ESSENTIAL PATTERNS
FOR AGILE
ORGANIZATION DESIGN
A Business Agility Toolkit

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About Me

• Founder of LitheSpeed, LLC and the Agile Leadership Academy
• Experience: 28 years industry, 18 years of Agile, 15 years of Lean
• Author of Managing Agile Projects and Scaling Agile: A Lean JumpStart.
• Specialties: Business Agility, Agile, Lean, Innovation, Leadership
• Practitioner, entrepreneur, consultant, trainer, author, speaker and community organizer
Poll – Level of Agile Knowledge?

• "Agile" describes a set of methodologies, aligned with lean principles for focusing on value and eliminating waste.
• **Scrum** is currently the most popular of the team-based agile methods.
• **SAFe, DAD, LeSS, Scrum@Scale** and **Nexus** are newer scaling methods.

AGENDA

- Business Agility Defined
- Essential Patterns for Agile Organization Design
  - SHIFT LEFT: Agile Business Units
  - SHIFT RIGHT: DevOps
  - SHIFT UP: Leadership and Scaling
- Moderated *World Café* Elaboration
- Wrap-up and Takeaways
BUSINESS AGILITY DEFINED

“Successful organizations are able to pivot and implement quickly in order to maintain competitive advantage.”

- Excerpt from the CSI Pulse of the Profession 2015
Agile Teams... Waterfall Silos

**Organizational Misalignment with Agile Methods**

- Team Size
Organizational Misalignment with Agile Methods

• Silo-based Hierarchies

Organizational Misalignment with Agile Methods

• Project Multitasking
The Bottom Line

• How individuals and teams work is a second-order effect, and of somewhat lesser importance.
• How individuals and teams come together to deliver value in organizations is a first-order effect.
• Individual teams’ value is hemmed by the coordination and integration of their work across tens and sometimes hundreds of people.
• Only true business agility can solve these inefficiencies.

ESSENTIAL PATTERNS FOR AGILE ORGANIZATION DESIGN
Essential Organizational Patterns

SHIFT-LEFT: AGILE BUSINESS UNITS
- Value Stream Teams

SHIFT-RIGHT: DEVOPS
- CI/CD Pipeline

SHIFT-UP: LEADERSHIP AND SCALING
- Portfolio Kanban
1. SHIFT LEFT: AGILE BUSINESS UNITS

Standing Teams...

- Multiple, standing teams each focused on a single release at a time
- Dedicated to platforms or lines of business
- Platform owner prioritizes next release

...Extended to **Value Stream Teams**

- Set up value streams around customer experiences
- Each value stream has all/most of the functions necessary to deliver value to end users

Each value stream has:
- Product Management/Owners
- User Experience
- Discovery/Refinement/Delivery
- Run Support
- Prototyping R&D
- Digital Measurement support

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**Value Stream Teams Ecosystem**

Credit: David Blair, USCIS
2. SHIFT RIGHT: DEVOPS

Illustration:
Automated Deployment Pipeline, Feedback

Tools: Chef, Puppet, Ansible, Docker, Etc

Enablers:
- Frequent commits
- Automated Builds
- Automated Unit Tests
- Automated Integration Tests
- Automated Functional Tests
- Code analysis
- Defined Roles with Role Authority

Diagram:
- Continuous Integration (CI)
  - Build Gate
    - Compile
    - Unit Tests
    - SNAPSHOT Generation
    - Deployment
    - Smoke Tests
    - Merge to Staging Gate
  - Staging Gate
  - Compile
  - Unit Tests
  - SNAPSHOT Generation
  - Deployment
  - Smoke Tests
  - Merge to Integration Gate and Master
- Continuous Delivery (CD)
  - Integration Gate
    - Compile
    - Unit Tests
    - Sonar Tagging
    - Generation
    - Merge to Master
  - Production
    - Demo (Live)
      - SQL, Smoke and Regression Testing
        (Pre-deployment - Push-based)
    - Pre-Production and Live Interface Testing Conducted on Release Candidate
      (Deployed on demand - Pull-based)
    - Performance Test (PT)
    - End User Testing (EUT)
    - Training
    - Data Migration (DM)
    - Penetration Testing (PE)

Release and Post-release
Engineering Agility at Amazon

Amazon Deployment Stats
(production & host environments only)

1,079 Max deploys
In a single hour

10,000 Mean # hosts receiving
Deploys simultaneously

30,000 Max # hosts receiving
Deploys simultaneously

Every 11.6 seconds!

3. SHIFT UP: LEADERSHIP AND SCALING
Demand Management Matching to Capacity

A Portfolio Kanban serves to provide visibility, coordination and flow. It can be extended to track funding and to assist with budgeting across the portfolio.
Case Study: Capital One Labs*

*Source: Capital One Labs

The overall mix of innovation work should span early exploration to projects that have achieved product-market fit, a viable business case & executive sponsorship.

**Exploration**
- Innovation allocation: 25%
- Investment: $100-150K
- Duration: 1-3 months
- Risk: High

**Formal Program Incubation**
- 50%
- $1-3M
- 6-18 months
- Medium

**Graduation**
- 25%
- $3-5M (<50% Labs funded)
- 6-12 months
- Low

Business Agility at Capital One Labs

*Graduate to LoB*
*New Growth Opportunity*
*Discontinue Investment*
*Path TBD*
World Café Moderated Discussion Agenda

1. Iteration 1
   10 Minutes
2. Iteration 2
   10 Minutes
3. Iteration 3
   10 Minutes
4. Table-by-Table Readout
   10 Minutes
WRAP-UP & TAKEAWAYS

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Agile + Business Agility is What We Do

- **Transformational Leadership Development**
- Scaling Approaches
- Organization Structures for Agile
- Process Redesign
- Business Side Agility
- Portfolio Management
- Training Programs
- DevOps
- Team Coaching
- Change Management

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