Delivery in an Agile Environment

August 2018

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At Seven Consulting, we regularly reflect on our work as part of our continuous improvement philosophy. We find the world of technology programs is changing fast. Agile approaches abound and scaling agile across an enterprise presents many challenges. In addition, many organisations are concurrently running change programs aimed at creating new ways of working across the entire company.

Putting theory and frameworks aside, we asked the question of our teams – what has worked well? What have we seen and done that delivered results and how do we learn from success.

This paper provides an overview of our findings and practices that work in the scope of successful delivery.

Introduction

Putting theory and frameworks aside, we asked the question of our teams – what has worked well? What have we seen and done that delivered results and how do we learn from success. The key practical lessons from the field we summarised were:

- Agile leadership requires a change of mindset
- Adjusting program financial arrangements to fund teams, not projects is key
- Managing business value is a priority
- A portfolio roadmap linking strategic initiatives and client releases is valuable

Agile leadership requires a change of mindset.

There is a lot hype repeating that collaboration is king, our long-established models of extrinsic motivation are outdated and unproductive and that teams need more coaching than managing. So what does all this mean? How does an experienced Program Manager, with a history of getting results adapt their style to fit the modern outlook?
As a program Director at Seven Consulting, Michael Bryant has been involved in some of the largest programs and has witnessed this sifting of style, whilst still being responsible for delivering outcomes. Putting the theory and hype to one side, Michael shares what he has seen (and done) that added value and helped to produce results. There's no magic five step formula, these are simply observations of what worked in practice:

1. Accept that agile knowledge workers know more about the work than the leaders. Whilst there is a temptation when we've seen a situation / problem before to be directive, the best approach is to leave it to the team to develop solutions. Don't even try to focus on the "how" instead focus on…

2. Setting the goals and guidelines. Within these, the team have freedom to work out the best way to deliver. Move decisions closer to the work to support empowerment and reduce administration. As a leader It is essential to be clear about goals and set the boundaries for the team.

3. Let go of rigid process and find ways to bring the right people together to solve the problem. This is again less of the how, and more of a focus on outcomes. The leader can play the role of facilitator, enabler and expeditor - assembling personnel and tools necessary to create solutions.

4. Demonstrations rather than review and signoff. We still need to deliver results and showing them at demonstrations is the best way to see what has actually been achieved. Ensure key leaders are always present at demonstration session to set expectations for the team.

5. Run regular reviews and reprioritisation sessions. When you expect change, and you are clear on goals and boundaries then you can deal with it effectively

For many program / project leaders, these practices are already part of the approach. Being aware of the importance of these activities and working on developing them is all part of continuous improvement.

Financial management of scaled agile programs.

We've always invested a lot of time and energy into the financial management of projects and programs. After all, "on budget" is often cited as a key success measure. Recent experience working on scaled agile programs for Seven Consulting has flipped ideas of program financial management on it's head.

What we've seen in practice, is that aligning a program stream (agile release train) with a strategic objective creates an opportunity to look at this differently. By considering the strategy overall, streams or release trains can be aligned to specific objectives. The value each objective is expected to deliver then drive allocation of funding. A value stream thus has fixed team and fixed time to deliver on a strategic objective. How they deliver on the objective may pivot and change during execution, but the strategic objective stands.

Financial management is now simple – the size of the teams in a value stream by time. That's it. Far simpler than breaking it down to individual projects and scrutinising every cost variance. If team sizes are fixed and time is fixed, the variable now becomes value delivered. So defining value, measuring progress toward value and understanding value become the center of attention – and perhaps the subject of another article!

Key Differences.

Key Differences	Agile PMO
1. Traditional cost center accounting expects a long horizon with detailed cost estimates that must be frequently updated.	Agile software development avoids this detailed and long horizon planning, i.e. they have fixed budgets and fund teams, not projects.
2. Traditional cost accounting values planning accuracy and executes variance analysis against the original estimate.	Agile provides flexibility to pivot on what is important rather than locking in budget per project
3. Traditional budgeting draws attention to budget overruns.	In Agile development, teams are funded and hence budget fixed across a PI. A stream is empowered to focus on investing in the 'right' features across its portfolio of projects. – streams have content authority of the approved backlog.
4. Traditional project cost accounting requires a re-approval for any delays which increase the project budget. These rigid approval limits pose an unnecessary control, and thus, cause further delays.	In Agile development, delays that would traditionally be caused by the budget approval process means teams can now take their order of development flexibly from the prioritised backlogs.

Value Stream Budgeting – What does that mean?

Set up and Tracked Spend at the Initiative

Funding allocated at Stream Level aligned to Strategic Intent. Epic level Business Case / Lean

Simply put, Fund Teams, Not Projects!
The first step is to increase empowerment and decrease overhead by moving the day-to-day spending and resource decisions to the people closest to the solution domain. Each value stream is assigned a budget, to deliver value.

Agile Principles as a Guide for Resource Management

Three of the ***12 Principles from the Agile Manifesto*** have a clear connection to **resource management** and lead to constructive modifications of the resource planning process:

- **Collaboration -** *"Subject matter experts and developers must collaborate daily during the project"*
- **Teams - "***The best architectures, requirements, and drafts are produced by self-organised teams."* Organising delivery around long-lived teams improves engagement, knowledge, competency and productivity – connecting with a DevOps mindset.
- **Timeboxing -** *"Deliver functioning results regularly and within short timeframes"*

Benefits Management in an Agile Environment

- Agile programs tend towards more team empowerment, but business value (Benefits) requires significant socialisation and most importantly AGREEMENT at the right levels (Business Owner Attestation)
- Iterative Process – need to re-evaluate impacts of Initiative and Program Pivots on the value profile (Benefits) and regain Agreement
- Ownership of the Benefits and Processes can be confusing (Project vs Business)
- For a Portfolio, need a consolidated model that rolls up all initiatives at a level of detail
- Not good enough to roll up initiative's total benefit
- Need to roll up the metric benefits (outputs) as well (e.g. Call Costs, Gross Margin)
- Allows for consideration of Double Counting
- Consultative process – need all team members following the same process
- Consistency of modelling across the portfolio
- Finance involvement to validate models and business parameters to ensure consistency
- Measuring Business Value (Benefits) is key
    - Have to be able to measure how the initiative impacted the business
    - Business Value Forecasts are well and good, but what about agreed baselines?
    - We tried for a centralised team – not as easy as you think – risk of transfer of accountability.
- Business Case for each initiative was not mapped back to the Original Business Case
- Alignment of metric to original BC is critical to ensure P&L owners are identified and aligned
- Problematic to tie the two together afterwards!

Schedule Management in an Agile Environment

Portfolio Roadmaps – Align Releases to Strategic Objectives

References

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