Integrating into the Whole – trying a new approach to Agile adoption
Agenda

– Speaker Introductions
– Tried & Failed: several case studies
– Systems Thinking: a more integrated whole view approach
– Systems Thinking in Action
– Questions
Introducing Your Presenters

– Raj Vaidyanathan
  • **Raj Vaidyanathan** is Senior Director of Engineering at S1 Corp. heading a 50 member distributed development organization. He is a core technologist with over 18 years of experience in the industry. He was a lead architect in the development of first internet bank in the world (Security First Network Bank) in 1997. He had been a technology consultant to large corporations like AT&T and Schlumberger. Since, he has helped banks maneuver the technology roadmap and enabled adoption of self service channels like internet, voice and mobile banking. He has an MBA from Georgia State and a Bachelor Of Engineering (Software) from Karnataka University India.
  • E-Mail: Raj.vaidyanathan@S1.com

– David Douglas
  • **David Douglas** is a career consultant for Fortune 500 and mid-sized companies in a wide array of industries. He has extensive experience in complex, large scale iterative program efforts. He has demonstrated success at leading large scale (100+ projects) Agile and Lean organizational adoption initiatives. Prior to his recent work helping organizations adopt Agile, he started a sales and marketing software company that he subsequently sold in 2002. He has worked for IBM, American Management Systems, Legg Mason, and Foote Cone & Belding. He received a BSFS degree in International Economics, Finance and Commerce from Georgetown University’s School of Foreign Service and the Certificat d’Études Politiques from l’Institut d’Études Politiques in Paris, France.
  • E-Mail: ddouglas2007@gmail.com
Tried & Failed....several case studies
Tried & Failed

– If the promise of Agility, organizationally speaking, is to radically improve performance (throughput, quality, customer satisfaction), why are so few companies succeeding?

• Primarily a failure to take a systems or integrated approach when making the transition. This leads to general abandonment, regression, and generally suboptimal results when compared to what should be expected.
Case Study # 1 (Fortune 200 Financial Services Company)

- An adoption that should have worked but did not
- Scenario: TTM numbers in excess of 365 days on average across $1.5 IT portfolio
- Corporate Imperative: Drive down TTM by any means necessary
- Results after 2 years: TTM decreased by over 50% across entire portfolio, 50+% projects in IT portfolio were Agile
Case Study # 1 (Fortune 200 Financial Services Company)

The recipe...seemingly tried and true

– Top-down support via corporate imperative
– Investment in subject matter expertise
– Dedicated Agile program office
– Large community of activists and change agents
We assessed team agile maturity across multiple dimensions.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Level 1</th>
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<th>Level 2</th>
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<td>Sophistication of Configuration Management</td>
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<td>Degree of Collaboration</td>
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<td>Degree of Simplicity</td>
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<td>Governance Alignment</td>
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Case Study # 1 (Fortune 200 Financial Services Company)

We conducted many health assessments
Case Study # 1 (Fortune 200 Financial Services Company)

We coached management on various competencies:

- Agile Team Management
- Resource Management
- Performance Management
- Agile Metrics and Reporting
- Agile Portfolio Management & Governance
- Agile Supplier Management
- Agile Support Group Management
Case Study # 1 (Fortune 200 Financial Services Company)

“Getting to market fast with our new innovations will maximize value generation and competitive advantage. For me, Lean and Agile enables that speed to market and is a critical lynch pin in our plans. The results have been staggering. On average, I believe we have achieved 50% reduction in cycle time (by delivering core business value sooner), realized about 20% in cost savings, and improved our quality. The most impressive aspect of Lean/agile is how motivated and engaged our associates are who work in this integrated work team design.”

Line of Business President, Fortune 200 Financial Services Company

“Agile is the best risk mitigation strategy I’ve ever seen.”

Executive Risk Officer, Fortune 200 Financial Services Company

“It is overwhelmingly probable that most other non-commercial software developer companies will not (or will take many years) be able to tackle the value chain implications of agile, and therefore will only experience good productivity gains, instead of the game changing outcomes that I believe are possible.”

Vice-President, Fortune 500 Financial Services Company
Case Study # 1 (Fortune 200 Financial Services Company)

- Today….things are a far cry from what they were
  - Continuous improvement has stalled or regressed
  - Key change agents shuffled out the door
  - Priorities change…

- Why?
  - Likely never really sold the business case
  - Career path for our change agents never materialized
  - Organizational structure morphed constantly and the processes we put in place could not keep pace
Case Study # 2 (Adoption Offering)

- 2 years ago seemed like this is something everyone would want
- Developed an offering to take Agile adoption to the marketplace
- Any takers? NO.....
Case Study # 3 (S1)

- Phase 1 Adoption
  - The ad-hoc approach

- Phase 2 Adoption
  - Stabilize the base approach

- Phase 3 Adoption (our new thinking)
  - Systems based approach
Systems Thinking...a more integrated whole view approach
New Thinking

The problem….

- You can achieve good short term success with Agile without creating long term sustainability
- Until you have long term stability, Agile tends to be fragile

Solution…

- This may be a systems problem
Systems View...seeing the whole
Systems View...the value streams

Core Product (Licensing/Subscription)

Product Customization

Hosting (ASP)

Metrics

- Increase ratio of recurring to overall revenue
- On time delivery
- Improve customer satisfaction
- Improve customer satisfaction
- On-time delivery
- Grow services EBITA
- Improve customer satisfaction
- Improve reliability
- Grow hosting EBITA
Systems Thinking in Action...
Product Development Model 1

Develop Business Strategy
- Establish Strategic Imperatives
- Develop Marketing & Competitive Strategy
- Develop Product Strategy
- Conduct Customer Needs Analysis
- Develop Pricing Strategy
- Develop Product Positioning
- Develop Services Strategy
- NEW Product Governance

Build Products
- Manage Product Development
- Issues Management
- Develop Training & Documentation
- Develop Technical Architecture
- Deployment Management
- Manage GA Process

Acquire Customers
- Identify Prospects
- Solicit Prospects & Generate Leads
- Book Sales
- Manage Contracts
- Account Management
- Transition to Services

Implement Customization
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Service Customers
- Develop Transition Strategies
- Manage Projects
- Manage External Training & Doc.
- Issues Management
- Account Management

Manage Finance & Accounting
- Define Customer Experience
- Manage Build
- Provide Customer Service
- Manage Customer Relationship
- Manage Hosting
- Manage Call Center
- Manage Upgrades

Manage Information Technology
- Manage Accounting and Reporting
- Manage Planning & Analysis
- Manage Line of Business
- Manage Credit Risk
- Manage IT Operations
- Manage Regulator & Compliance

Manage Human Resources

Impact Levels:
- Low Impact
- No Impact
- High Impact
- Moderate Impact
<table>
<thead>
<tr>
<th>Process Area</th>
<th>Impact Assessment</th>
<th>Impact Description</th>
<th>Issues Surfacing</th>
</tr>
</thead>
</table>
| Manage Product Development| H                 | - Train teams in Agile methodology  
- ST relocation of team members on-shore  
- Focus on increasing collaboration | - Inability to meet iteration commitments  
- Collaboration model broke when team members returned to India  
- Death march project due to fixed scope fixed schedule |
| Develop Product Strategy  | M                 | - Shortened release cycles  
- Prioritization of product roadmap  
- Higher level of product management ownership | - Product management pulled in different directions  
- Product roadmap broken |
| Manage GA Process         | M                 | - Introduced performance testing as part of criteria  
- Introduced product management validation  
- Introduced penetration testing  
- Defined acceptable defect levels | - Insufficient time budgeted for certain GA criteria |
| Issues Management         | L                 | - Isolated production issue management from teams | - Defect backlog grew upsetting certain customers and other business areas |
| Develop Training &        | L                 | - Requested IDL team to manage to our schedule | - IDL members not included as part of team  
- Inability to meet deadlines |
| Documentation             |                   |                                                      |                                                                                 |
## BPA Impact Assessment

<table>
<thead>
<tr>
<th>Process Area</th>
<th>Impact Assessment</th>
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</thead>
<tbody>
<tr>
<td>Product Governance</td>
<td>H</td>
<td>- Ownership of overall release governance assigned to product management</td>
<td>- On going commitment by product management is untenable</td>
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<tr>
<td></td>
<td></td>
<td>- Product management embedded as team members</td>
<td>- Ability to maintain focus at the executive level</td>
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<tr>
<td></td>
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<td>- Executive steering committee established</td>
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<tr>
<td></td>
<td></td>
<td>- Introduced iteration based user acceptance testing and signoff</td>
<td></td>
</tr>
<tr>
<td>Product Development</td>
<td>H</td>
<td>- Introduced a release manager role (Objective third party)</td>
<td>- Post release blew up published product roadmap due to other conflicting priorities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Added a new frameworks teamlet responsible for defining technology direction and providing technology oversight</td>
<td>- Release strategy was inconsistent with the consumption rate of the customers</td>
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<tr>
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<td>- Release strategy could not be sustained as it would create more code branches to maintain</td>
<td></td>
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<tr>
<td>Develop Technical Architecture</td>
<td>H</td>
<td>- Streamline product packaging and delivery</td>
<td></td>
</tr>
<tr>
<td>Deployment Management</td>
<td>M</td>
<td>- Fully defined GA criteria and set expectations with customers</td>
<td>- Not enough time allocated to fully meet GA criteria</td>
</tr>
<tr>
<td>Manage GA Process</td>
<td>H</td>
<td>- Provide quantitative assessment ability to make decisions around scope versus schedule</td>
<td>- Ability to translate capacity into customer commitments still immature</td>
</tr>
<tr>
<td>Manage Lines Of Business</td>
<td>L</td>
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</tbody>
</table>
Model #2 – Governance Team

Release Steering Committee

- Executive Sponsor
- Release Manager
- Technical Support

Stakeholders

- Chairman
- Product Management
- PSO
- Hosting
- Customer Support
- Sales
- Marketing
- Engineering

Delivery Team

- Lead Product Owner
- Scrum Master
- Documentation Team
- Lead Architect
- Platform Lead
- Engineering Lead

Teamlets

- Tech Lead
- Developers
- QA
- Product Owner
- Business Analyst

T1, T2, T3, Tn
Model #2 – New Development Process

- Release Process Workflow example (.XLS)
Sustaining Engineering Model 1

- Develop Business Strategy
  - Establish Strategic Imperatives
  - Develop Marketing & Competitive Strategy
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- Implement Customization
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- Service Customers
  - Define Customer Experience
  - Develop Servicing Strategies
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<tr>
<td>Issues Management</td>
<td>H</td>
<td>- 25% of core engineering allocated to sustaining engineering across 10+ code bases</td>
<td>- Not enough bandwidth to meet influx of defects</td>
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<td></td>
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<td>- Supporting multiple internal customers with often conflicting needs</td>
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<tr>
<td>Manage Projects</td>
<td>L</td>
<td>- Manage project timelines around resolution of issues.</td>
<td>- Inability to meet delivery commitments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Make delivery commitments for sustaining engineering team</td>
<td>- Bleeding gross margins in services organization</td>
</tr>
<tr>
<td>Issues Management (customization)</td>
<td>L</td>
<td>- Manage resolution of issues surfacing during customer implementations by sustaining team</td>
<td>- Long wait times for high priority customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Transparency to work by sustaining engineering is lacking</td>
</tr>
<tr>
<td>Manage Customer Relationship</td>
<td>L</td>
<td>- Escalation management</td>
<td>- Loudest customers serviced first</td>
</tr>
<tr>
<td>Manage Hosting</td>
<td>L</td>
<td>- Manage resolution of operational issues faced in production by sustaining engineering team</td>
<td>- Long wait times for high priority customers</td>
</tr>
<tr>
<td>Manage Call Center</td>
<td>L</td>
<td>- Manage resolution of customer tickets by sustaining engineering team</td>
<td>- Long wait times for high priority customers</td>
</tr>
<tr>
<td>Manage Upgrades</td>
<td>L</td>
<td>- Upgrade customers with hotfixes and fix packs</td>
<td>- Customers unwilling to upgrade due to large sizes of fix packs</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>- Time between availability of fix and upgrade 6-12 months</td>
</tr>
</tbody>
</table>
Sustaining Engineering Model 2

Develop Business Strategy
- Establish Strategic Imperatives
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## Sustaining Engineering Model #2 - SIPOC

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Inputs</th>
<th>Process</th>
<th>Outputs</th>
<th>Customers</th>
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</thead>
<tbody>
<tr>
<td>PSO, Engineering, Banks,</td>
<td>Sales Logix, PSO Projects, Regulatory Requirements</td>
<td>1. Defect/Enhancement Identification</td>
<td>JIRA Cases</td>
<td>PSO, Eng., Support, Hosting, PM, Upgrades</td>
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<tr>
<td>Product Management</td>
<td>JIRA cases, Existing PSO timeline, Sustaining Team throughput</td>
<td>2. Defect/Enhancement Prioritization</td>
<td>Weekly prioritized list, current backlog list</td>
<td>Engineering, Product Management</td>
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<td>JIRA</td>
<td>Weekly prioritized list, current backlog</td>
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<td>Hot Fixes, Fix Packs and Emergency File drops</td>
<td>PSO, Support, Hosting, Upgrades</td>
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Summary

- Drive adoption efforts based on solid understanding of system wide impacts and direct linkage to corporate objectives

- Use a tool such as a business process architecture to assess impacts to your organization

- Do not attempt to initiate such changes without an executive steering committee

- Other....
Questions