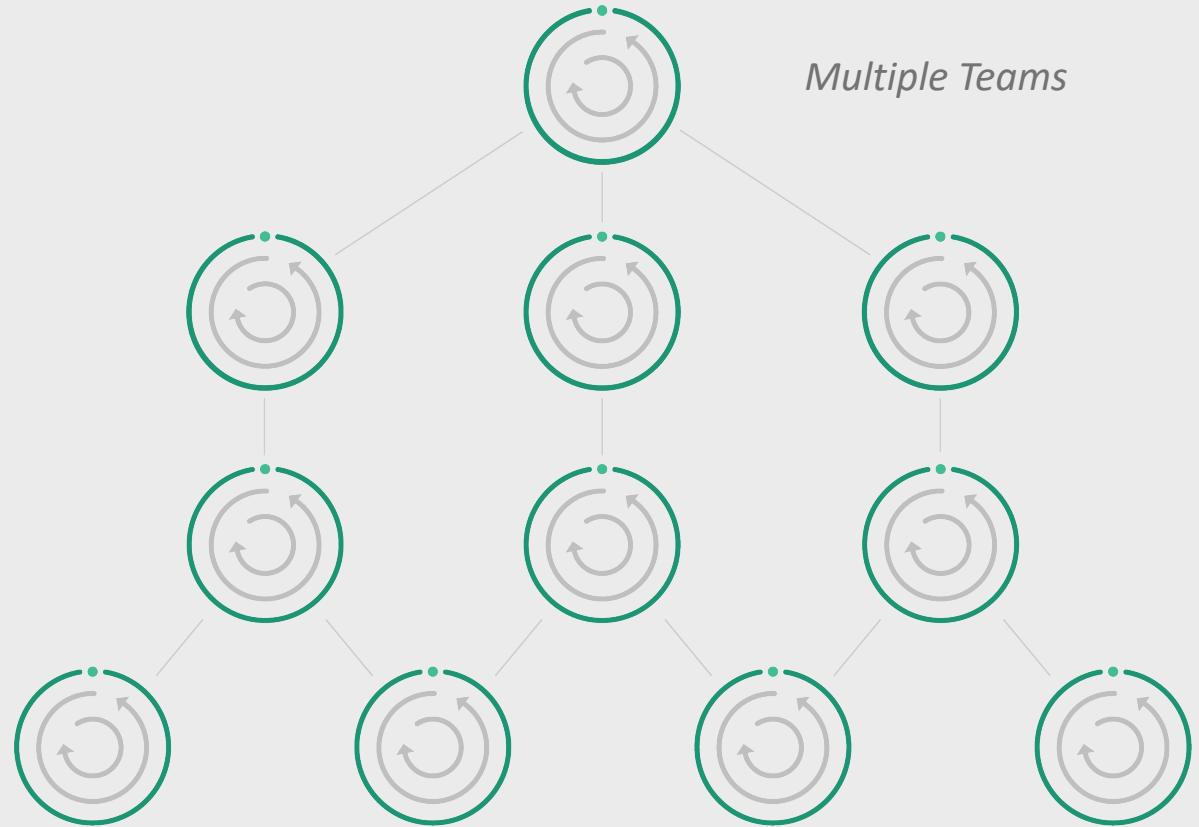
*... all three are essential,  
but where you start  
is also essential...*



# HOW BIG IS THE ORGANIZATION?

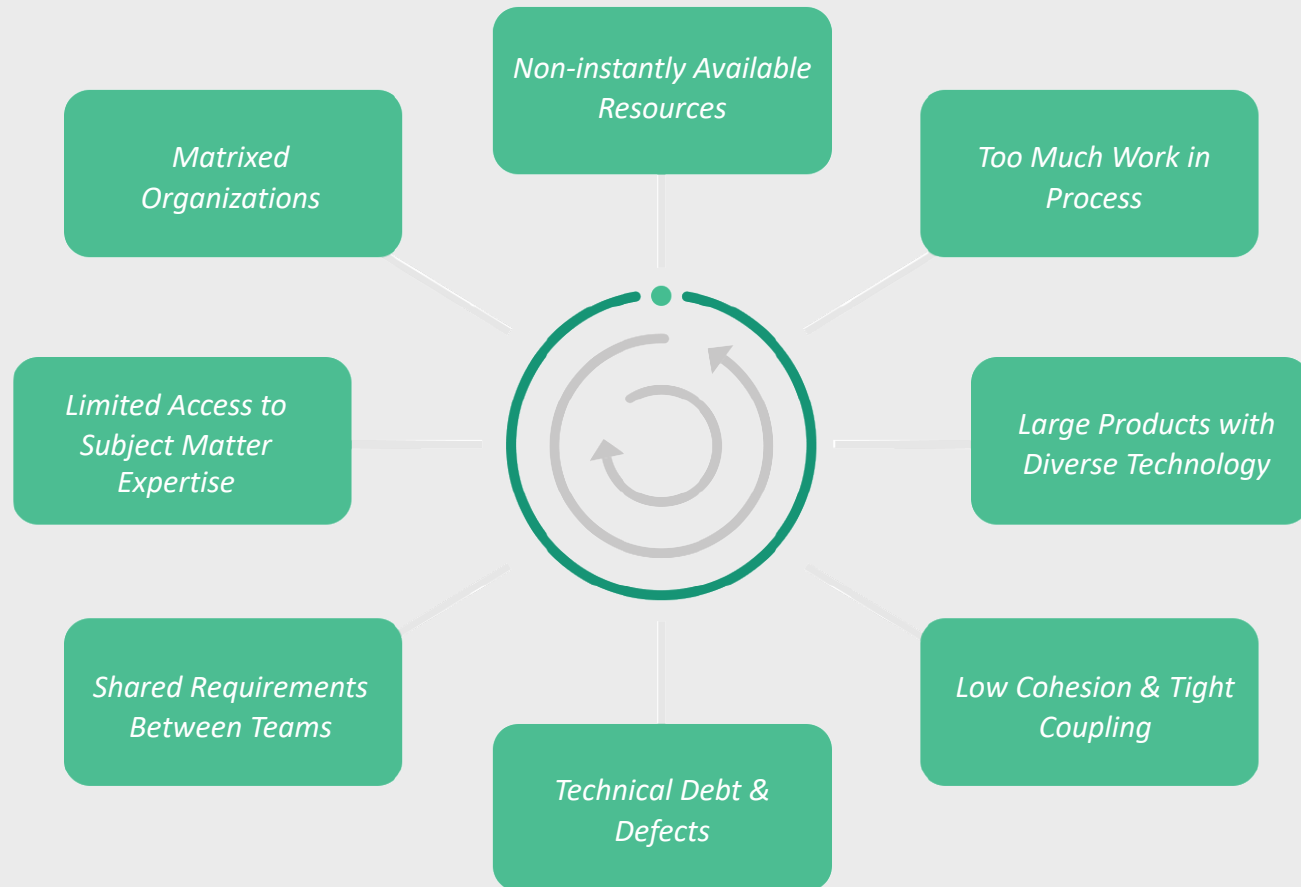


*Single Team*



*Multiple Teams*

# DO TEAMS HAVE DEPENDENCIES?



## HOW MUCH RESISTANCE?



## WHY



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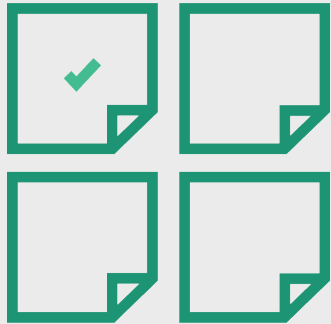
Skills &  
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# THE 3 THINGS



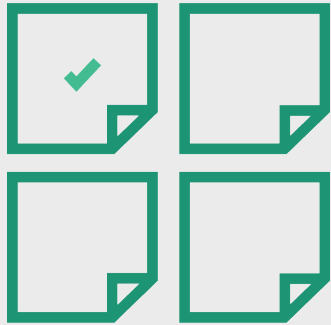


# THE 3 THINGS



BACKLOGS

# THE 3 THINGS

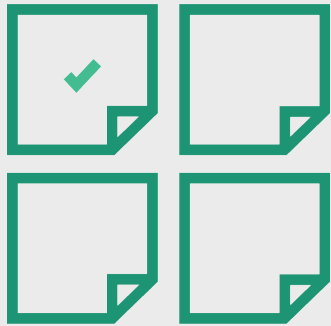


BACKLOGS



TEAMS

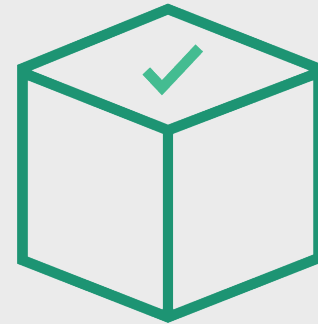
## THE 3 THINGS



BACKLOGS

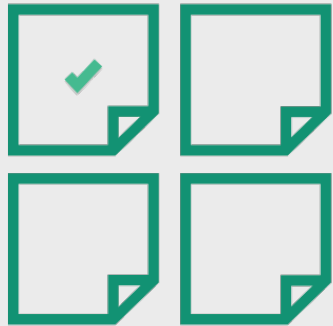


TEAMS



WORKING TESTED SOFTWARE

# WHAT DO I MEAN?



## BACKLOGS

*INVEST*

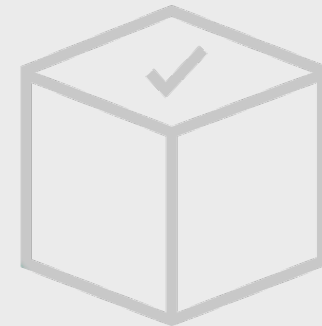
*CCC*

*Small enough for the team  
to develop in a day or so*



## TEAMS

*Everything and everyone  
necessary to deliver*



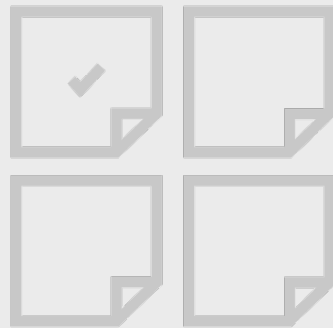
## WORKING TESTED SOFTWARE

*Meets acceptance criteria*

*No known defects*

*No technical debt*

# WHAT DO I MEAN?



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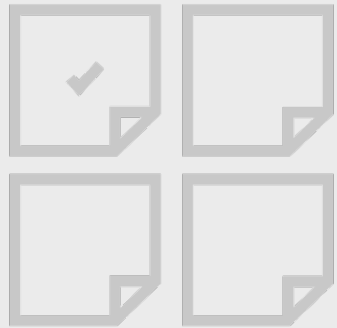
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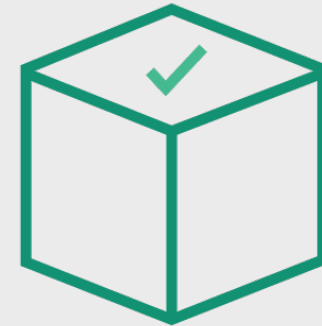
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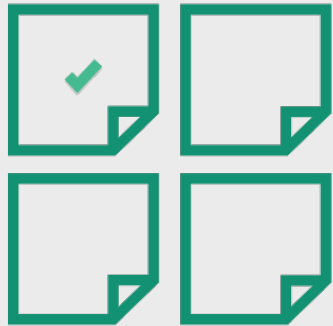
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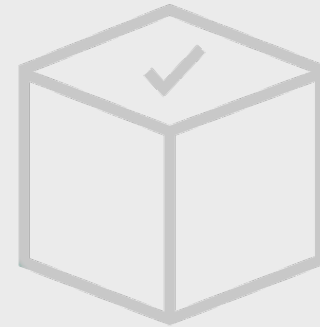
## GOVERNANCE

*Investment Decisioning*  
*Prioritization*



## STRUCTURE

*Teaming Strategies at all*  
*levels of the organization*

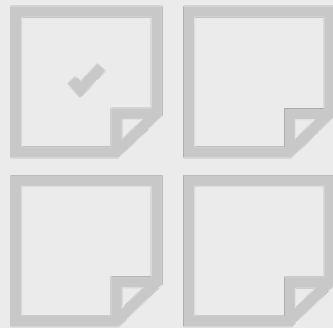


## METRICS

*How do we measure*  
*progress across teams*  
*How do we hold people*  
*accountable*



# WHAT DO I MEAN?



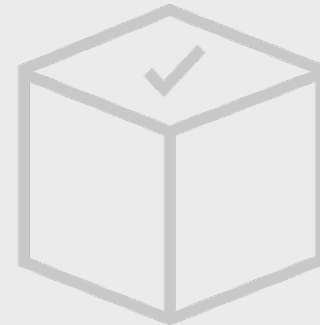
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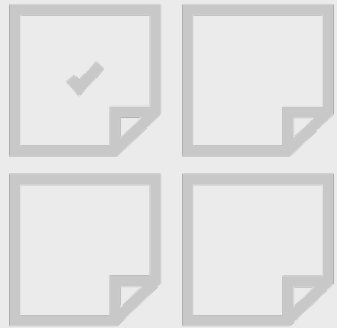
*Teaming Strategies at all*  
*levels of the organization*



## METRICS

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# WHAT DO I MEAN?



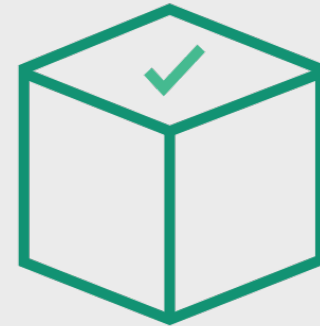
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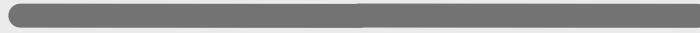


## METRICS

*How do we measure  
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accountable*

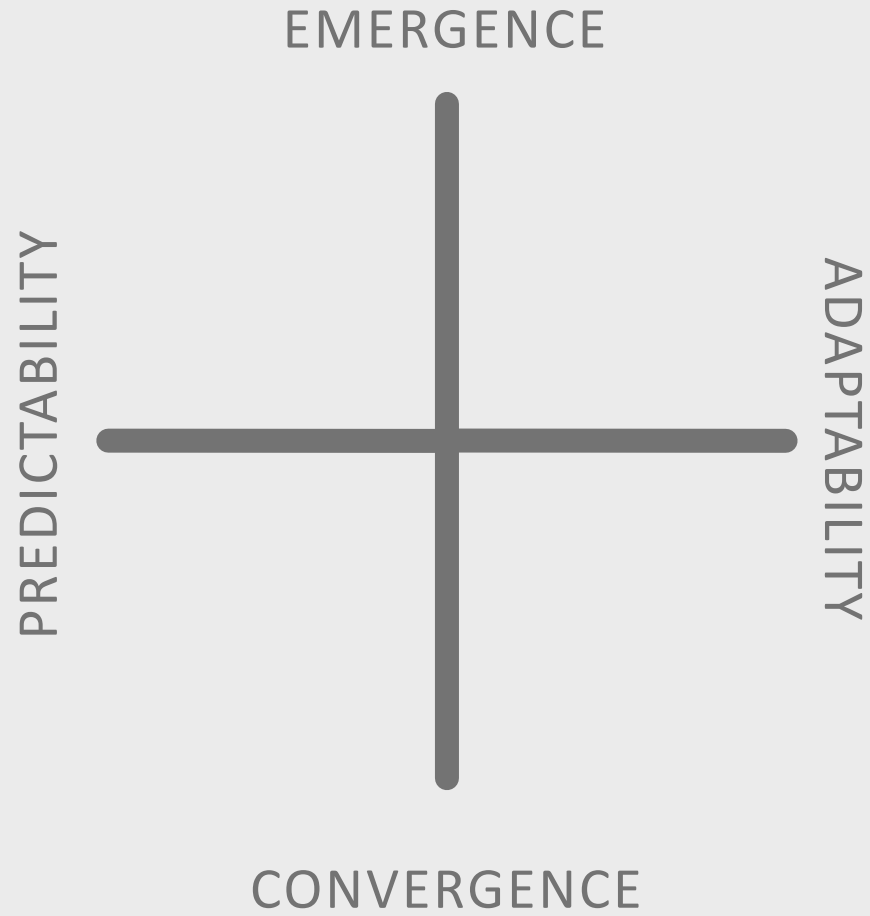
# WHERE ARE WE NOW?

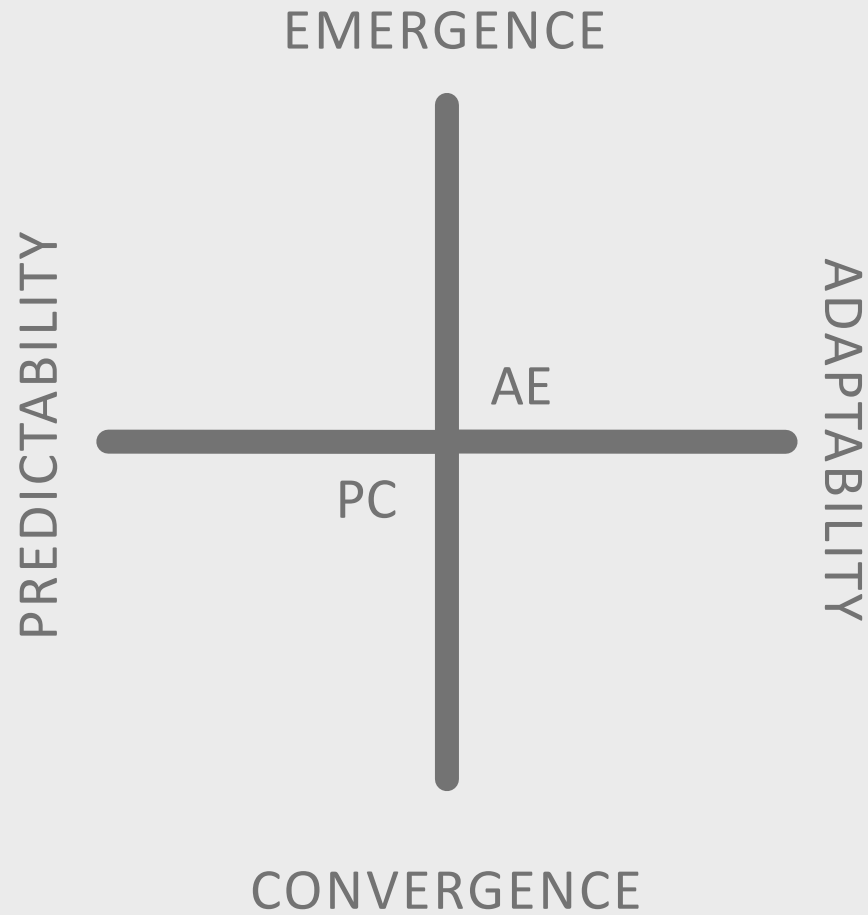
PREDICTABILITY

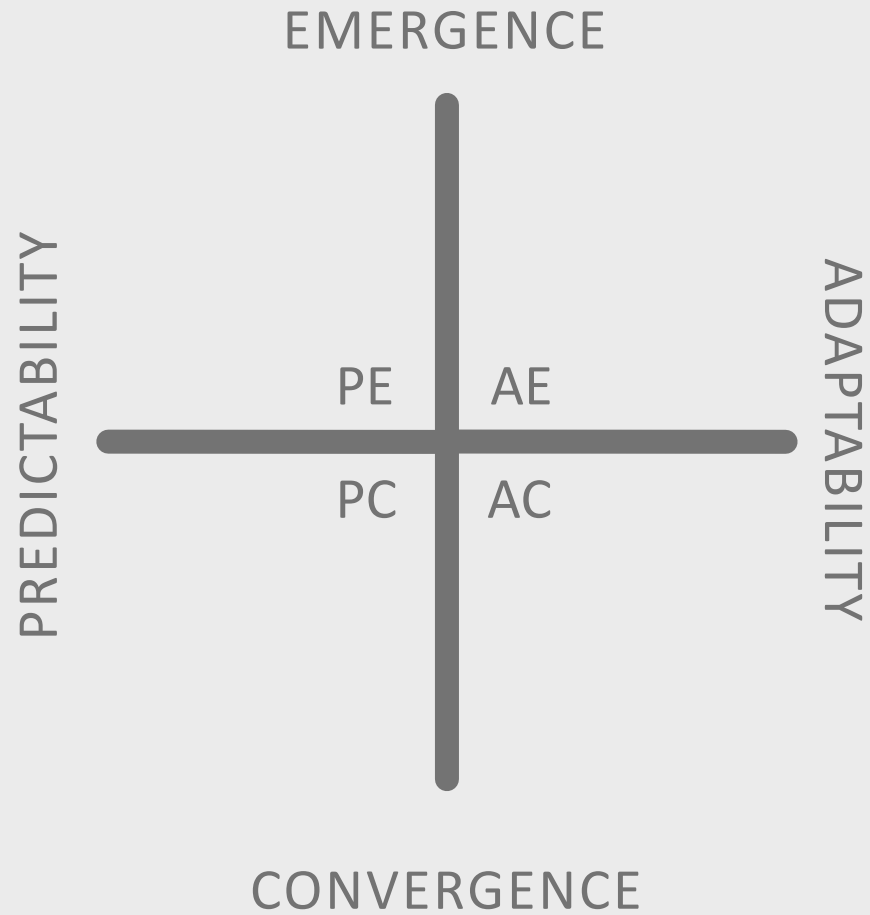


ADAPTABILITY

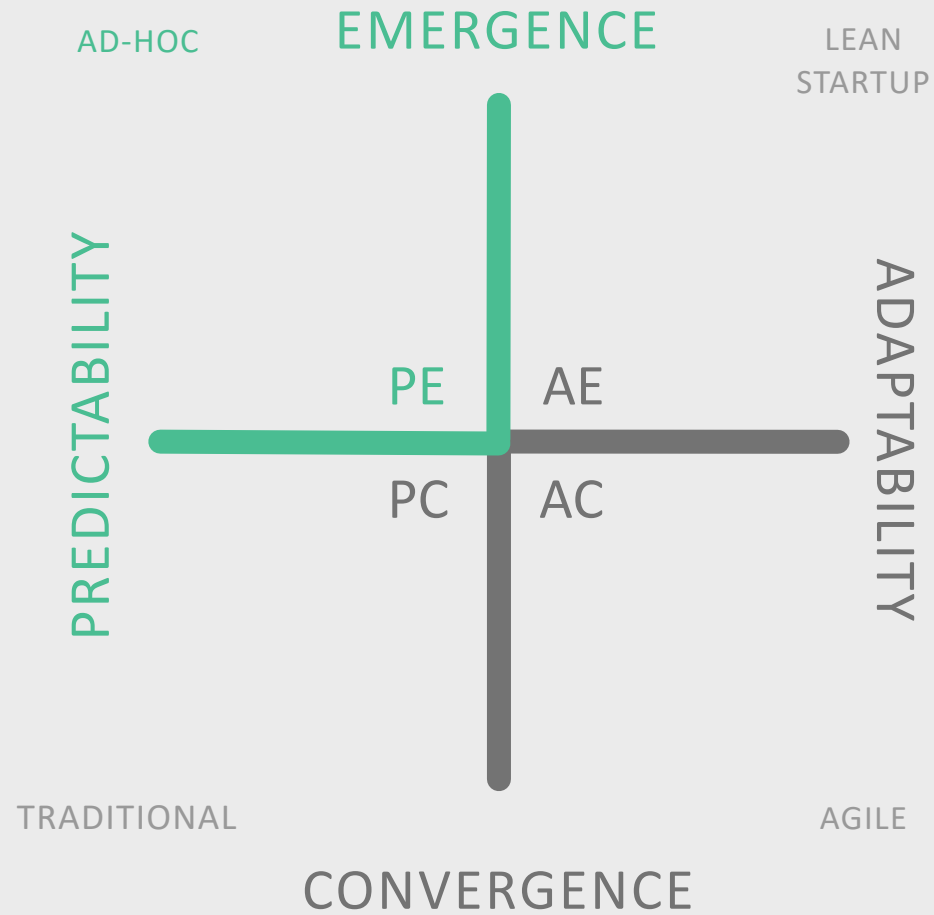






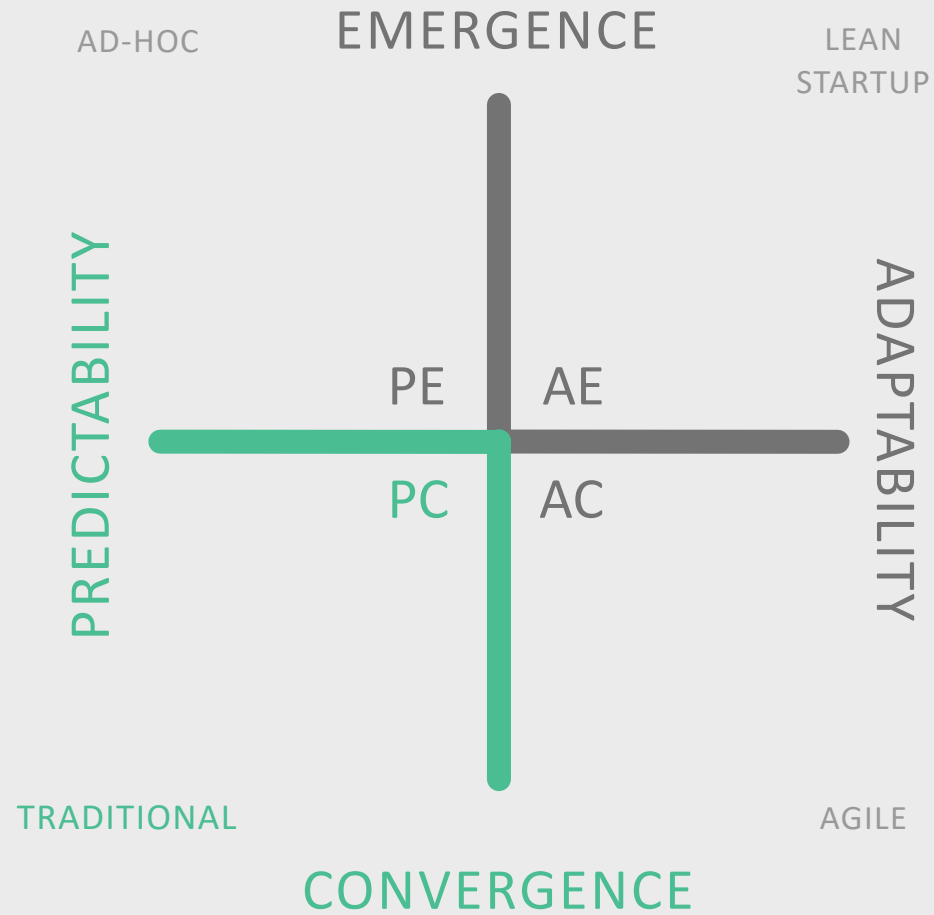


QUADRANT 1  
*Predictive  
Emergent*

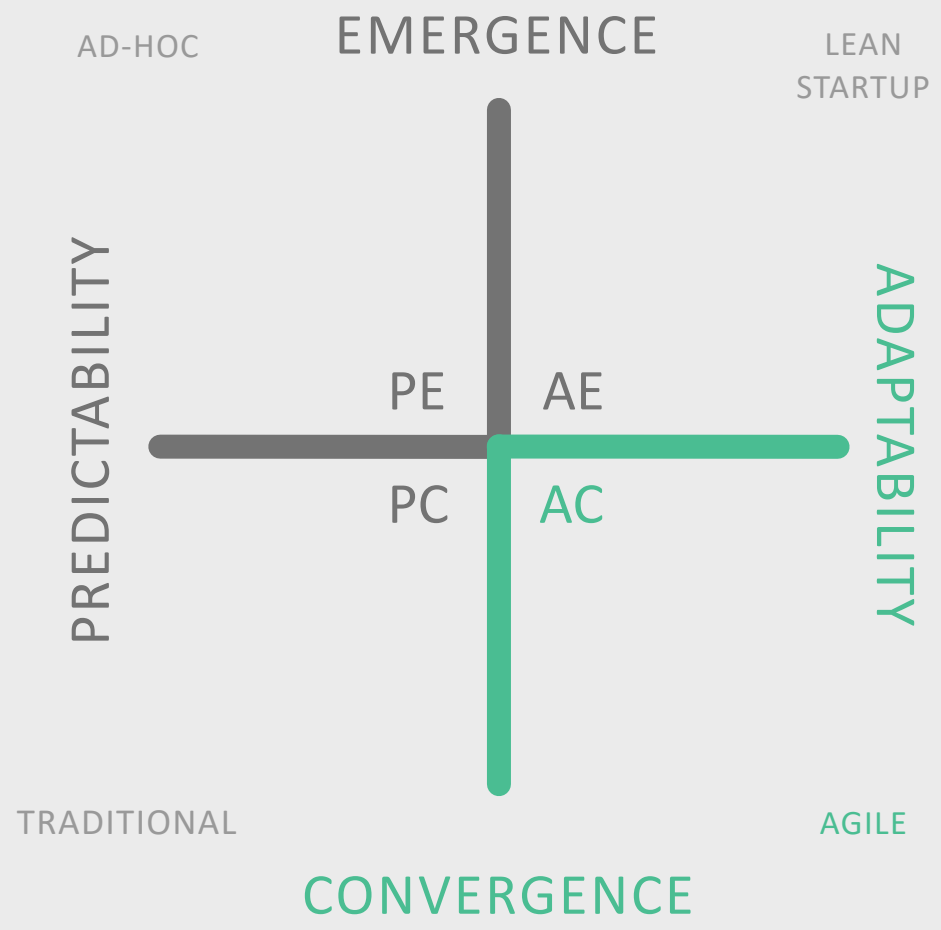




QUADRANT 2  
*Predictive  
Convergent*

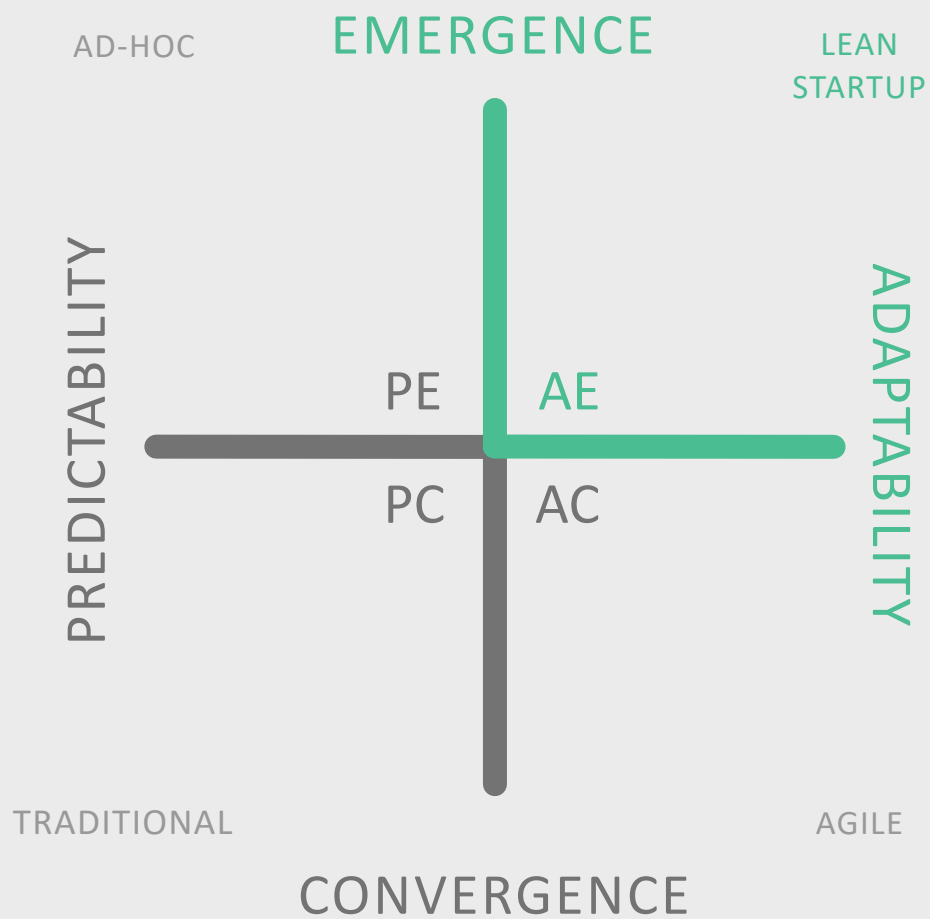


QUADRANT 3  
*Adaptive  
Convergent*

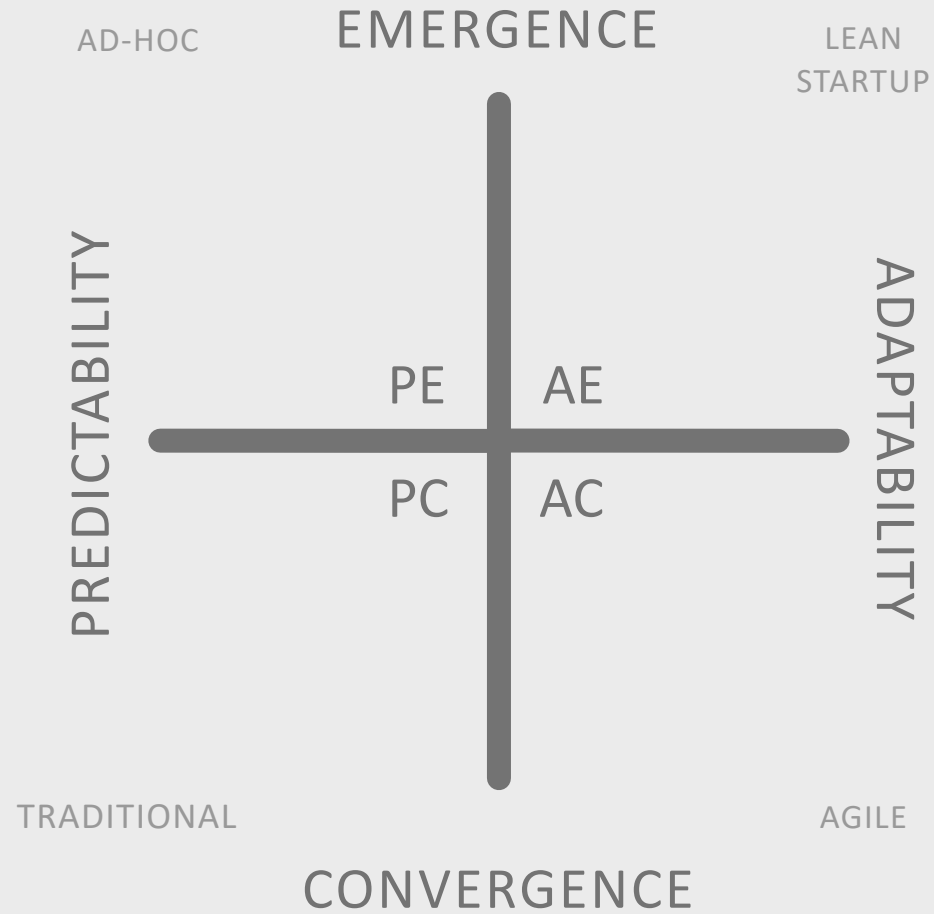


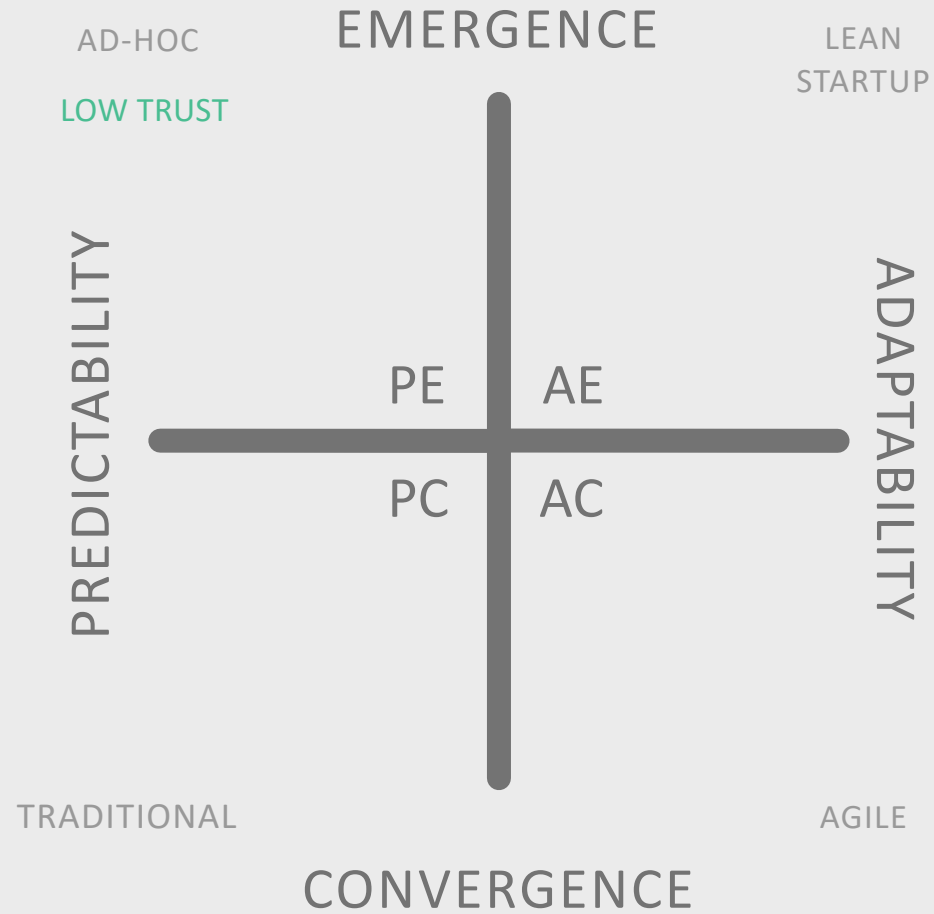
QUADRANT 4

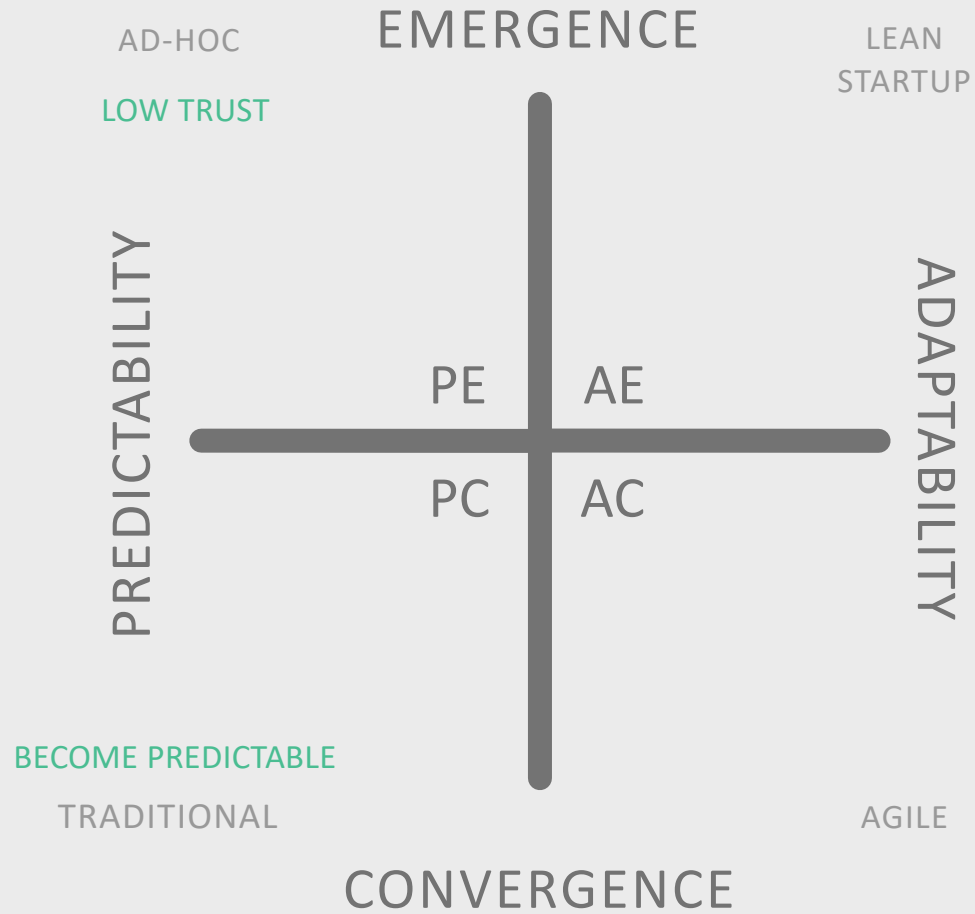
*Adaptive Emergent*

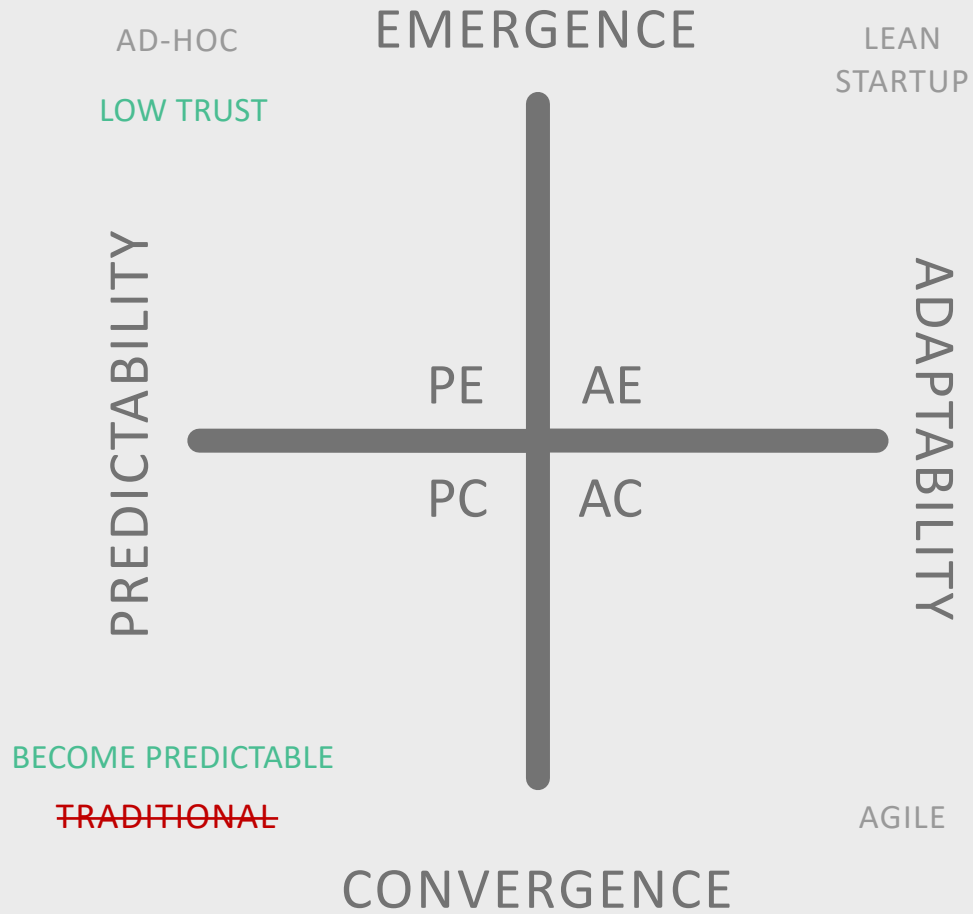


# TRANSFORMATION IS A JOURNEY

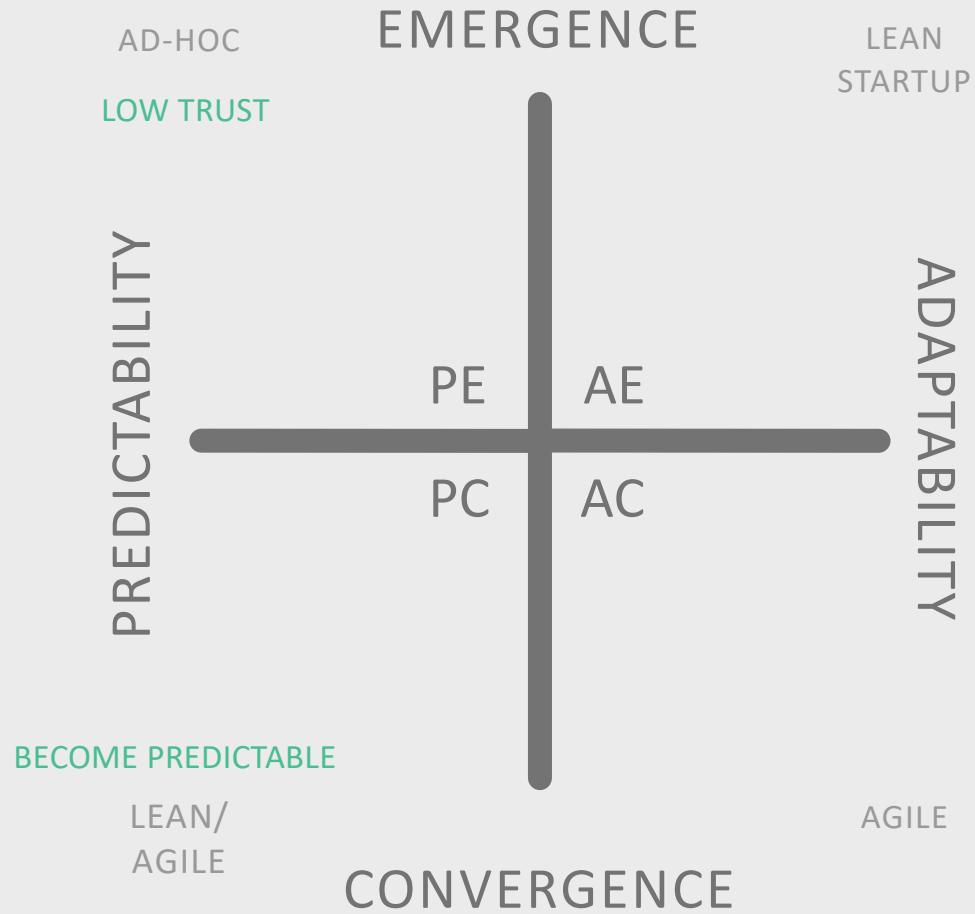


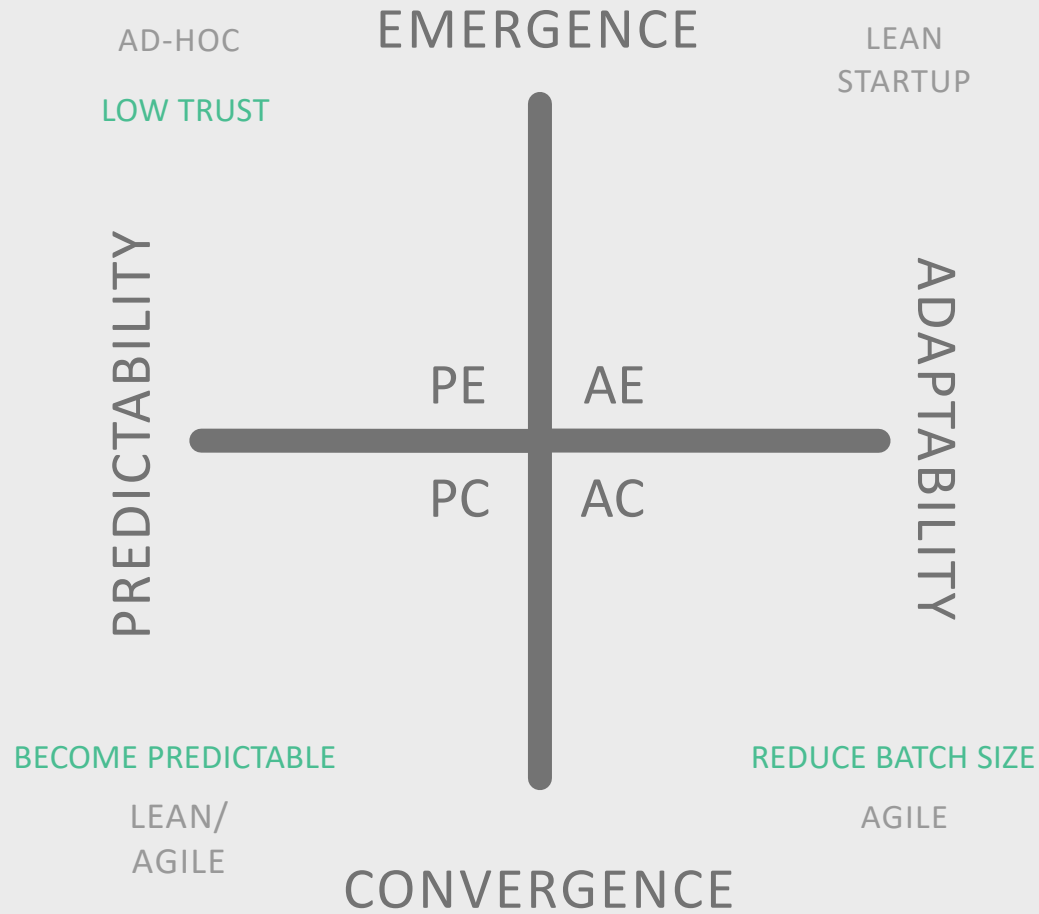


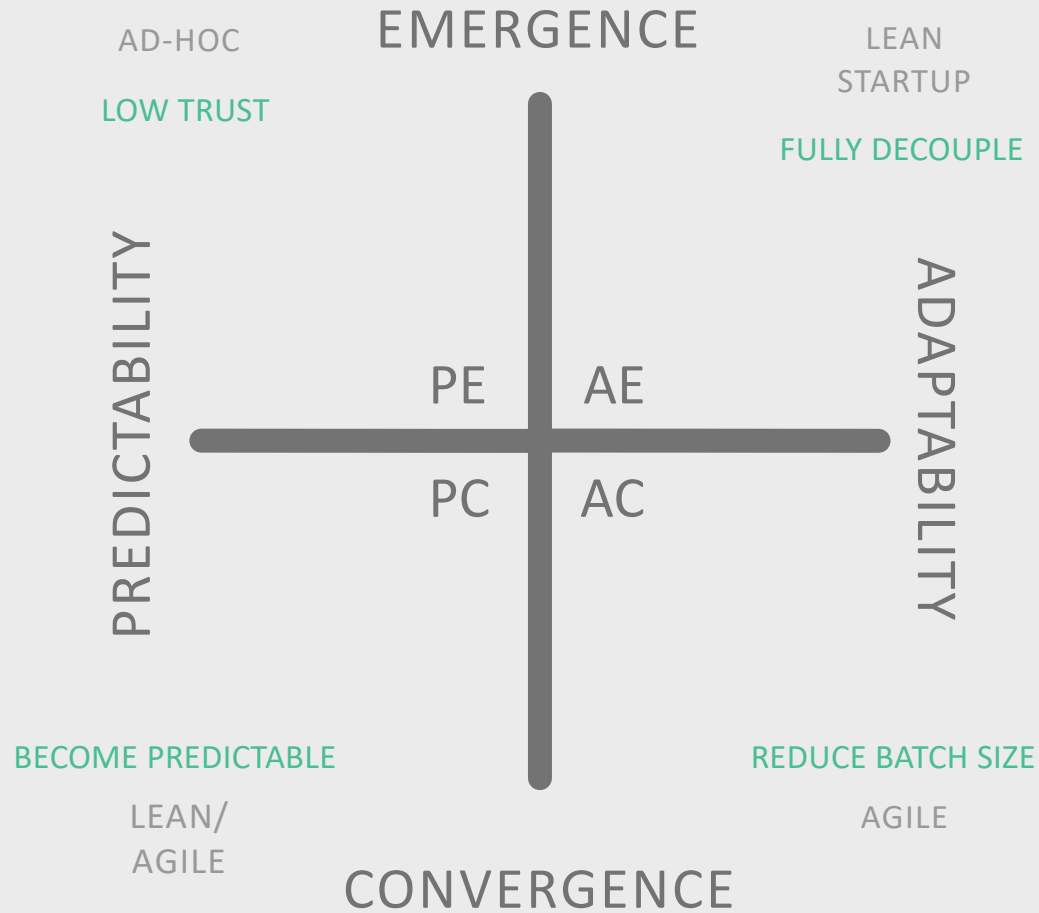












# A THEORY OF TRANSFORMATION

## THEORY OF TRANSFORMATION //

*Adopting agile is about forming teams, building backlogs, and regularly producing increments of working tested software*

## THEORY OF TRANSFORMATION //

*Adopting agile at scale is about defining structure, establishing governance, and creating a metrics and tooling strategy that supports agility*

## THEORY OF TRANSFORMATION //

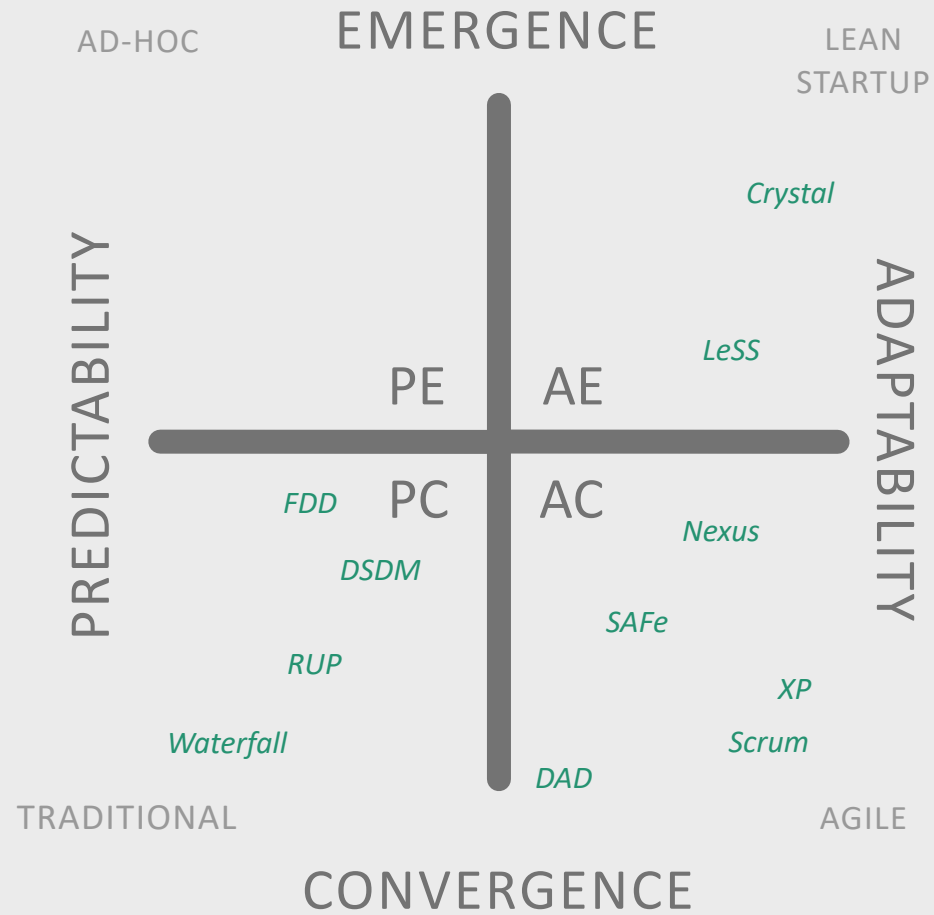
*Anything that gets in the way of forming teams, building backlogs, and producing working tested software is an impediment to transformation*

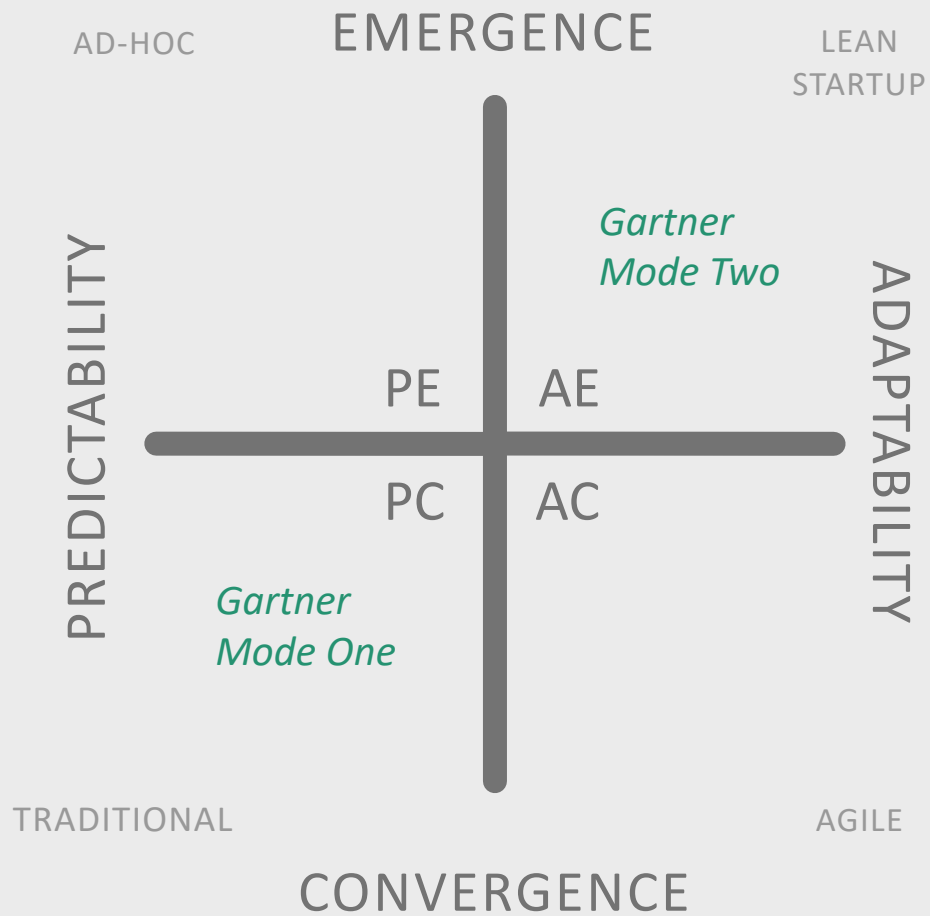
## THEORY OF TRANSFORMATION //

*Solid agile practices will help operationalize the system and encourage a healthy, adaptive, and empowered culture emerge over time*

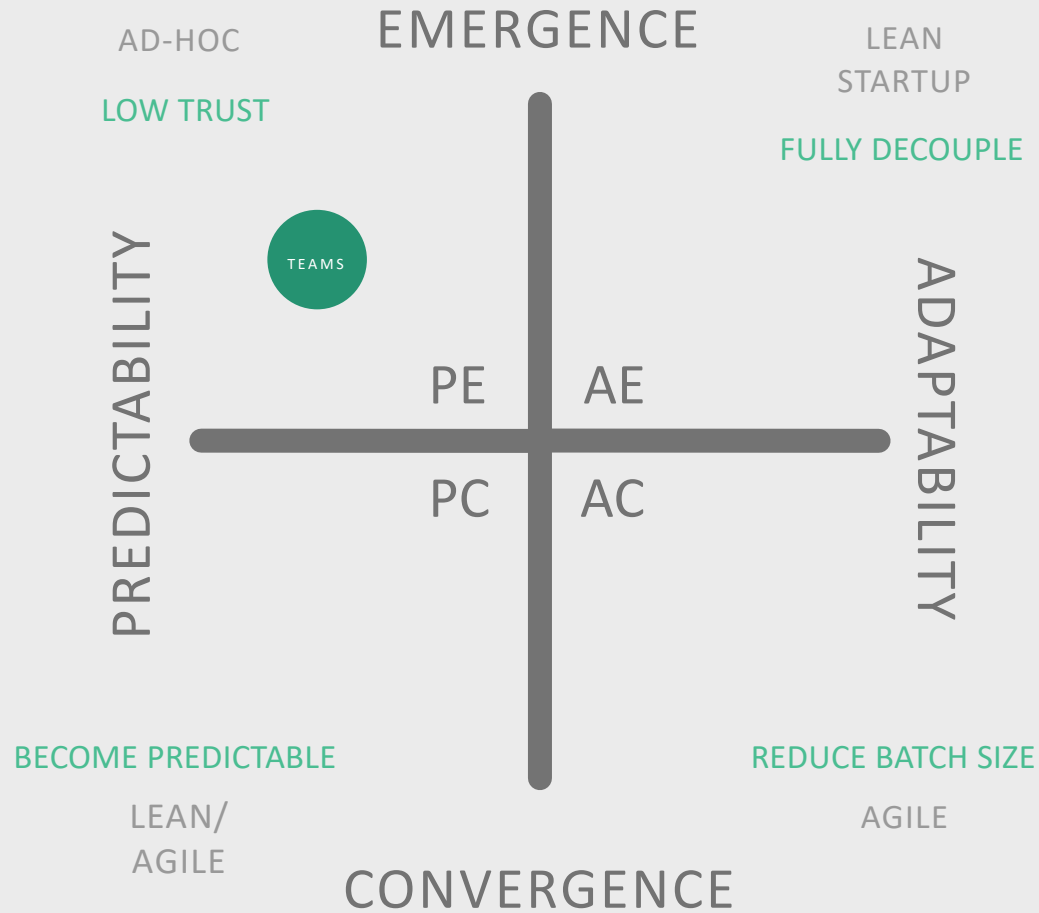


# WHERE ARE WE GOING?



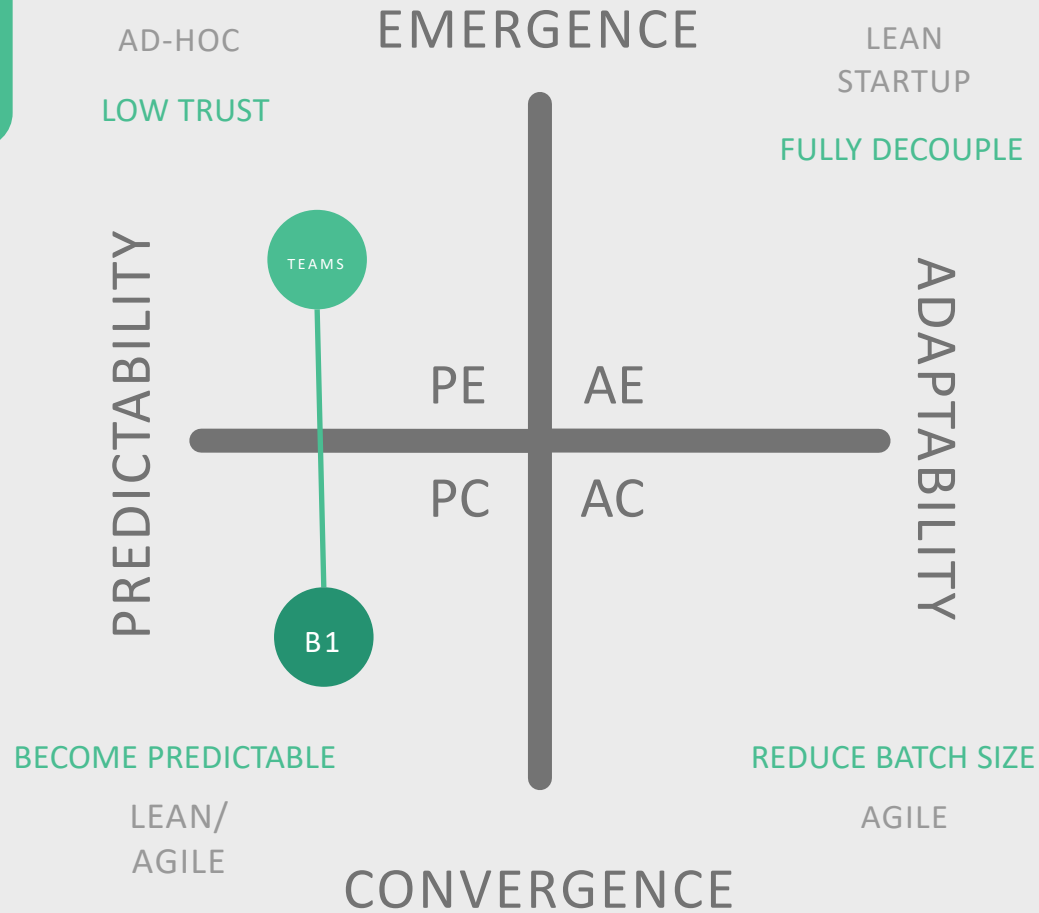


# MAPPING THE JOURNEY



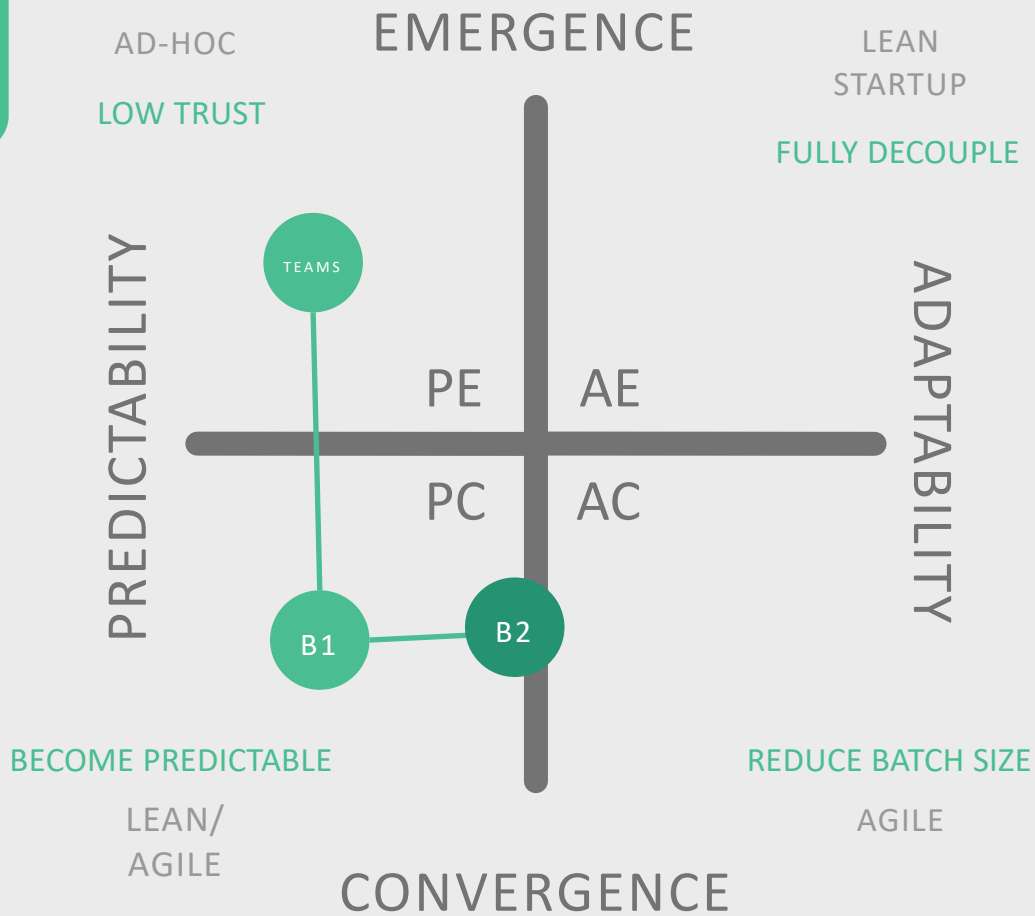
BASECAMP 1

Stabilize the system



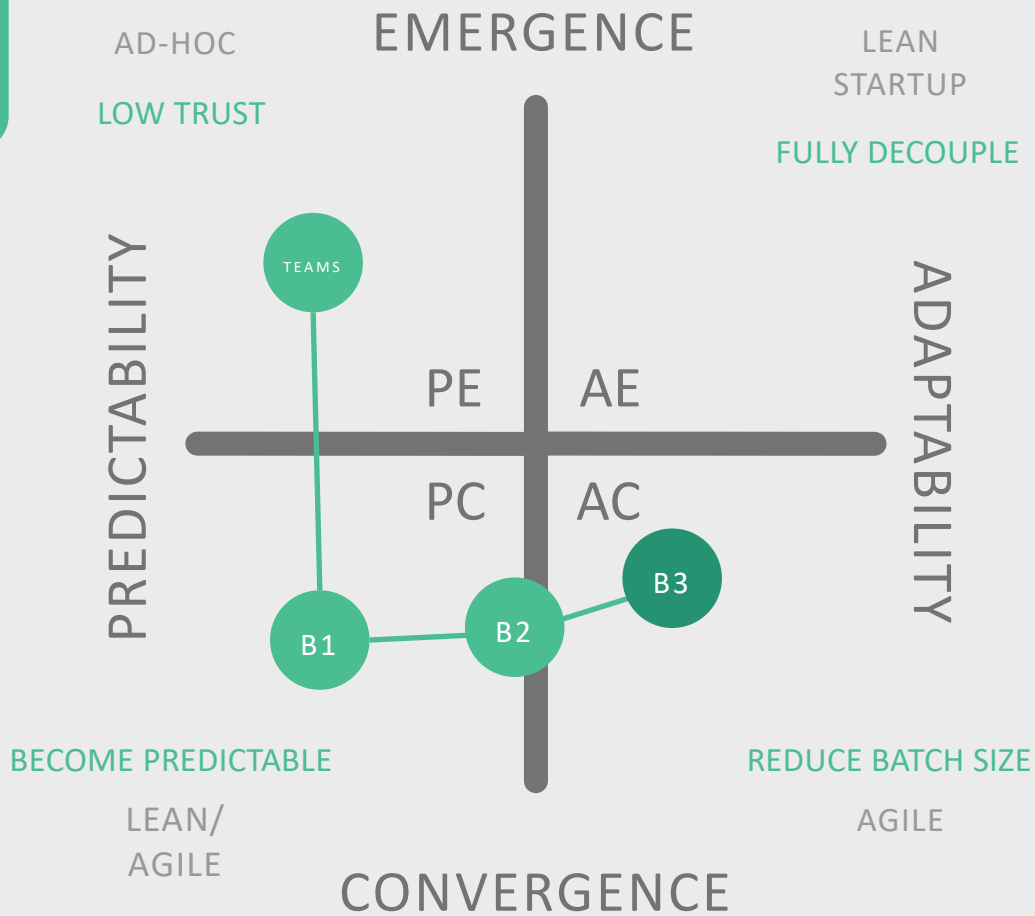
BASECAMP 2

Reduce Batch Size



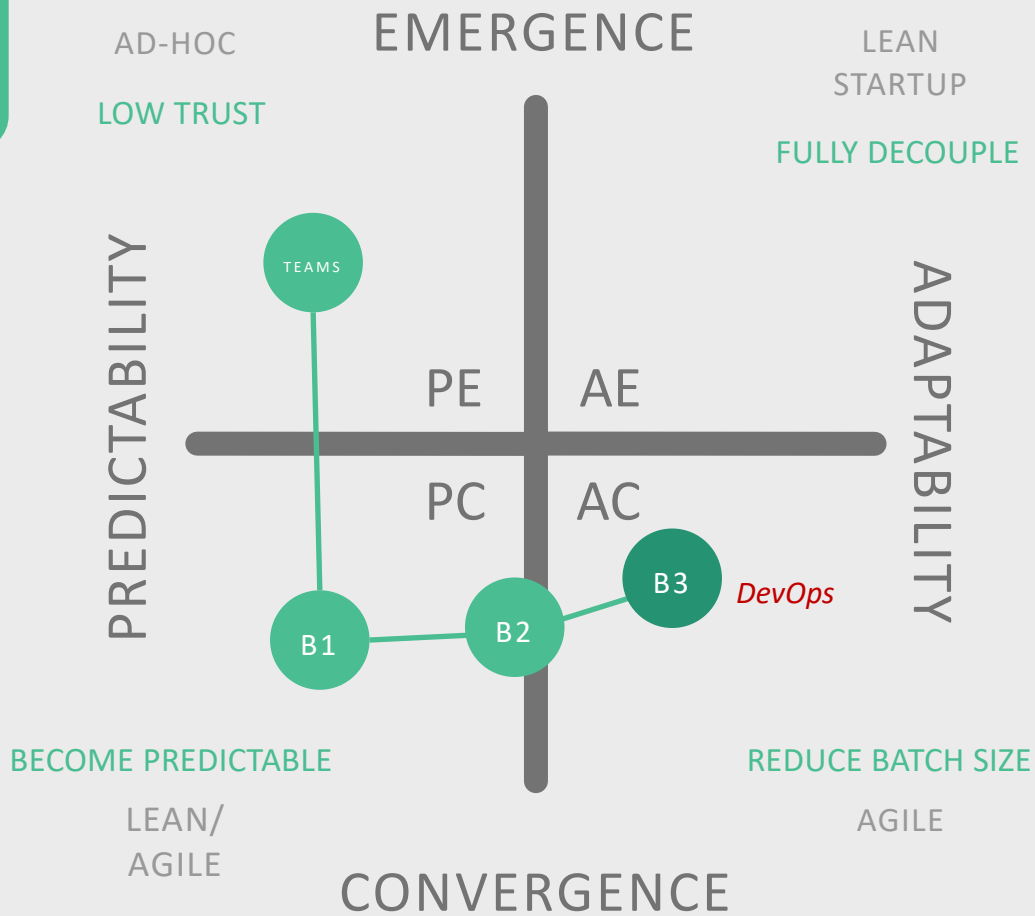
BASECAMP 3

*Break Dependencies*



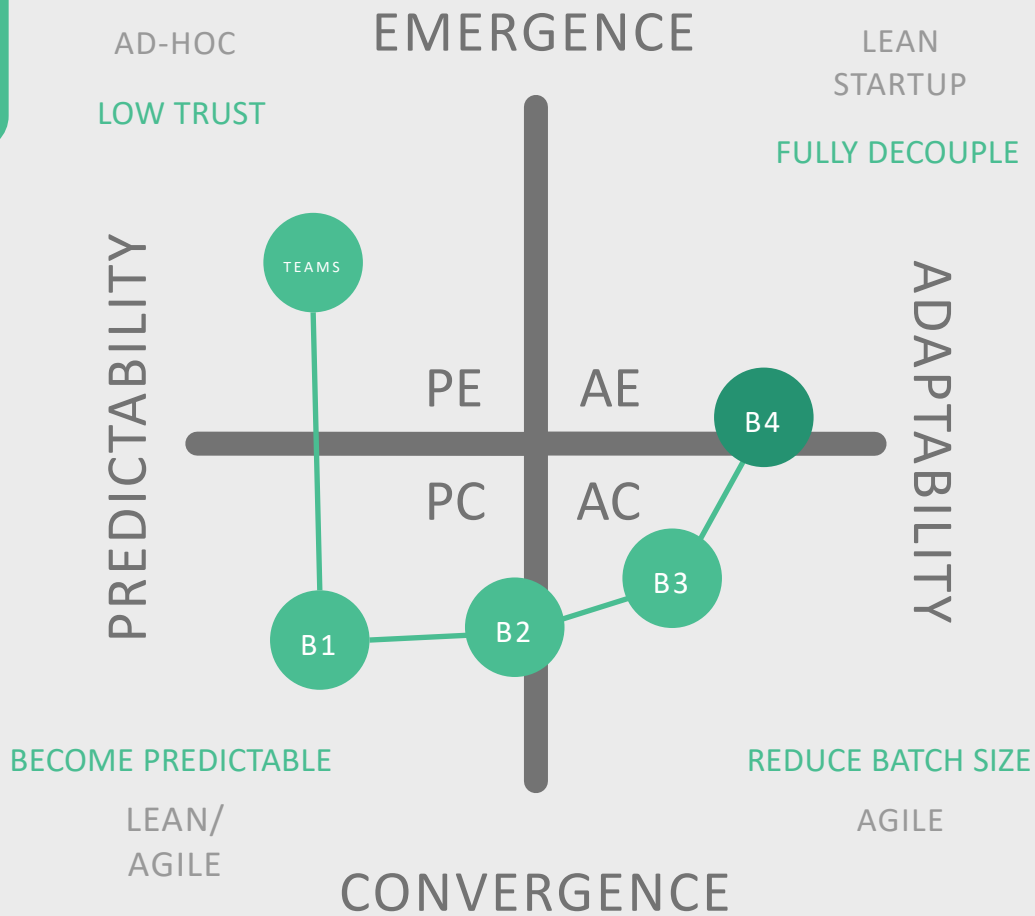


**BASECAMP 3**  
*Break Dependencies*

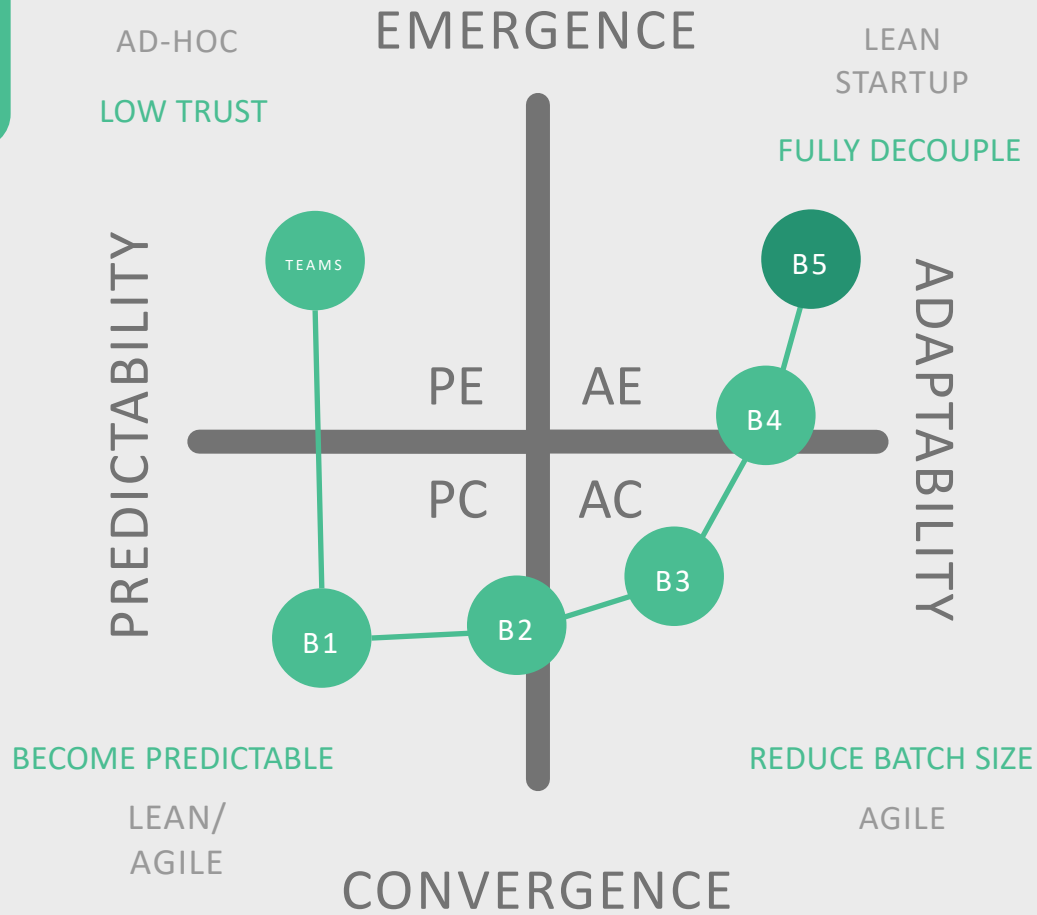


BASECAMP 4

*Increase Local  
Autonomy*



**BASECAMP 5**  
*Invest to Learn*



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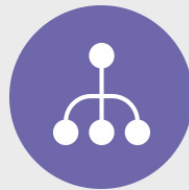


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Experiences



**Services Teams** – These teams support common services across product lines. These teams support the needs of the product teams.



**Product Teams** – These teams integrate services and write customer facing features. This is the proto-typical Scrum team.



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**Programs Teams** – These teams define requirements, set technical direction, and provide context and coordination.



**Product Teams** – These teams integrate services and write customer facing features. This is the proto-typical Scrum team.



**Services Teams** – These teams support common services across product lines. These teams support the needs of the product teams.



**Portfolio Teams** – These teams govern the portfolio and make sure that work is moving through the system.



**Programs Teams** – These teams define requirements, set technical direction, and provide context and coordination.



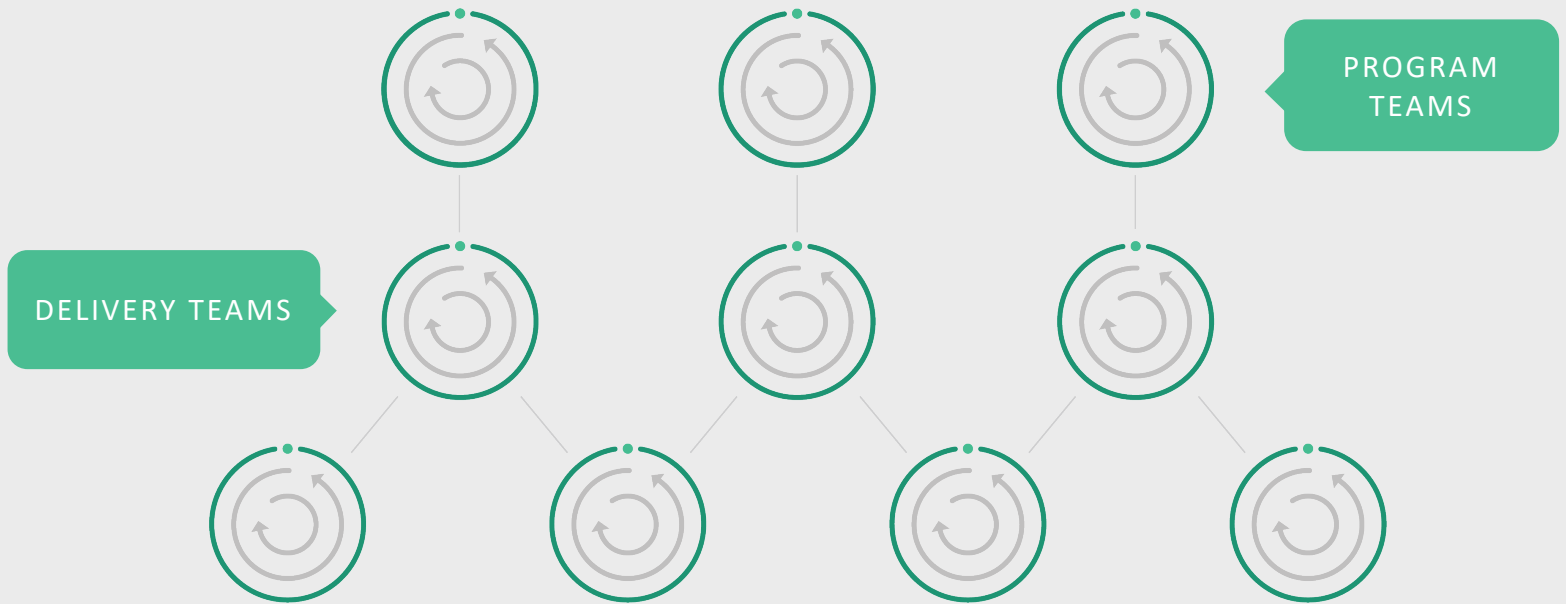
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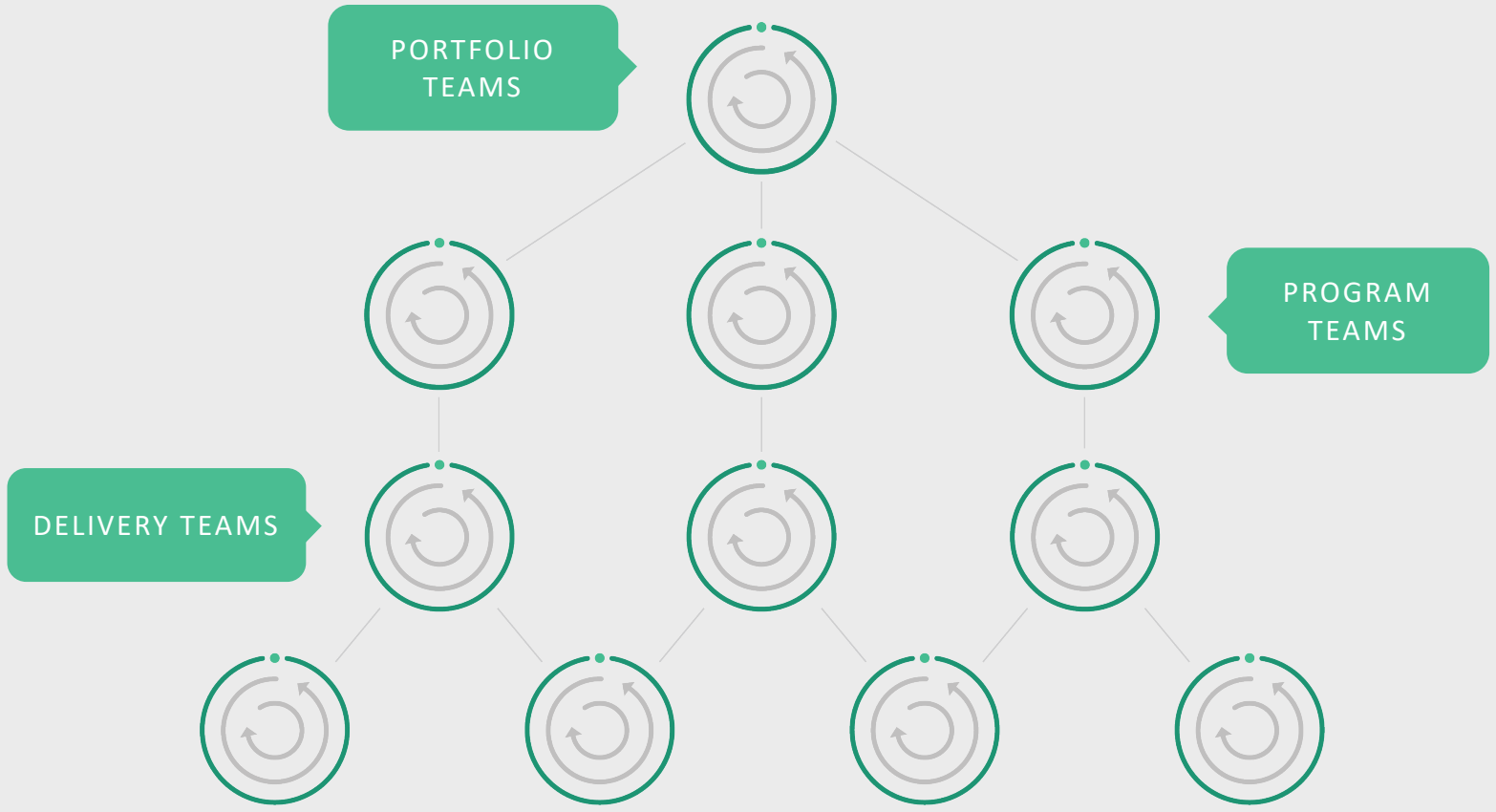


**Services Teams** – These teams support common services across product lines. These teams support the needs of the product teams.









# GOVERNANCE



# 3-TIER GOVERNANCE

## PORTFOLIO TEAM

*Epic | Kanban*



STRATEGIC ALIGNMENT

SOLUTION VISION

DEMAND PLANNING

EXECUTION

VALIDATION

ACCEPTED

## PROGRAM TEAM

*Feature | Kanban*

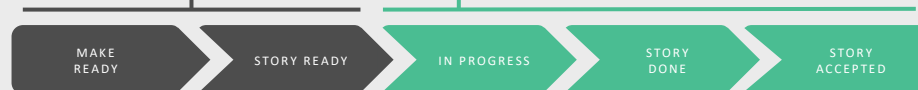


DEMAND PLANNING

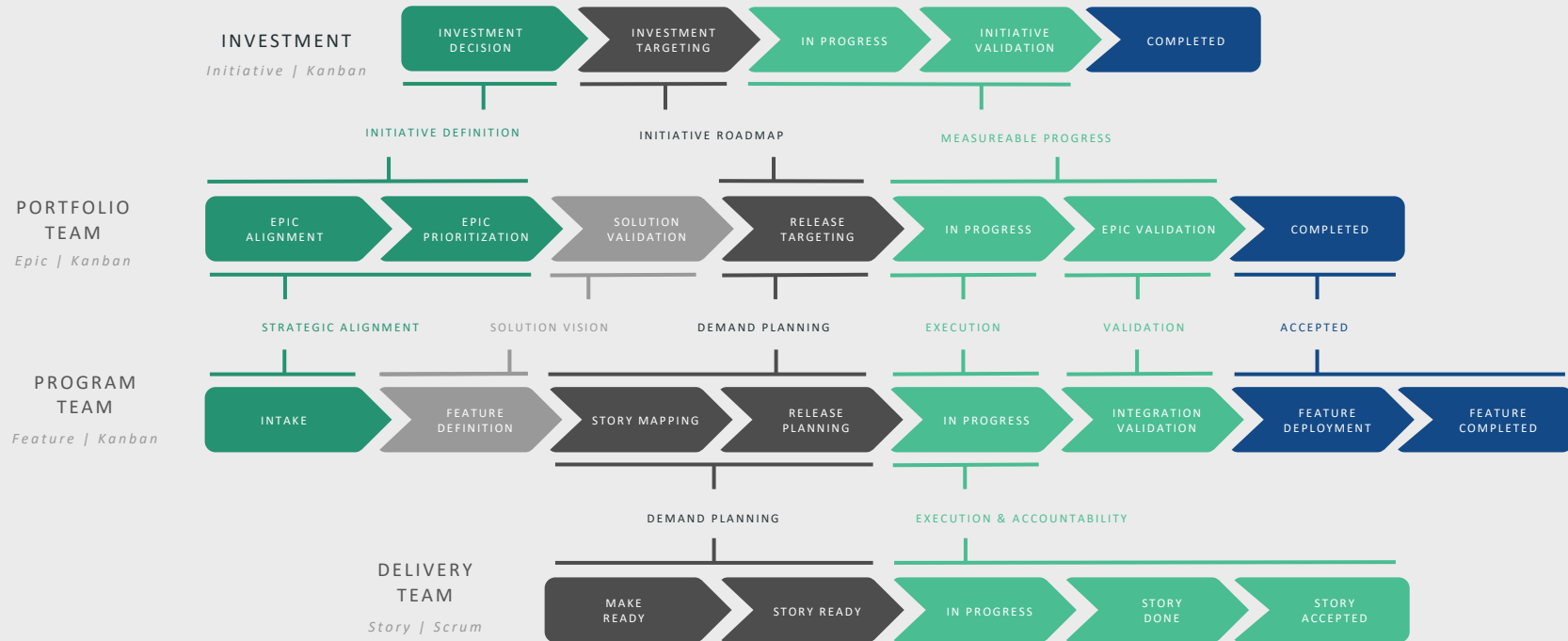
EXECUTION & ACCOUNTABILITY

## DELIVERY TEAM

*Story | Scrum*

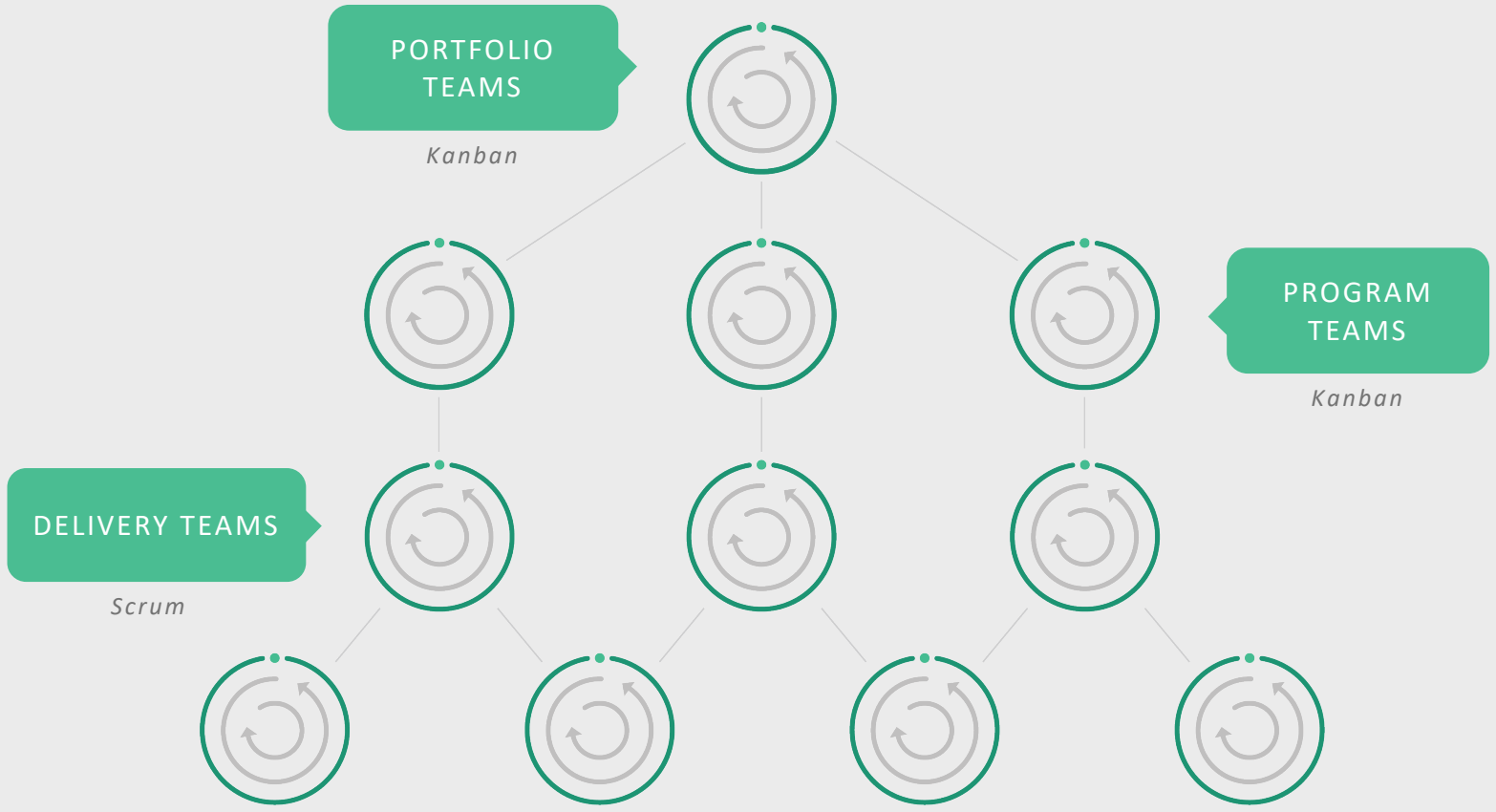


# 4-TIER GOVERNANCE



# METRICS









**PORTFOLIO TEAMS**

*Kanban*



**PROGRAM TEAMS**

*Kanban*

**DELIVERY TEAMS**

*Scrum*



- Backlog Size
- Velocity
- Burndown
- Escaped Defects
- Commit %
- Acceptance % Ratio
- Scope Change

**PORTFOLIO TEAMS**

*Kanban*



**PROGRAM TEAMS**

*Kanban*

- Cycle Time*
- Features Blocked*
- Rework/Defects*

**DELIVERY TEAMS**

*Scrum*



- Backlog Size*
- Velocity*
- Burndown*
- Escaped Defects*
- Commit %*
- Acceptance % Ratio*
- Scope Change*

*Takt Time/ Cycle Time  
Time/Cost/Scope/Value  
ROI/Capitalization*

**PORTFOLIO TEAMS**

*Kanban*



**PROGRAM TEAMS**

*Kanban*

*Cycle Time  
Features Blocked  
Rework/Defects*

**DELIVERY TEAMS**

*Scrum*



*Backlog Size  
Velocity  
Burndown  
Escaped Defects  
Commit %  
Acceptance % Ratio  
Scope Change*

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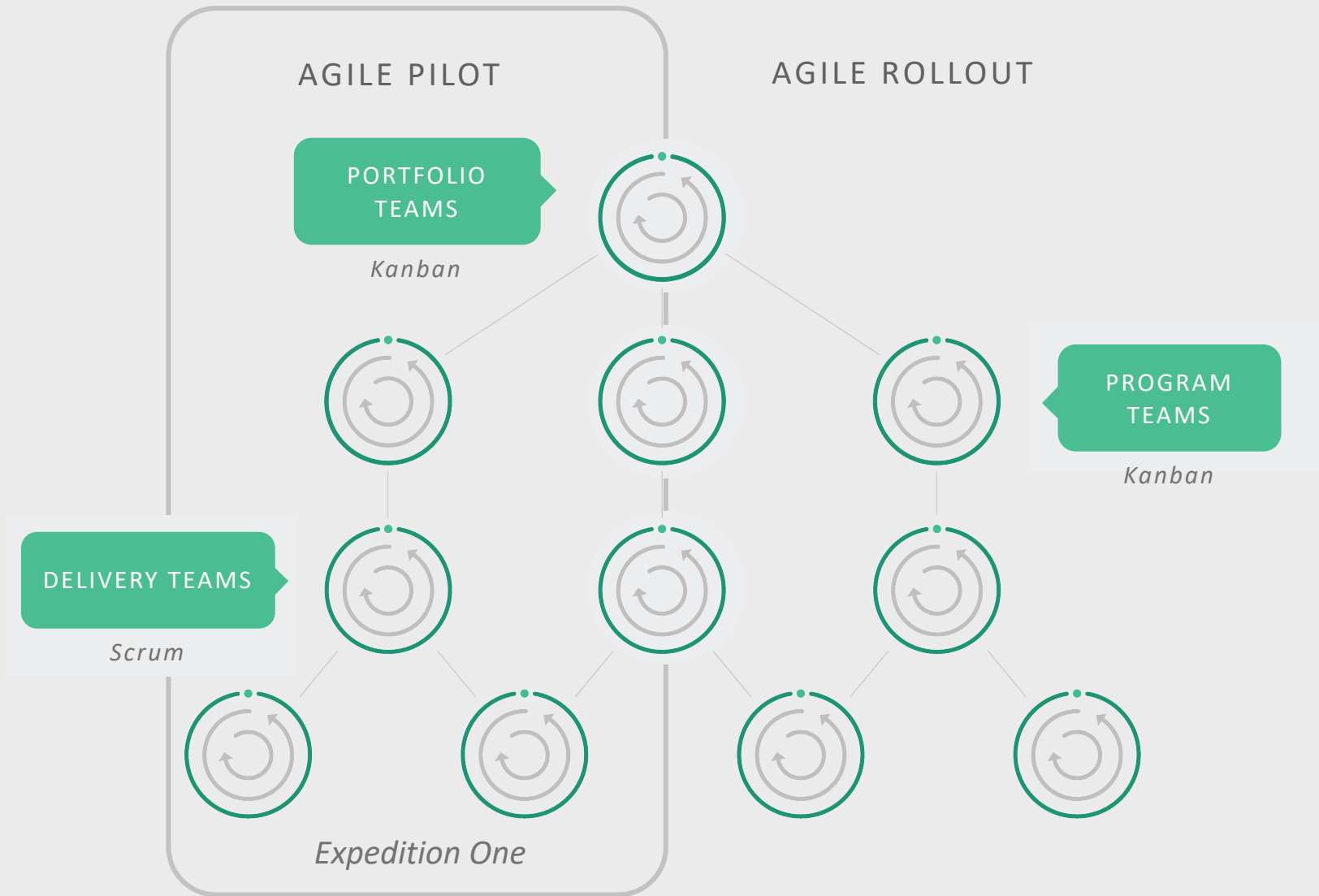


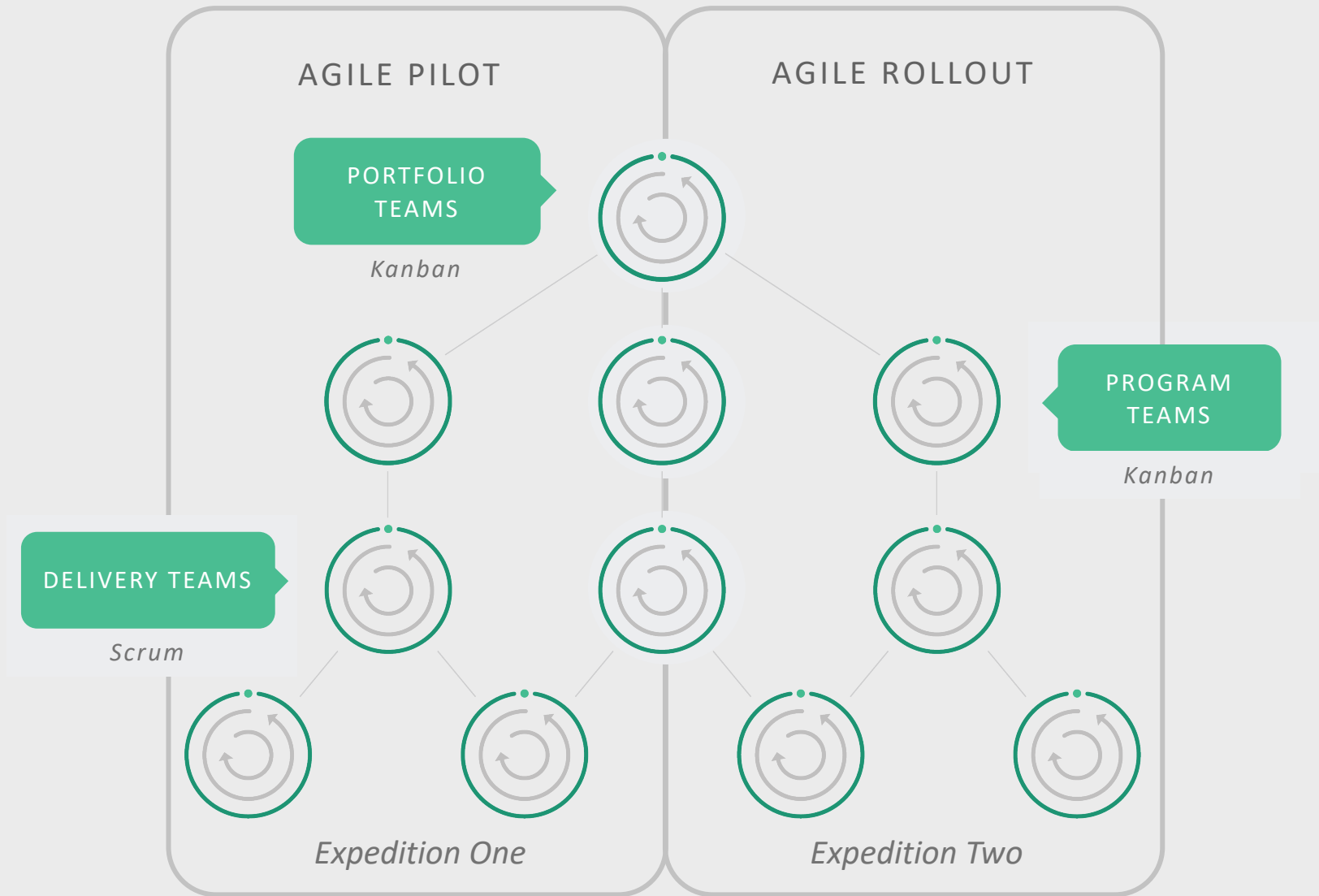
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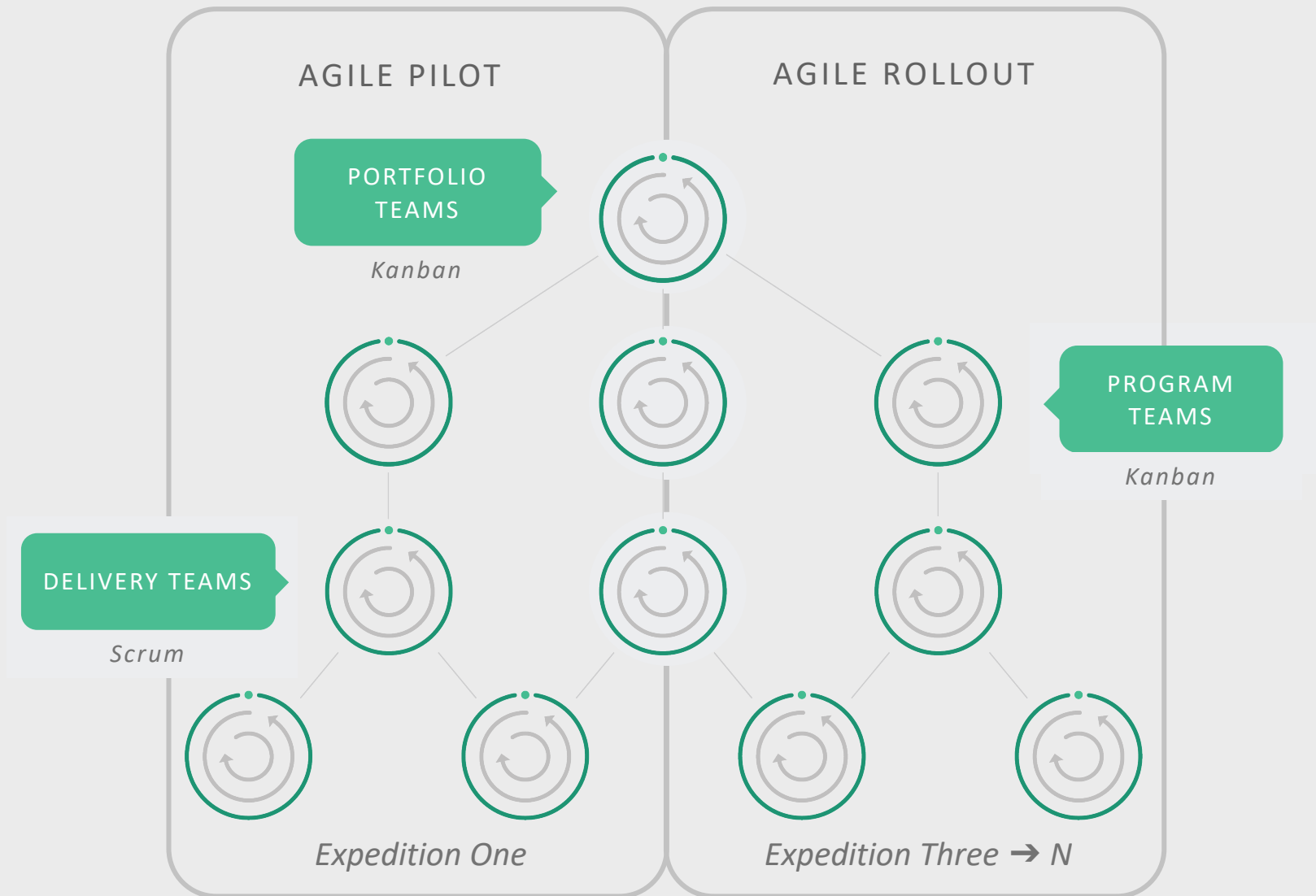


Skills &  
Experiences

# INCREMENTAL TRANSFORMATION (EXPEDITIONS)

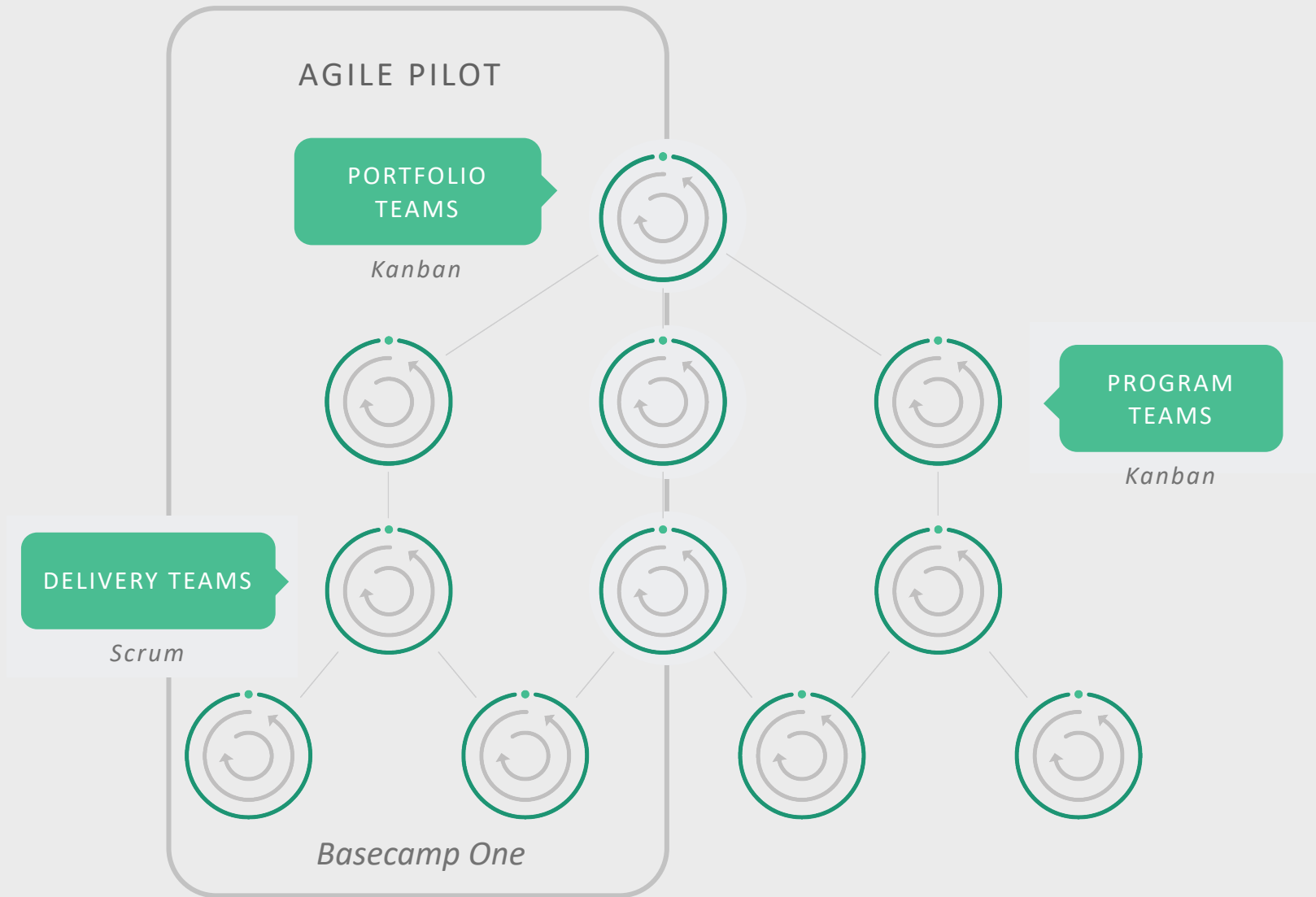


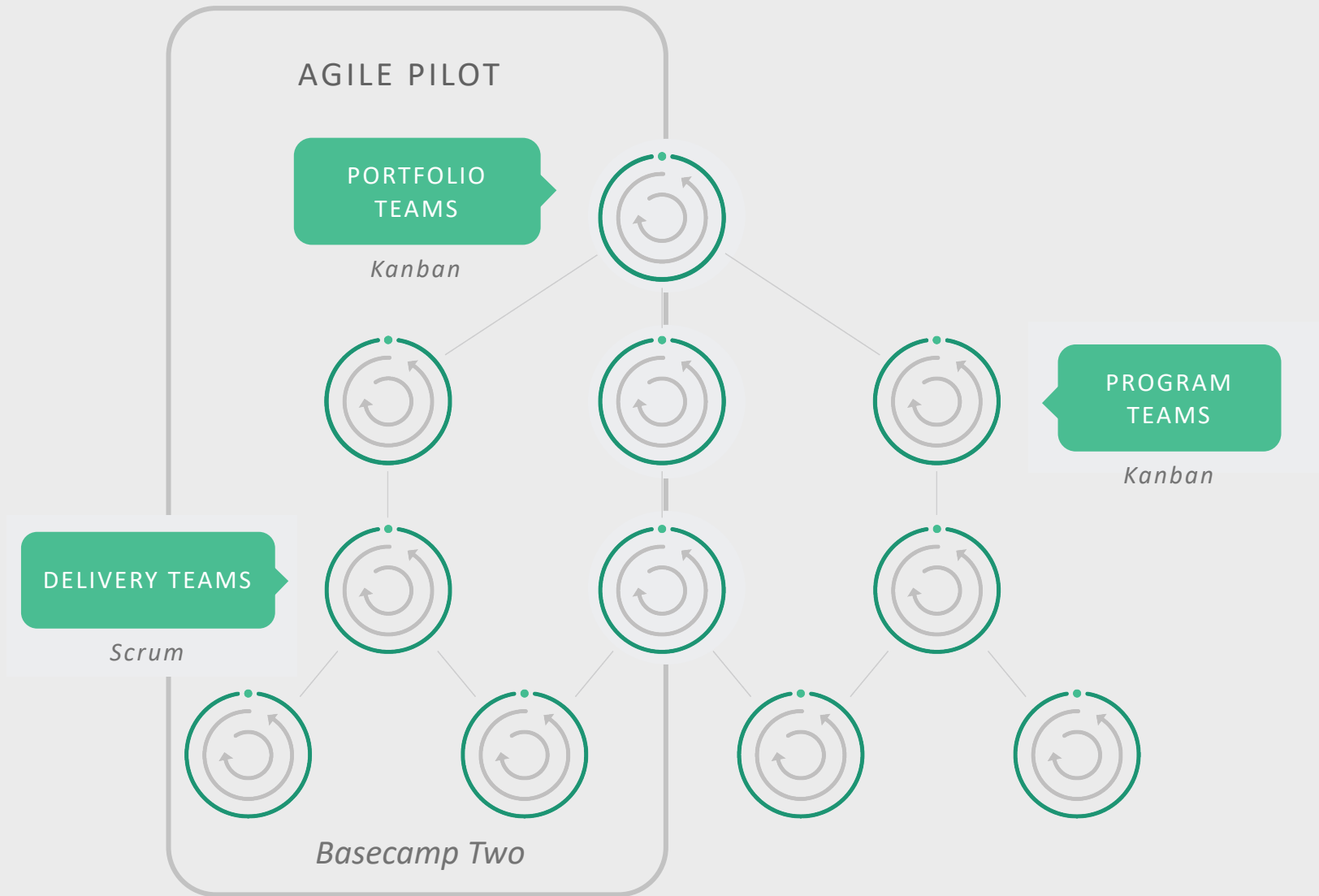


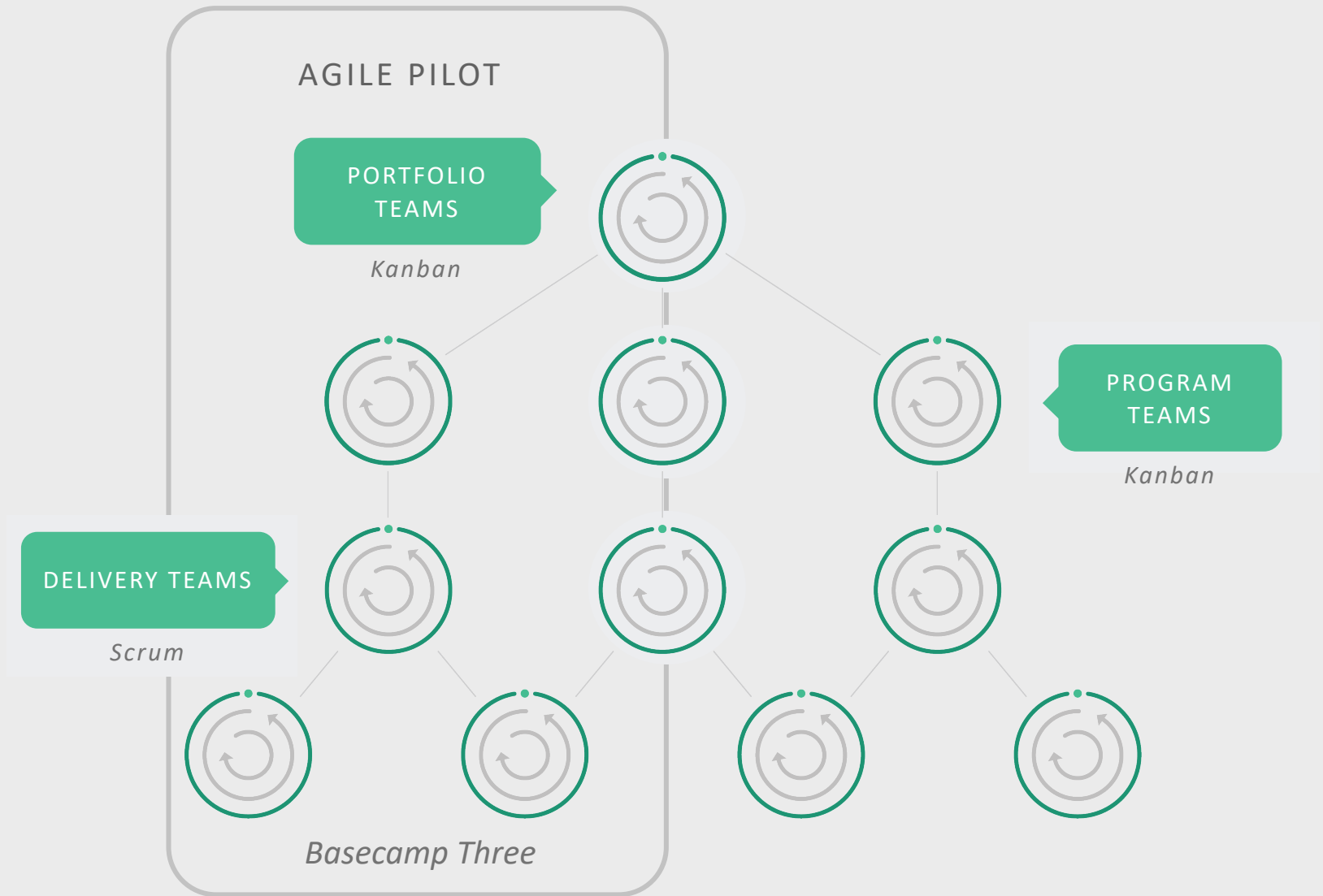


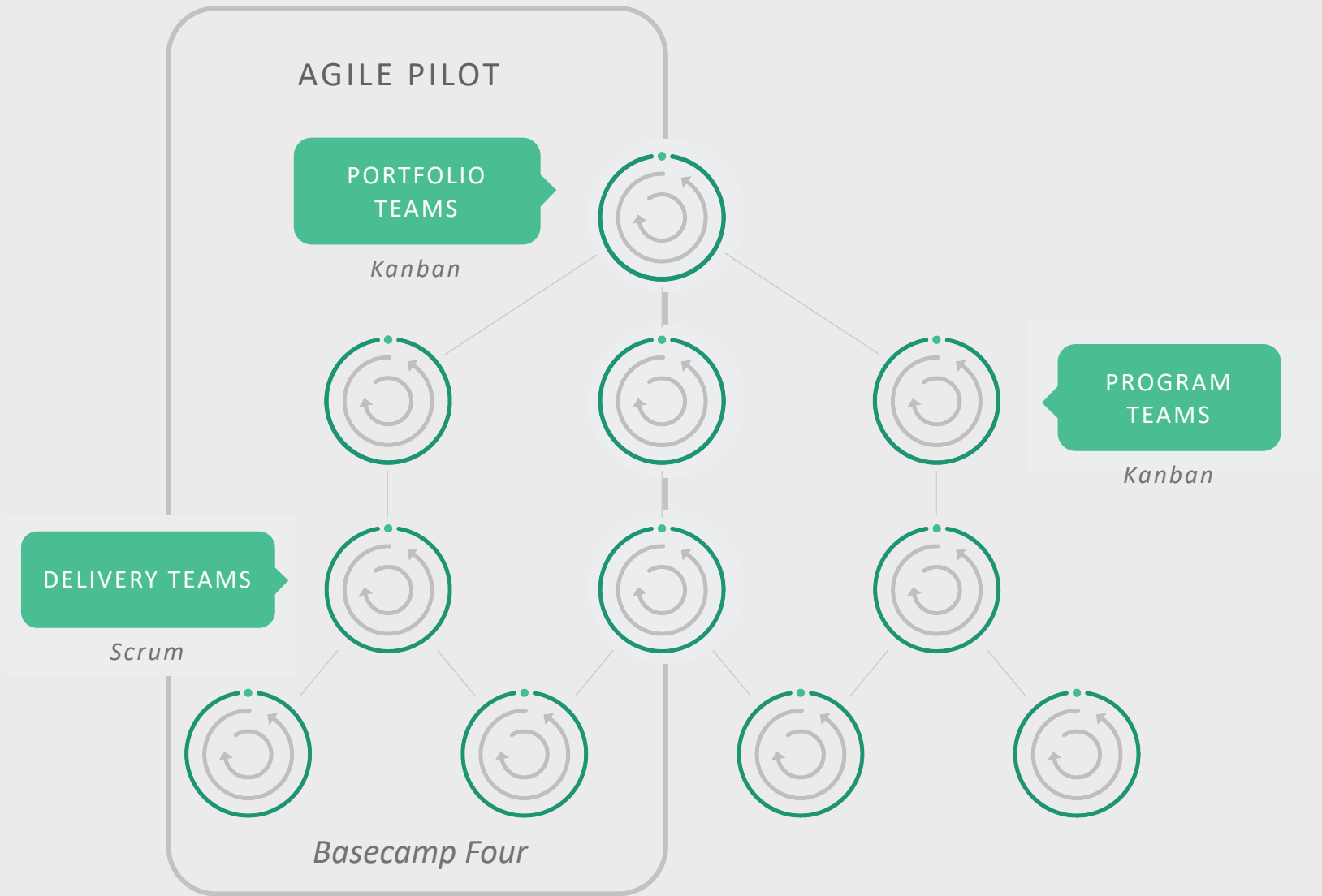


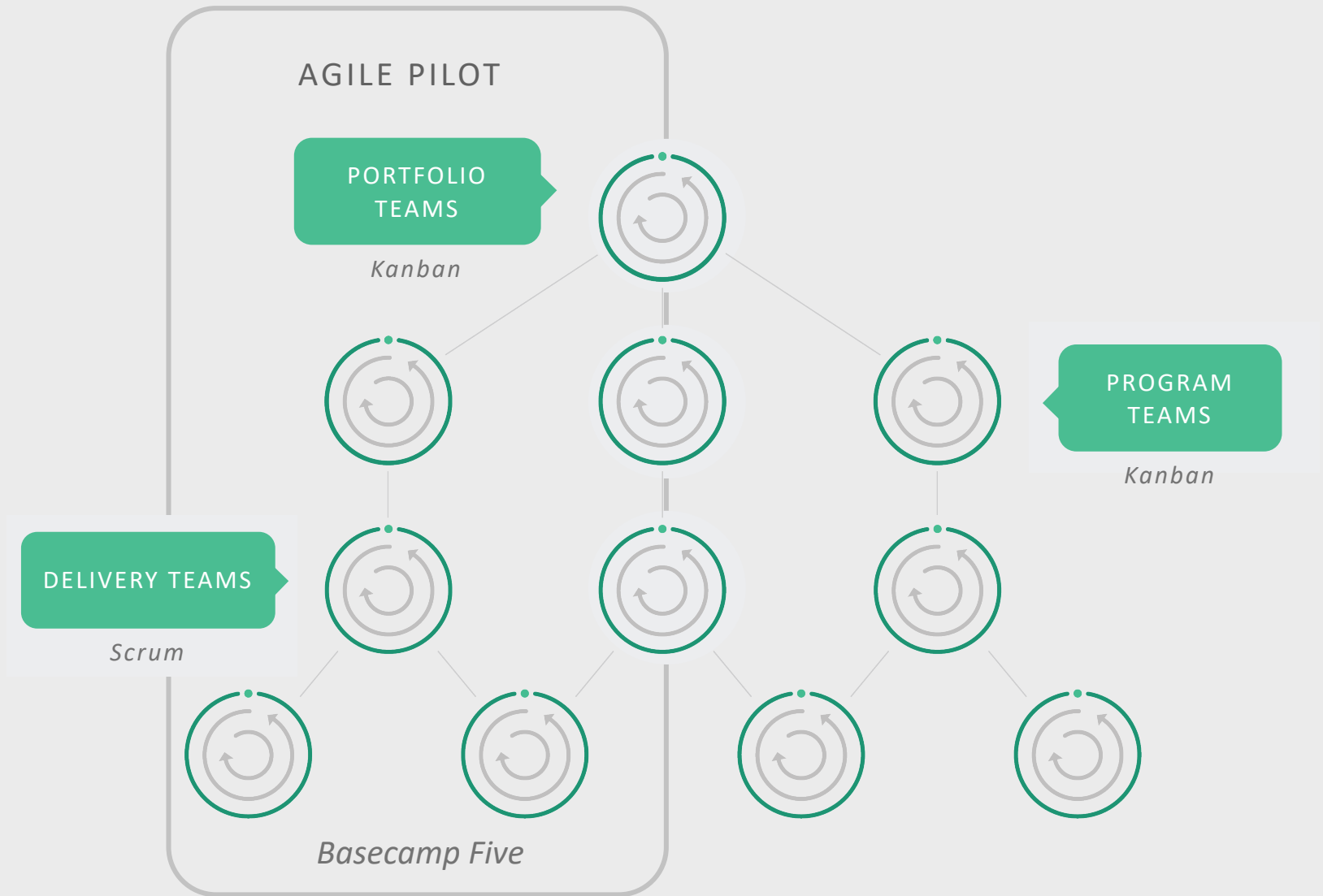
# ITERATIVE TRANSFORMATION (BASECAMPS)



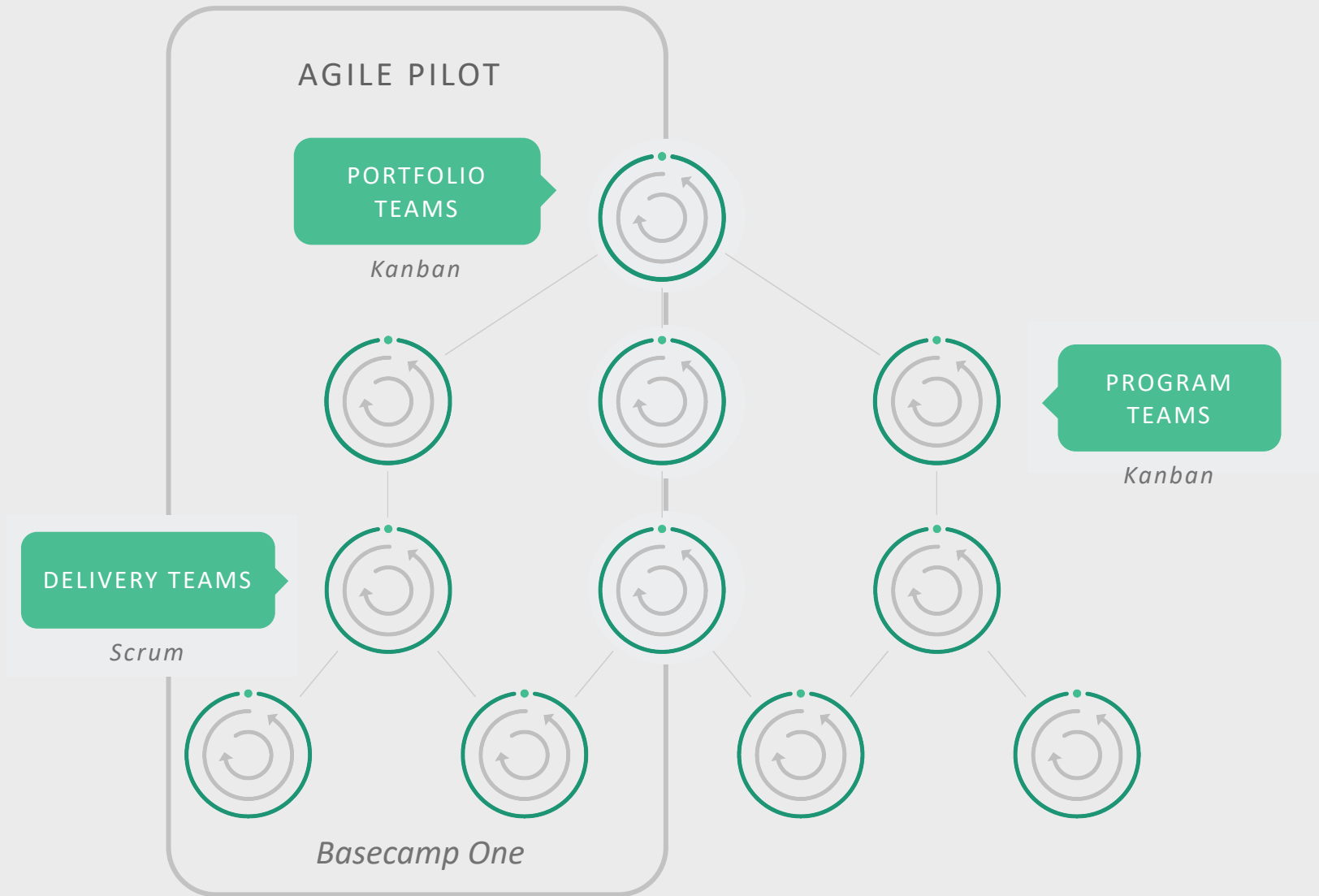




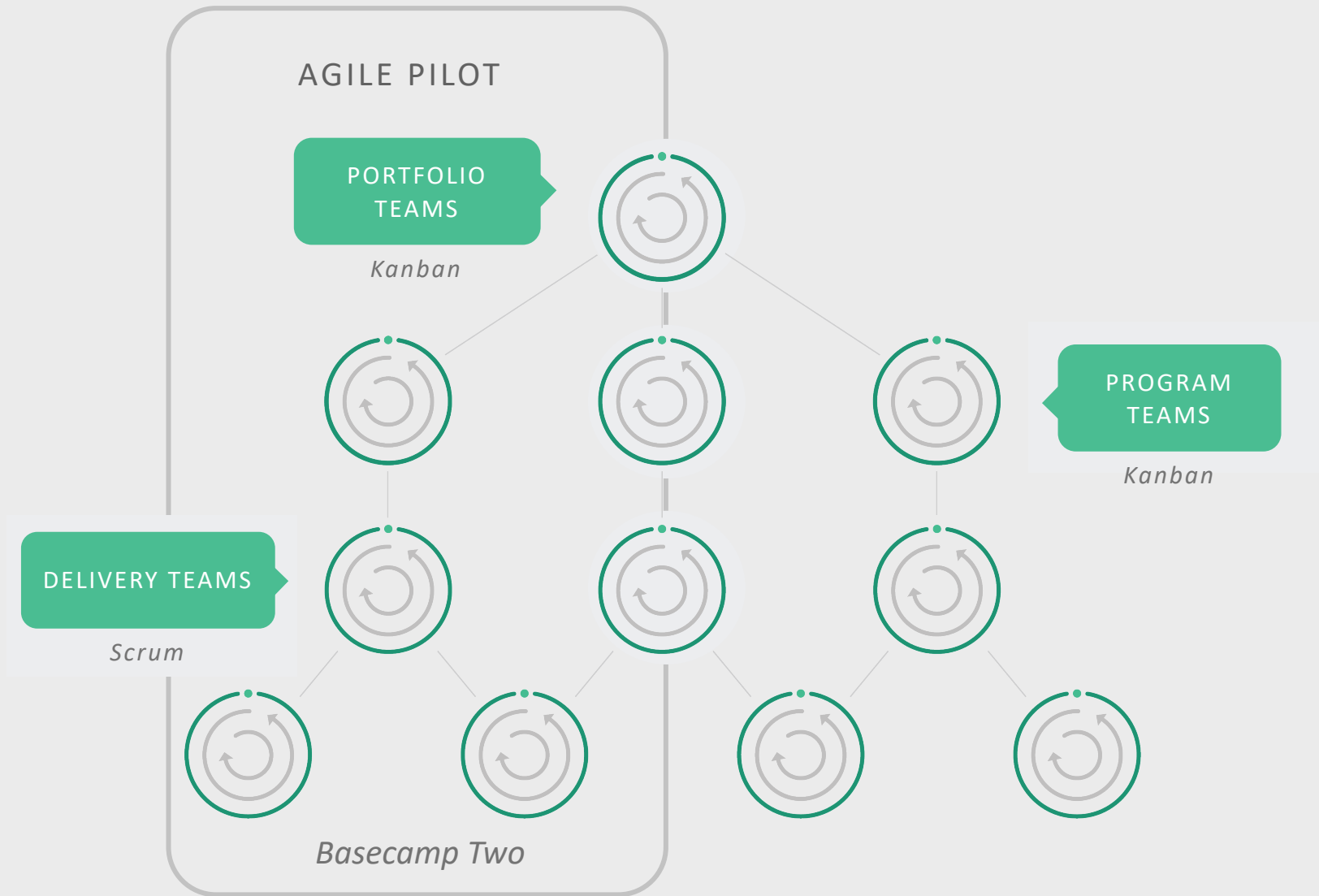


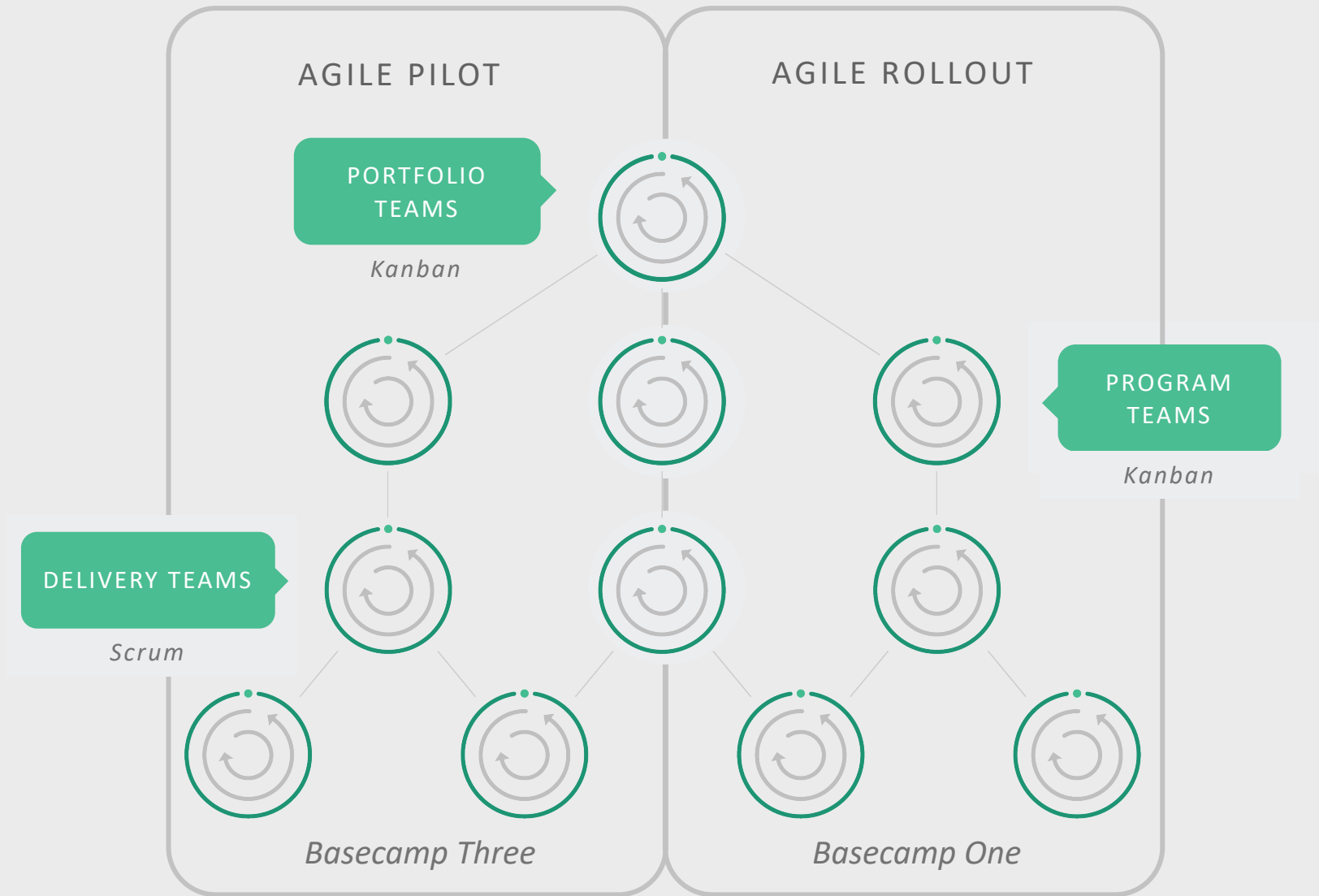


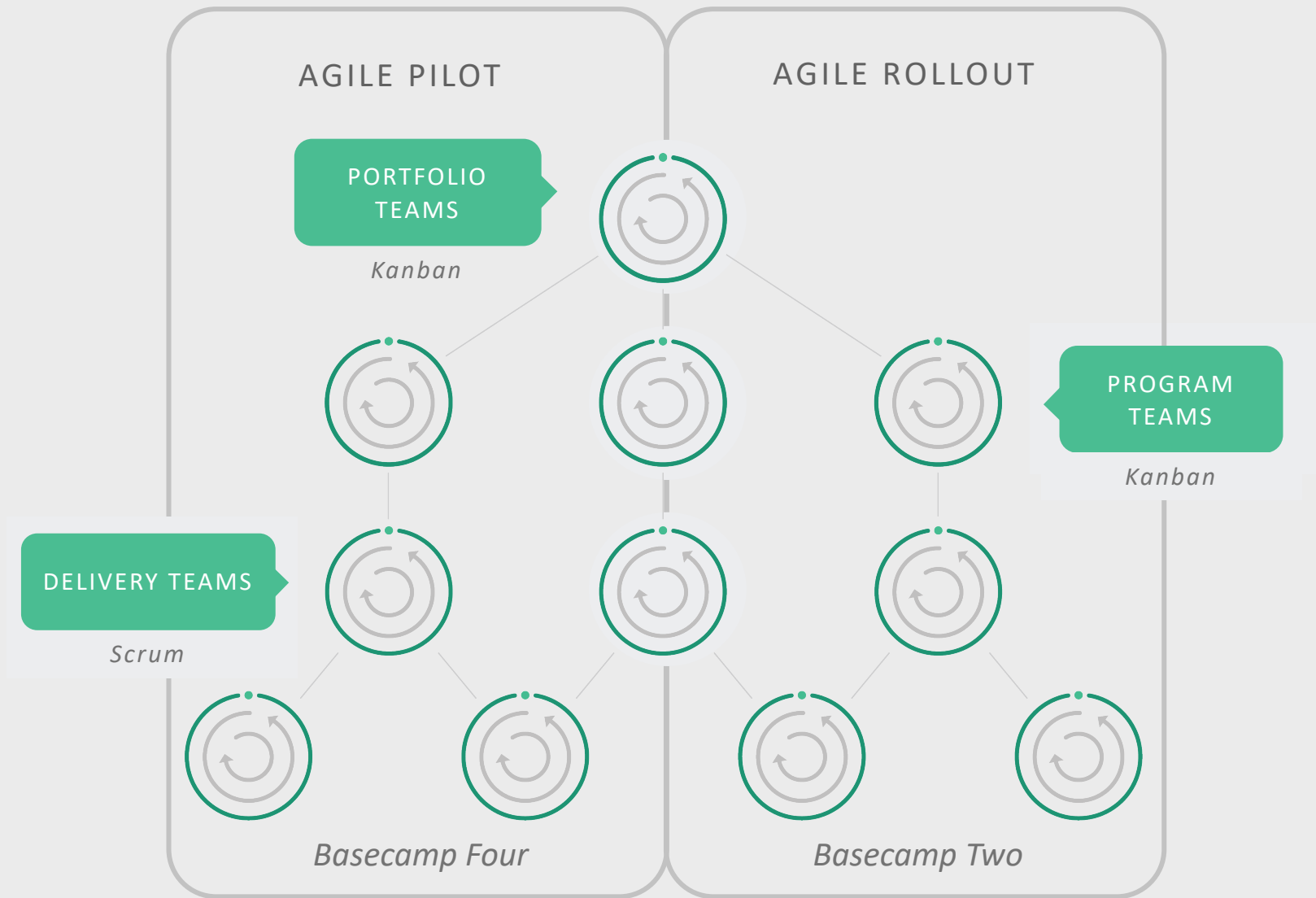
# EXPEDITIONS & BASECAMPS

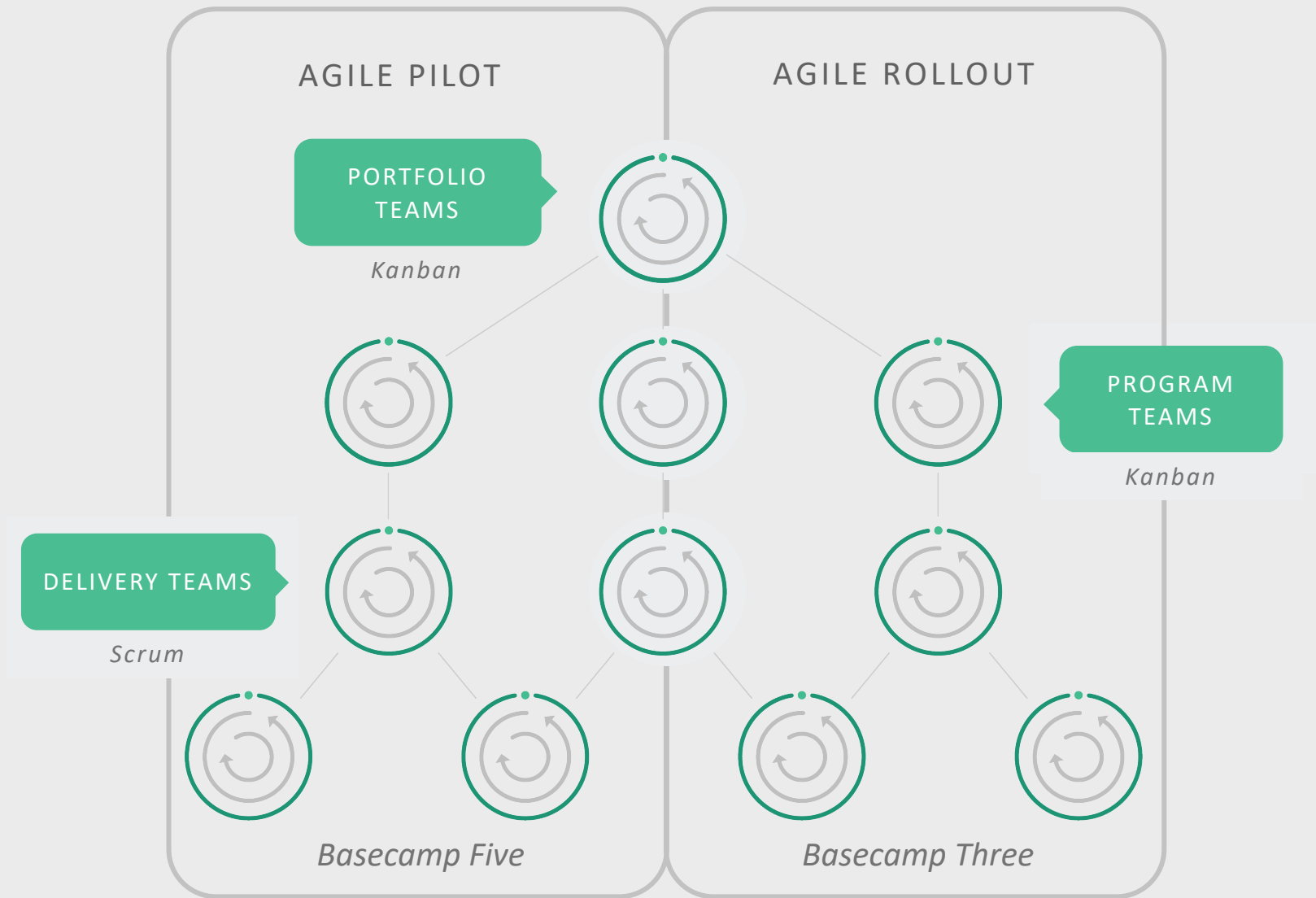












# PLAYBOOK & FIELD GUIDE



# STEP 1

## BUILD A LEADERSHIP COALITION



### WHY

Agile transformation isn't something that can be done to an organization.

They have to be full participants



### WHAT

Holding the organization accountable

Remove Impediments

Plan the work

Review Progress

Inspect and Adapt



### HOW

Executive Steering Committee

Transformation Leadership Team

## STEP 2

### DEFINE AN END-STATE VISION



#### WHY

We have to have some idea of where we are going before we start

We will accept the plan will change



#### WHAT

Transformation Workshop

Pilot

Broad Organization Rollout

Create Feedback Loops



#### HOW

Create a working hypothesis for structure, governance, and metrics

Plan to progressively elaborate

## STEP 3

### BUILD A ROADMAP



#### WHY

We have to be able to give the organization some idea of what we are doing, when, and how long



#### WHAT

What teams are going to be formed?

What training do they need?

What coaching do they need?

When will this all happen?



#### HOW

Expeditions

Basecamps

Sequenced in Time



## STEP 4

### MAINTAIN A ROLLING 90-DAY PLAN



#### WHY

Very similar to an agile release plan, we want a rolling 90 day, fairly specific view of what is going to take place



#### WHAT

Week by week training and coaching plans

Detailed resource planning

Expected activities and outcomes.



#### HOW

Transformation leadership team meets periodically to plan forward, assess progress, and adjust as necessary

# STEP 5

## CONDUCT 30-DAY CHECKPOINTS



### WHY

Very similar to a sprint cycle in Scrum

We want to periodically assess progress, retrospect, and adjust



### WHAT

Scheduled recurring meetings

Review planning artifacts

Review metrics

Improvement plans



### HOW

ELT reviews progress against strategy and outcomes

TLT focuses on how well the plan is moving along

# STEP 6

## CONNECT ACTIVITY TO OUTCOME



### WHY

The whole reason we are doing this is to get better business outcomes

This is where we begin justifying the investment



### WHAT

Assessments  
Status Reports  
Coaching Plans



### HOW

Create hypotheses  
Conduct experiments  
Demonstrate outcomes  
Pivot based on what we learn

# STEP 7

## CONNECT OUTCOMES TO BUSINESS OBJECTIVES



### WHY

We want to be able to trace improvements in the system to tangible business benefits



### WHAT

Assessment  
Outcomes

Transformation  
metrics

Business Metrics



### HOW

Business metric  
baselines

Regularly show  
progress

Update coaching  
plans as necessary

## STEP 8

### INCORPORATE FEEDBACK



#### WHY

Our understanding will evolve throughout the transformation



#### WHAT

Refine the End-State Vision and the Roadmap



#### HOW

Re-assess the End-State Vision based on the evolving understanding

# STEP 9

## MANAGE COMMUNICATION



### WHY

Letting everyone know what is going on and the success of the program will create excitement and energy



### WHAT

Town Halls  
Executive roundtables  
Signage  
Information Radiators  
Cadence of Accountability



### HOW

Regular communication from leadership  
Be transparent about progress and impediments

# STEP 10

## CREATE SAFETY FOR EVERYONE



### WHY

Understand what's in it for everyone involved and help them see where they fit in the new organization



### WHAT

- Team assignments
- Staffing plans
- Job descriptions
- Job aids
- Communities of Practice



### HOW

- Clarity
- Accountability
- Measurable progress

## WHY



Business  
Case



Transformation  
Hypothesis

## WHAT



Theory &  
Approach



Reference  
Architecture

## HOW



Change  
Model



Results  
Management

## WHO



Roles &  
Responsibilities



Skills &  
Experiences

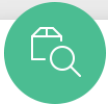


# TRANSFORMATION METRICS

# CAPABILITY IMPROVEMENTS

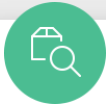


# CAPABILITY IMPROVEMENTS



DEFINE THE PRODUCT

# CAPABILITY IMPROVEMENTS

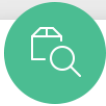


DEFINE THE PRODUCT



PLAN & COORDINATE

# CAPABILITY IMPROVEMENTS



DEFINE THE PRODUCT

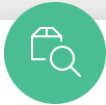


PLAN & COORDINATE



DELIVER THE SOLUTION

# CAPABILITY IMPROVEMENTS



DEFINE THE PRODUCT



ORGANIZATION ENABLEMENT

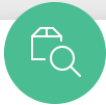


PLAN & COORDINATE



DELIVER THE SOLUTION

# CAPABILITY IMPROVEMENTS



DEFINE THE PRODUCT



ORGANIZATION ENABLEMENT



PLAN & COORDINATE



CONTINUOUS IMPROVEMENT



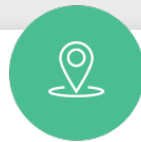
DELIVER THE SOLUTION

# MEASURING PROGRESS



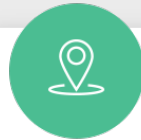


# MEASURING PROGRESS



ACTIVITIES

# MEASURING PROGRESS

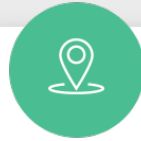


ACTIVITIES



OUTCOMES

# MEASURING PROGRESS



ACTIVITIES



OUTCOMES



BASECAMPS

# BUSINESS METRICS

# GOALS AND OBJECTIVES



# GOALS AND OBJECTIVES



**PREDICTABILITY**

# GOALS AND OBJECTIVES



PREDICTABILITY



QUALITY

# GOALS AND OBJECTIVES



PREDICTABILITY



QUALITY



EARLY ROI



# GOALS AND OBJECTIVES



PREDICTABILITY



QUALITY



EARLY ROI



LOWER COSTS

# GOALS AND OBJECTIVES



PREDICTABILITY



QUALITY



EARLY ROI



LOWER COSTS



INNOVATION

# GOALS AND OBJECTIVES



PREDICTABILITY



QUALITY



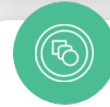
EARLY ROI



LOWER COSTS



INNOVATION



PRODUCT FIT

# FINANCIAL MEASUREMENT



# FINANCIAL MEASUREMENT



RETURN ON INVESTMENT

# FINANCIAL MEASUREMENT



RETURN ON INVESTMENT



PAYBACK PERIOD

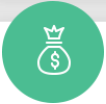
# FINANCIAL MEASUREMENT



RETURN ON INVESTMENT



PAYBACK PERIOD



CAPITALIZATION RATE

# FINANCIAL MEASUREMENT



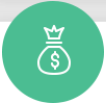
RETURN ON INVESTMENT



REVENUE ACCELERATION



PAYBACK PERIOD



CAPITALIZATION RATE



# FINANCIAL MEASUREMENT



RETURN ON INVESTMENT



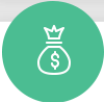
REVENUE ACCELERATION



PAYBACK PERIOD



PRODUCTIVITY IMPROVEMENTS



CAPITALIZATION RATE

# FINANCIAL MEASUREMENT



RETURN ON INVESTMENT



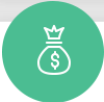
REVENUE ACCELERATION



PAYBACK PERIOD



PRODUCTIVITY IMPROVEMENTS



CAPITALIZATION RATE



EMPLOYEE TURNOVER RATIO

## WHY



Business  
Case



Transformation  
Hypothesis

## WHAT



Theory &  
Approach



Reference  
Architecture

## HOW



Change  
Model



Results  
Management

## WHO



Roles &  
Responsibilities



Skills &  
Experiences

# ROLES



# ROLES



ACCOUNT LEAD

# ROLES



ACCOUNT LEAD



TRANSFORMATION  
LEAD

# ROLES



ACCOUNT LEAD



TRANSFORMATION  
LEAD



EXPEDITION  
LEAD

## ROLES



ACCOUNT LEAD



TRANSFORMATION  
LEAD



EXPEDITION  
LEAD



ENTERPRISE  
TRANSFORMATION  
CONSULTANT



## ROLES



ACCOUNT LEAD



TRANSFORMATION  
LEAD



EXPEDITION  
LEAD



ENTERPRISE  
TRANSFORMATION  
CONSULTANT



ANALYST

## ROLES



ACCOUNT LEAD



TRANSFORMATION  
LEAD



EXPEDITION  
LEAD



ENTERPRISE  
TRANSFORMATION  
CONSULTANT



ANALYST



SPECIALIST

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Skills &  
Experiences

# COMPETENCIES



# COMPETENCIES

1.0

Skills

Experience

Culture

Community

# COMPETENCIES

1.0

Skills

Experience

Culture

Community

2.0

Beliefs

Behaviors

# COMPETENCIES

1.0

Skills

Experience

Culture

Community

2.0

Beliefs

Behaviors

3.0

EQ

IQ

# COMPETENCIES

1.0

Skills

Experience

Culture

Community

2.0

Beliefs

Behaviors

3.0

EQ

IQ

4.0

Pattern Recognition

Systems Thinking



# TITLES



# TITLES



ASSOCIATE  
CONSULTANT

# TITLES



ASSOCIATE  
CONSULTANT



STAFF  
CONSULTANT

## TITLES



ASSOCIATE  
CONSULTANT



STAFF  
CONSULTANT



SENIOR  
CONSULTANT

## TITLES



ASSOCIATE  
CONSULTANT



STAFF  
CONSULTANT



SENIOR  
CONSULTANT



MANAGING  
CONSULTANT

## TITLES



ASSOCIATE  
CONSULTANT



STAFF  
CONSULTANT



SENIOR  
CONSULTANT



MANAGING  
CONSULTANT



PRINCIPLE  
CONSULTANT

## TITLES



ASSOCIATE  
CONSULTANT



STAFF  
CONSULTANT



SENIOR  
CONSULTANT



MANAGING  
CONSULTANT



PRINCIPLE  
CONSULTANT



PARTNER

## WHY



Business  
Case

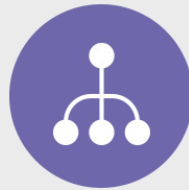


Transformation  
Hypothesis

## WHAT



Theory &  
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Roles &  
Responsibilities

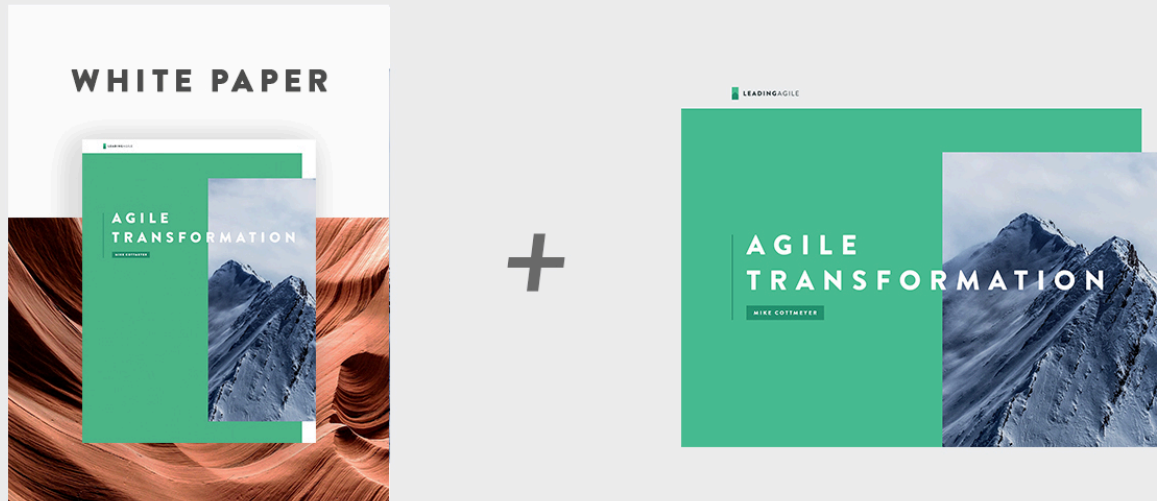


Skills &  
Experiences





# MORE RESOURCES



*To get Mike's latest white paper and  
the deck from today's session*

**TEXT AGILE TO 345345**