Capital Markets Consulting

Operating Model Agility

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A few years ago 'Agile' became the new buzzword. It was popular amongst some developers, caught the eye of corporate bosses, and managed to distance itself from the stigma that had previously been attached to the chaos of many RAD (Rapid Application Development) Projects. Today, whilst agile delivery is more mainstream, with most large organizations having at least heard of it; the term still suffers from a lack of clarity for many people.

The major misconception of agile development is that there exists a single formal Agile Methodology. The truth is that there are various agile branded frameworks, like RUP, DSDM, Scrum, that comprise a number of common agile principles. These principles tend to be used in a mix and match way, have a different focus depending on the framework, and may interpret a principle in a slightly different way, but fundamentally the common principles are these:

1/ Focus on the business needs: Deliver what the client wants, and prioritize that accordingly.

2/ Deliver on time: Timebox any activity and ensure delivery of at least the minimum prioritized requirements. Timescales must never slip, but accept that not everything will be delivered.

3/ Collaborate and co-operate: Co-location of business and development, and implementation of formal and informal structures.

4/ Never compromise quality: Agile projects deliver 'just enough', but that does not mean the quality of what is delivered ever suffers.

5/ Build incrementally from a business foundation: This encourages client confidence, and a source of early feedback. In order to achieve this, there must be enough design upfront to create a strong foundation.

6/ Develop iteratively: It is very rare anything is built correctly first time. For this to work a team must be creative, and flexible so that they will be able to deal with change. This approach is especially useful in projects with a high rate of requirements change

7/ Communicate: It is poor communication that is often the cause of project failure, and the dynamic approach of agile delivery requires even greater levels of communication.

8/ Demonstrate control: Agile projects are not a 'free for all', they are planned and controlled.

Perhaps the most important feature to bring out from these principles is that for agile delivery, dates are fixed, but the scope may, or more likely will, change. Projects begin with a rough idea of Scope, and as such are able to fix their High Level Requirements. The Detailed Requirements only emerge once the project has been divided into a number of increments, which are in turn prioritized.

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The Practical Application of Agility

Assessment of project failures indicate that, in a high percentage, this was due to the IT solution not being driven by what the business really wanted: the Business requirements in their true sense. Yet fundamental to an agile approach is that building starts before everything is defined, and requesting a budget is needed before a detailed plan has been created.

This contradiction is probably the hardest to grasp, and is an area where an agile project will clash with any central project governance, who want progress reports against the plan, will make assessments against deliverables, and push for their definition of 'strong governance'. But taking an agile approach can in fact provide stronger governance than a sequential, waterfall framework. Waterfall aims to deliver everything on a final date (but rarely succeeds); Agile continually delivers iterations, and therefore builds both acceptance and confidence in the Business area.

The danger of adopting a pure waterfall approach is that it creates an environment where requirements are documented in detail, but without a single line of code being written. The design and development will eventually flush out the flaws in requirements, but will not then have the time or flexibility to adjust.

In an agile approach, the initial direction is driven by the Business area. It may not be precise, but there will be key areas that they will want to achieve. The risks can be assessed early by the Architects and designers (including any outsourced partners), so that within a very short time there is an agreed broad scope statement, painting a picture of what the business want delivering, the risks to the project, and what technology will be used. Also identified are those elements that should be delivered first, and the primary risks that need addressing.

Approaching in this way avoids the classic waterfall issue; that there is no guarantee that anything done in the early stages will work! Agile projects identify problems quickly. Whether it is a risk too great to overcome, or a top business priority is impossible to achieve, it will become evident very quickly and appropriate action taken.

However using any branded agile approach or method, like RUP, is not without issue; it is not the panacea to correct all project ills, and without careful consideration can cause a disaster in itself. To gain the maximum benefit requires co-operation (i.e. the willingness to act) across the entire organization. Agility cannot be driven from the bottom, it needs top level support to ensure potential blockers within associated areas are removed, so the likes of technical or project governance are incorporated into the macro level ideology.

An agile approach though, either in part or full, may not always be appropriate. Some organizational change, or IT development work, may lend itself naturally to using agile principles, but likewise there may be some that are wholly inappropriate. It is rare that a project can adopt any approach in its entirety.

Pushing agility across organizational boundaries achieves the greatest benefits, but also requires a paradigm shift in thinking for the organization, as well as a reasonable level of maturity within the Operating Model. So it probably isn't advisable to embark on an agile route for an organization already in distress, unless it is released and embedded as a distinct change initiative under the control element of a well defined Operating Model framework.

The problem is that if an assessment of the existing organizational maturity places it in the lower end of the scale, then by definition it is struggling to control its current delivery method. Pushing a branded agile delivery framework into that situation will not correct the organizational structural deficiencies, more realistically the additional effort to try and institutionalize new processes, roles and assets into the existing model will merely exacerbate the situation and split the Operating Model apart.

This problem is compounded when the change is internally driven by just one function who, in a 'silver bullet' reaction to failing project delivery, try to implement without fully understanding the impact on all the other organizational units that share lateral interfaces, mainly business areas, and ensuring they are part of the transformation journey.

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Summary

Rather than just delivering a knee jerk reaction to a perceived crisis, successful organizations know what they are good at and build from that base. They have the data available to know what works and what needs to change, and when that change is identified, it is developed as part of the Operating Model so that 'Leadership' fully understand the implications, and 'Production' fully understand what to do.

Implementing any branded method, agile or otherwise, will not in itself repair a failing organization; the trick is to combine the best of both approaches of agile and waterfall; using the agile principles as a toolkit to avoid surprises and to accelerate delivery.

Maturity in an organization comes when it is not constrained by a one size fits all approach, but when the delivery method is tailored to suit the situation. That should be the focus for the Process Architecture of any development method, and does not need to have the price tag of a branded label.

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