Pivot on a dime
Business Agility Experiments @ scale

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Once upon a time

Idea to Value time
Market position
Outcome?
and the landscape changed
Contents

**Why**
Market Drivers

**What**
is Business Agility

**Experiments**
in Business Agility

**Where**
State of Business Agility
Why
Market Drivers
“Someone or something is going to disrupt your business.

It might as well be you.”

Josh Linkner, Author of Road to Reinvention speaking at RallyON!™ 2015
$1B Valuations 2011-2013

https://www.cbinsights.com/blog/increasingly-crowded-unicorn-club/
$1B Valuations 2013-2015

https://www.cbinsights.com/blog/increasingly-crowded-unicorn-club/
Standard & Poors
Longevity

- One organization drops every 2 weeks
- 50% will be gone in 10 years
- By 2027, lifespan will be 12 years

Source – Credit Suisse 2017
Shortest Sustainable Path

- Opportunity identification
- Funding decision
- Plan and sequence
- Analysis
- Design and implement
- Agile methods
- Dev Ops
- Validate
- Deploy
- Benefit realization
- Business implementation
- Sustainable shortest lead time

Goal
Evolution in agility

- Sense and respond to change
- Optimize business value
- Deliver value faster
Evolution in Agility

Step One: Enterprise Scale Agile & Lean Thinking

Step Two: Agile Planning, Work Sequencing & DevOps

Step Three: Portfolio Agility

Step Four: Full Value Stream Agility

Goal
Sustainable shortest lead time

Portfolio
Business
Delivery

Plan & sequence
Analysis
Design & implement
Validate
Deploy
Business implementation
Benefit realization

Opportunity identification
Funding decision
What is Business Agility
business agility:

A company’s way to **sense and respond** to change to deliver business **value**—as a matter of everyday business.
Business Agility – Our Focus Areas

The work

- Growth Strategy
- Adaptive Planning
- Strategy Business heartbeat
- Market & Operational Intelligence
- Enterprise Lean Startup

The People

- Executive Coaching & Org Culture
- Business Value
- Business agile way of working & Integrated portfolio
- Organize around Value
Experiments in Business Agility
It’s a Complex environment

Complex
"unknown unknowns"

Cause and effect can only be deduced in retrospect, and there are no right answers. "Instructive patterns ... can emerge," write Snowden and Boone, "if the leader conducts experiments that are safe to fail." Cynefin calls this process "probe–sense–respond".[1]

Why experiments?

Micro-battles

• create microcosms of the company you want to be
• involve specific support and activities
• can be launched immediately . . . focused on key areas of dysfunction in your organization
Experiments we ran

- Precursor
  - Delivery agility
  - Delivery groups aligned to value streams

- Experiments
  - Business strategy cadence
  - Business agile teams
  - Executive initiative
Business Agility Experiments

The work

Growth Strategy

Strategy Business heartbeat

Adaptive Planning

Market & Operational Intelligence

The People

Executive Coaching & Org Culture

Business Value & Predictability Matrix

Business agile way of working & Integrated portfolio

Organize around Value
Experiment approach

Experiment

Assumption validation

Result, Pivot or Persevere
Experiment 1

* Business strategy cadence

Assumption to validate: Leadership can collaborate across boundaries and respond to change, when the state is made visible

Benefit Hypothesis: Enables pivots as one unit
Strategy Cadence

What was done

Quarterly
Inclusive
All Departments

Co-created
Strategy

One Team
Business & Software Initiatives

Organizational WiP Limited

Pivot together!
Strategy Cadence

Results

+ Leadership accepted that it’s an overloaded system

+ Helped leaders become more comfortable with collaborative decision making

Tweaks

• Normalized estimates & capacity

• Synchronized cadences across delivery, portfolio and strategy
# Strategy Cadence

## Challenges

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Coaching Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader collaboration</td>
<td>• Two dress rehearsals, reflecting on progress</td>
</tr>
<tr>
<td>Outcomes emerge instead of</td>
<td>• Most senior executive coaching</td>
</tr>
<tr>
<td>predetermined</td>
<td></td>
</tr>
</tbody>
</table>
Assumption Validated

✓ Leadership can collaborate across boundaries and respond to change, when the state is made visible

Result

• Pivot achieved! By the second meeting, a leader discontinued a large initiative, underway for over 9 months and represented 50% of his portfolio
Experiment 2

* Business Agile Teams

**Assumption to validate:** Agile methods can yield positive results for highly variable demand and unplannable work

**Benefit Hypothesis:** Shorter cycle time and improved quality to business initiatives
Business Agile Teams

Executive suite
Manufacturing
Marketing
Communication
Finance
Legal
Business support operations

Acquisition and Brand
Product Management
Product Development

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Business Agile Teams

What was done

Integrated Business-Tech Portfolio

Essential SAFe for large business groups
Business Agile Teams

What was done
Business Agile Teams

Where to integrate business agile teams

Current State
Biz not on the train

Scenario 1
Biz teams on train in team layer

Scenario 2
Biz team on train in program layer

Scenario 3
All Biz train

Portfolio
Lean Portfolio Management
Epic Owners

Software
Business
Product Ownership/Management
Business agile teams

Results

+ **Visibility** and alignment gains

+ Business groups **enjoyed** the new way

+ **Kanban & Flow** resonated more than iterative

+ **Strained capacity** revealed in the business

+ Better grasp of **MVP** design thinking

+ **No baggage** - they were not using waterfall!

“This is FUN!”
Sr Corporate Council
## Business Agile Teams

### Challenges

<table>
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<th>Challenge</th>
<th>Coaching Response</th>
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</thead>
<tbody>
<tr>
<td>Unfamiliar level of <strong>discipline</strong> and cadence</td>
<td>• More hands on team coaching</td>
</tr>
<tr>
<td>High degree of <strong>unplannable</strong> work</td>
<td>• First 5 iterations to learn velocity</td>
</tr>
<tr>
<td><strong>Fire drills</strong> highly disruptive to the rhythm, and more frequent</td>
<td>• Run the Business and unplanned work tracked</td>
</tr>
<tr>
<td>No off the shelf training <strong>materials</strong> for Business audience</td>
<td>• Made it visible</td>
</tr>
<tr>
<td></td>
<td>• Delivered Leading SAFe with some tweaks to messaging</td>
</tr>
</tbody>
</table>
Business Agile Teams

Challenges

Beware, to avoid alienating a business audience

• Agile literature and classes can be software centric

• Messaging was clarified
  – An agile team, does not have to be a Dev team
  – Profiles on an agile team can be other than developers and testers
  – Delivers on a solution, Biz or tech or both
  – Portfolio can integrate SW and Business initiatives
  – CD/CI not easily translated to business context
Assumption Validated

- Agile methods can yield positive results for highly variable demand and unplannable work

Result

- RTB and injects were tracked, revealing 50-80% in some teams. Leaders now are looking to investigate if necessary.
Experiment 3

* High visibility executive initiative

**Assumption to validate:** Leaders open to modify their way of working

**Benefit Hypothesis:** faster and holistic end to end business solutions rollout
High visibility executive initiative

What was done

Simplicity – only key elements, and no training!

• Sr Leadership initiative, 6 weeks
• Co-located
• Big visible radiators
• Kanban and flow based metrics
  – Captured Date In/Out: Throughput, CFD, Cycle Time
• Standups and Demos

Crisis response
High visibility executive initiative

Results

+ **Cycle time** improved from 4 weeks to 1.5 days, throughput shot up

+ Major cross enterprise **swarming** and collaboration

+ By initiative end, these Sr leaders **experienced agile** and became open to embrace it in their groups
High visibility executive initiative

Validation

Assumption Validated

✓ Leaders open to modify their way of working

Result

• Experiment ran successfully until the logical conclusion of the initiative. Attendance was high throughout, end of day demos had a packed room.
Achieving Business Agility

Strategies for Becoming Pivot Ready in a Digital World

September 2018
State
of Business Agility
Survey Summary

- March - June 2017
- Senior decision makers
  - 70% executive positions
- Range of industries and revenue
  - 64% Fortune 1000
  - high tech, manufacturing, healthcare, financial, retail, telecom and media
What does business agility mean to you?
What does agility mean to you?

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>It means we can sense and respond to internal and external business conditions quickly</td>
<td>70%</td>
</tr>
<tr>
<td>It’s the method we use to develop our products and get them to market</td>
<td>41%</td>
</tr>
<tr>
<td>It means deliverables from any department are created faster, e.g., datasheets, legal briefs</td>
<td>29%</td>
</tr>
<tr>
<td>It’s the project management process we all use</td>
<td>22%</td>
</tr>
<tr>
<td>Agility - you mean do we have a gym on campus?</td>
<td>1%</td>
</tr>
<tr>
<td>It’s just a buzzword and I am not sure it really means anything</td>
<td>5%</td>
</tr>
</tbody>
</table>
How agile is your business?

- Some departments in our organization are successful with agile processes; others face challenges (42%)
- Some of our teams are agile, but their practices are inconsistent and mostly siloed (38%)
- Our whole organization is on the path to business agility (12%)
- Not very: we're still using waterfall planning and development processes (8%)
It’s a new evolution

Geoffrey Moore, “Crossing the Chasm”
What departments are moving towards it?

- IT: 41%
- Service and Support: 33%
- Project Management: 33%
- Research and Development: 27%
- Marketing: 27%
- Operations / Manufacturing: 25%
- Sales: 24%
- Accounting / Finance: 21%
- HR: 15%
- Corporate Communications / Public Relations: 12%
- Legal: 8%
What departments are moving towards it?

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- Corporate Communications / Public Relations: 12%
- Legal: 8%
What makes the adoption of agile throughout the organization difficult?

- 64% complex environment
- 58% cultural or political barriers
- 25% no financial commitment to change
- 25% outdated apps/tools
Your organization's sentiment?

- 75% Want it

- 39% Well underway in moving towards increased business agility
- 22% Not thinking much about business agility; just focused on agile IT
- 19% Meeting to discuss business agility goals throughout the organization
- 17% Working on a plan, but not sure how to get started/implement at scale
- 3% Don't see an advantage to changing how we do things
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