An Interactive Case Study: Rising Above Failure – Part 1

Background

This large, conservative organization operated in an industry sector that not only was highly regulated, but also quite mature. They tended to be rather risk-adverse not only in the execution of their projects, but also in the product itself. "Innovation" typically came in the form of streamlining processes and tools. It felt as if there was little desire or motivation for new products or services, since their mature products were quite profitable, with a history of stable incredibly high cash inflows.

From a "people" perspective, management was typically promoted from within (for example, this person is a great technologist, therefore they will be a fantastic manager, too), as opposed to having experience and/or training in management concepts. It was not unusual for many of the managers or executives to have significant tenure. However, from a team member perspective, this was typically not the case; there an overwhelming percentage of team members who were contract workers, located both onshore and offshore.

Combining these concepts together, there was a great deal of inertia to overcome for any change initiative.

Current ~~Challenge~~ Opportunity

One of the subsidiaries of the larger corporate organization was experiencing several challenges that seemed to compound on each other, including:

- Severely dissatisfied customers; they were ready to leave, putting profits at risk
- Solutions not addressing customers' needs
- Long lists of enhancement requests, from a few months to several years old
- Low quality (in the form of high defects and frequent emergency "hot fixes")
- Long development and testing cycles

With these issues beginning to have a tangible, negative impact, an executive from the corporate office was temporarily reassigned to lead a turn-around effort at the subsidiary.

About the Subsidiary

The subsidiary produced a set of software tools that their users needed while working with their clients out in the field. Due to the nature of the user's interactions with their clients, there were additional regulations on data and security.

From a resource perspective, the subsidiary employed over 200 people, with a significant number of the resources dedicated to information technology (IT). Almost all roles, except for Marketing, Finance, and Product Management reported up through IT. Just like the corporate office, the executive and management team at the subsidiary had long tenure. Similarly, the

subsidiary had a high percentage of contract IT workers. Luckily, most of the employees were located in the same physical location. There was a small percentage of resources onshore; no resources were offshore. Nearly no one at the subsidiary had any exposure to Agile approaches.

From a product perspective, there were requests for roughly 100 enhancements for existing products, and was estimated to take roughly 2 years to complete. The customers were threatening to leave if they didn't get all their requested enhancements soon.

Furthermore, there were rumors of a major disruption for new products that would challenge the industry's product offering status quo. And the Product Management group had an idea they wanted to try with one of their flagship products. It didn't help that the Product Management group recently had a shake-up, reducing the entire group by 70%.

Although the subsidiary's resources were visibly quite busy working, it was typically to service very specific customer requests, bugs fixes, and address technical debt. One of the IT Managers was quite proud when he said, "we're fantastic fire fighters!" There was a low percentage of work on innovation and new features.

To roll out a product, they often had to take the system down the entire weekend, starting around midnight on Friday. It was not unusual to have marathon 48-hour rollout weekends with "all hands" available on deck. However, for hot fixes to remediate high severity issues the entire office would effectively "shut down" for up to several days mid-week to ensure that the fix got into place as quickly as possible.

The Approach

Having success with implementing Scrum at the corporate office, the temporarily reassigned executive brought in several experienced Agile coaches to help replicate corporate's Agile transformation journey at the subsidiary, including:

- Cross functional teams, 5-9 members, empowered to do their work, 100% dedicated to that team
- Using Scrum, 2-week delivery cadence, following traditional ceremonies, artifacts and roles
- An "Enablement Team" of the IT Management team (about 20 people) to help remove organizational and environmental blockers for Teams

The transformation would start with 2 pilot teams, then evolve up to 10 teams.

Round 1 Exercise:

With the folks at your table, answer the following questions (keep at "headline" level):

1. What are the top 1 or 2 potential failure points in starting the transformation?
2. What would you do to address these risks or potential failure points?