

WHITEPAPER



sqs.com

Agile Transformation @Organisation

Author: Matthias Düsterhöft
Lead Agile/DevOps DACH
SQS Software Quality Systems Germany

Published: September 2016



MATTHIAS DÜSTERHÖFT

Lead Agile/DevOps DACH

matthias.duesterhoeft@sqz.com

Matthias is a manager and coach who has been introducing businesses to agile and traditional software QS for over ten years. He has a wealth of experience in the telecommunications and internet sectors, as well as prestigious trading companies. Matthias adopts a pragmatic approach and enjoys devoting all his energy to overcoming challenges. He believes that people are the most important part of this process. As a manager, he does not simply act as a supervisor or boss. He also works as a coach, in order to identify solutions rather than solving problems after they have arisen. He works according to the philosophy “Don’t tell everyone what needs to be done and how to do it - set targets and create a vision.” Help people overcome obstacles and motivate them.”

Contents

Management summary	3
Keywords.	3
Introduction.	4
Market analysis from a historical perspective.	4
Agile via top down and bottom up	6
From change of mindset to cultural change	8
Trench warfare in the agile culture.	9
Conclusion and outlook	11
References	11

Management summary

Agile is definitely no longer a passing fashion. Many businesses have decided to introduce agile strategies and are already in the middle or at an advanced stage of the transformation process. Organisations often approach the idea of agile transformation in one of the following two ways:

- The CEO who has heard of it and imposes it on his organisation via top-down instructions.
- Or it may be the employees who introduce it to the company in bottom-up fashion.

Both approaches come with their own challenges. Agile means a major change of mindset for employees and their bosses who might be worried about losing power.

The familiar *trench warfare between departments* also plays a major role when introducing agile ways of doing things. Or is it now a thing of the past? Despite having agile structures, do we still need a traditional organisational structure and management team? This brief overview will answer these questions.

One agile principle tells us that *Quality is never negotiable*. Does this only apply to development teams and the associated technology? Most certainly not. I will also explain what this principle means and how we help put it into practice at SQS.

In order to turn an old steamship into a streamlined modern vessel, various foundations are required, which must not be under-estimated either before, during or after agile methods are introduced. Leave technology and processes outside the door while you work with your employees to forge your corporate future.

Keywords

AGILE TRANSFORMATION

CHANGE MANAGEMENT

MANAGEMENT 3.0

MODERN ORGANISATION

Introduction

It is now over 15 years since the Manifesto for Agile Software Development was published. During this time, many organisations have grappled with the idea of Agile transformation. However, it has often been dismissed as hype or a passing fad. True to the saying “It’ll soon blow over,” managers all over the world have mocked the agile approach, and continue to do so to this day.

One of the main reasons why agile methods are so appropriate for businesses is that they enable us to respond rapidly to market requirements. Once the methods are successfully established, depending on the environment, we can quickly respond to market requirements and changes.

This all sounds very simple, but it isn’t. Before we can achieve this goal, we have to pass through various stages. Alongside technology, processes and methods, we have to make sure that the company’s employees and management are on board.

But how do we motivate our team? What should be avoided at all costs? Do we need to set guidelines? Or should I rely on the good old organisational structures and procedures?

Turning around an organisation, which has developed over a period of time, is and will remain a major challenge. When we talk about quality, we don’t only mean the technology or the product. Quality permeates everything and is non-negotiable.

At SQS, we not only support the entire product development process from beginning to end. We also support the agile transformation of businesses that wish to take this route, as well as those who are in the middle or at an advanced stage of the process. In order to do so, we use all the experience that we have gained in many different fields in the traditional and agile worlds.

Let us now embark together on a journey of transformation.

Market analysis from a historical perspective

The phrase “agile software development” was first used in the year 2000 – at the dawn of the 21st century. However, some aspects of the methods date back to the early 1990s. Some of the principles and approaches came into being long before the era of software development. The *Manifesto for Agile Software Development* was published in 2001 by a team of researchers led by Kent Beck [2].

It outlined the basic principles of agile software development.

The goal was and remains to improve working relationships both within the team and with the customer, discard unnecessary baggage and concentrate on what matters, “producing value-adding, working software in a short time”.

Agile values focus on individuals, interactions, working software, working with the customer and responding rapidly to changes. Based on this foundation, the team devised the 12 principles of the *Agile Manifesto* [1].

If the road to agility is chosen, the agile production team and resulting product are often the only things that have anything to do with the principles of the *Agile Manifesto* [1]. However, what lies behind them is much more powerful.

Regardless of whether a business is at the beginning, halfway through it or at a very advanced stage of the transformation process, the introduction of agile methods has a major impact on employees, the leadership culture and thus on the entire organisational and procedural structure.

More and more businesses are working hard, more or less successfully, to introduce agility. But does it always make sense? Does every business have to be agile? Does it have to permeate the entire company? NO! Agility is not some kind of universal panacea. Agile software development does not always make sense and should never be used as a pretext. Careful checks need to be made, in order to determine whether agile methods can make a greater value-adding contribution to corporate success than previous models.

Organisations must ask themselves questions, such as the following: “How quickly do I need to respond to the market, in order to exploit a competitive advantage?” “Which methods are most likely to ensure business success?” It is then vital to consider what the transformation will involve, and when, where and how it should begin.

Large companies are not the only organisations to have mixed forms, in which both traditional and agile ways of doing things have their place.

The past 16 years have shown that agile methods are not hype, some kind of flu-like software developer infection, wrong or superfluous. Agile approaches are used successfully all round the world and are growing steadily thanks to a huge community of devotees. Regular studies by VersionOne [3] have shown that Agile is certainly not a passing fad.

The two top reasons for adopting agile are highlighted by research, such as this latest study by VersionOne (Figure 1).

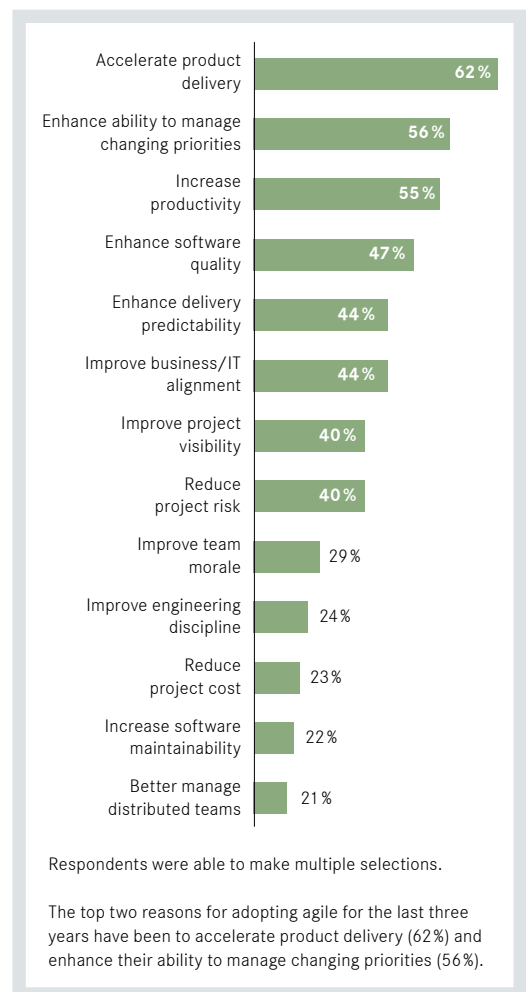


Figure 1: Reasons for adopting agile [3]

Agile via top down and bottom up

Once a business has decided to tread the agile path, there are several ways of incorporating agile methods into the organisation. The following

cautionary tale illustrates two contrasting ways of switching to an agile world, one of which really cannot be recommended.

It is a beautiful summer evening. The manager of a large telecommunications company meets his golf partner, the manager of a retail business, to play a round of golf. The two chat for a while about sailing, motorsports and other favourite subjects.

By the time they reach the 10th hole, the conversation has turned to their latest business developments. The telecoms manager talks about how his IT department had been lobbying over the past six months for the adoption of agile methods, in order to get their products onto the market faster and more profitably. Up until now, he knew about traditional approaches and the associated project delays, further investment and plenty of problems. Moreover, he has only ever heard bad things from business colleagues about the strange world of agile. However, after his IT department insisted, he agreed to a prototype, while remaining fairly certain that it was bound to fail.

After a very short time, though, they presented the first working product to him, which was so successful that he had the entire product development operation converted to agile methods. Until the 13th hole, his golf partner remained very sceptical and told him he was crazy, but three holes later he could not contain his amazement and decided there and then to introduce it to his company, come what may.

After the round of golf, he got on to his retail manager and instructed him to introduce Agile to his company. Soon after, he was wondering why he had come up against so much opposition. All of his management levels issued top down instructions!

At their next round of golf, the retail manager told his golf partner from the telecoms sector about his own experiences with the agile world. His golf partner soon began to laugh out loud. "Why are you laughing?" asked the retail company manager. The thing is, the difficulties involved when introducing agility should not be under-estimated, and it should never be imposed top down. You and your organisation need to adopt this major change of mindset gradually and give your team time to take it all in. Once they have recognised the potential benefits and want to experience them, you can then give them the scope that they need within suitable guidelines. Success is then driven bottom up. Old leadership methods have to be set aside and readjusted. Trust your people and give them responsibility, rather than wielding the big stick and continually checking up on them. Your employees are well aware of the best way of implementing things. The subject of leadership takes on a whole new meaning.

This story is by no means a fairy tale or a rare occurrence. So what can we learn from it? All too often, bosses tell their employees to introduce agile working practices immediately, while telling them what to do, when and how to do it, and setting tight deadlines. They make exacting demands of their employees without providing suitable support or the right conditions, in which they can achieve them. Extensive reports, mountains of documentation and overtime become the order of the day. The goal is to become faster under “almost” the same conditions. Some teams or employees are given the green light, ‘as an exception’, to get to grips with the agile approach – but please keep it quiet and in the background – while others are even forbidden from having anything to do with it. These first teams then completely abandon documentation, processes, meetings with requesters or clients and then wonder why they never get anywhere.

Whether an organisation is at the beginning, half-way through or at an advanced stage of the transformation process, it is a rocky road, which must be trodden with a great deal of sensitivity and tact. Before introducing [agile methods], we recommend that organisations ask themselves the following questions (extract from our Agile Health Check):

- What added value will my business gain from Agile?
- Is the agile approach in harmony with my vision and strategy?
- Should I introduce the method across the board or only in parts of the organisation?
- Can the company afford the investment required for a carefully handled introductory process?
- Is the organisation open to the process?
- How do I help my employees and management embrace this new approach?
- Where could I launch a pilot project?

Any company has to answer these and many other questions for itself. As part of our Agile Health Check, we can then hold workshops or assessments, in order to discuss these questions, find answers, devise an agile transition strategy and decide how to implement this strategy.

From change of mindset to cultural change

Any kind of change within an organisation creates a variety of challenges. Restructuring, in order to adopt agile methods, also involves major challenges. Whether you are at the beginning, halfway through or at an advanced stage of the process, the change of mindset and associated cultural change will take time. Time to identify with the transformation.

Introducing agile methods requires not only a change of approach but also a more deep-seated transformation of the behaviour of employees and management alike. Here are some of the key questions that an organisation will have to answer at an early stage in this cultural transformation:

- What error management culture should we put into place?
- How do we deal with conflicts?
- What kind of working atmosphere do we want to encourage?
- How do we approach the subject of recognition and respect?
- Where do we need to set guidelines?
- What does individual responsibility mean?
- How much room for manoeuvre do we allow ourselves?

Employees and management alike will experience a huge change. While employees were previously kept on a tight rein, the aim now is to give them space. Employees must first be encouraged to identify with these broad-based guidelines. In order to decide upon the best tool, the ideal way of

implementing something and what team thinking means for us, we first have to practice. In addition, individual responsibility, creativity and communication play a very important role. A business must be willing to invest the time that this change will require. However, it is worth it, because your employees will be intrinsically motivated and have the self-confidence to stand behind your product and raise it to higher quality levels. Employees can only act on their own responsibility, though, if they are empowered to do so by their leaders through the transfer of responsibility.

Bosses who are climbing the management ladder often find the transformation very hard to deal with. It is no longer specified which employees will work on project X, Y or Z or what is to be done and when, where and why. “Command & Control” is one of the best known management approaches. However, after the agile transformation, the boss no longer lays down tramlines for employees to follow or acts, in a worst case scenario, like a despotic ruler.

Many bosses are very fearful of the changes, because they feel that they are losing ‘power’, and so they hanker after old structures. But is it really power that makes somebody a leader? Definitely NOT! And this applies equally to both traditional and agile structures.

Bosses have to become leaders! They have to learn how to have confidence in employees and help them to develop. Leaders are coaches, trainers and companions. In this spirit, we recommend that you encourage this transformation to the agile way of doing things by means of measures such as the following:

- Set achievable goals for your employees and make sure they are aware of the added value created by their activities.
- Instead of ‘Command & Control’, let them off the leash and show confidence in them.
- Give your employees the freedom to act autonomously in achieving those goals.
- Bring these challenges to the fore, while being aware of the risk of overtaxing people.
- Motivate your employees throughout the whole process, based on the version and goals that you adopt, and eliminate demotivation.
- Establish a culture of constructive feedback.
- Interact with employees, as their coach and mentor, and help them to overcome obstacles.

A responsible leader recognises individual performance limits and provides employees with intensive support. The road to this new culture is rocky and rough. Once you have opted for it, old behavioural patterns will have to be replaced by new ones. It will not be long before new agile managers are aware of how responsible and wide-ranging their new role is. The new agile world calls for a variety of leadership tools and approaches. It is important to provide employees and managers with intensive, sensitive coaching on the road to agility, because the impending change must be handled with great respect.

Trench warfare in the agile culture

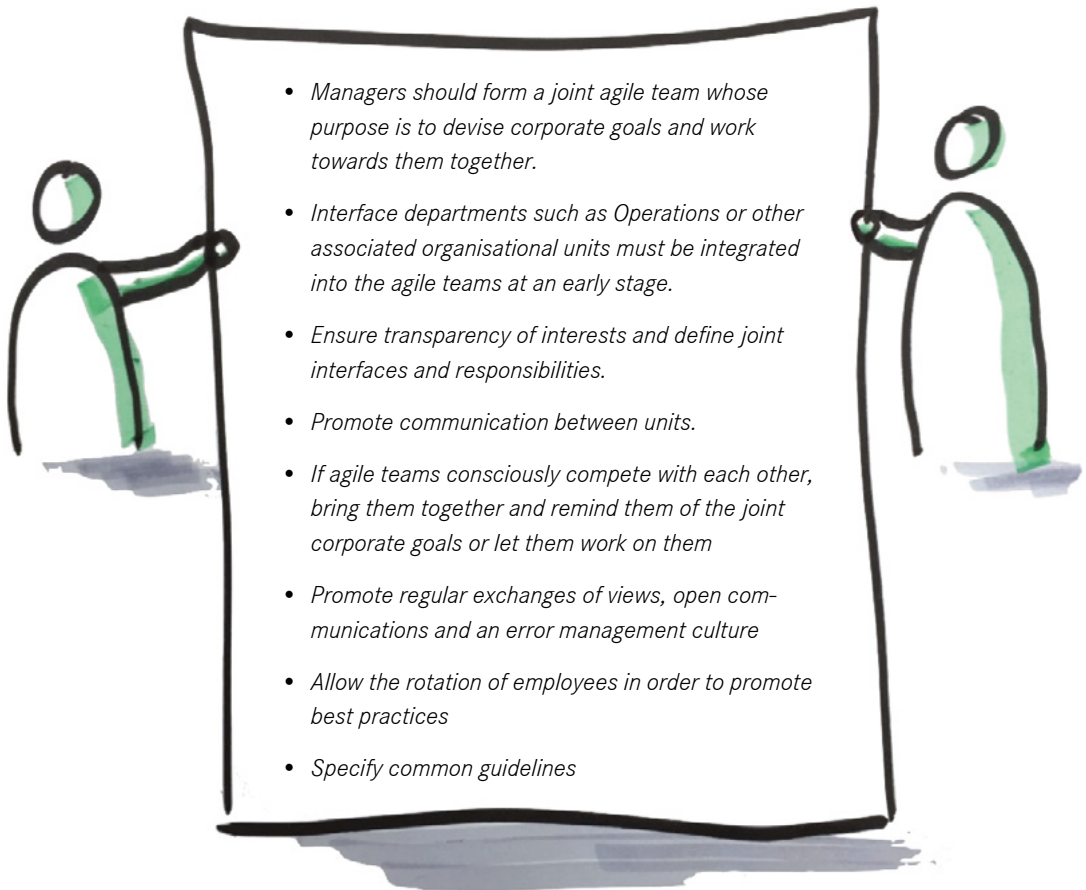
Is the old trench warfare a thing of the past in the agile world? After all, demarcation and wall building are only normal and must also exist in the agile world, mustn't they? In the past, we have been all too familiar with statements such as “department XY is to blame”, “we're better than the other team” or “we work differently and won't do what they want”. Regardless of whether the development department is having a go at quality assurance or product management is at the

throat of project management, such disputes help nobody.

This sort of trench warfare takes place in both agile and traditional environments. Whereas it used to be individual departments, for instance Development versus Operations, that defended their interests tooth and nail, today it is the individual agile teams.

If 'Operations' is not yet part of the team (i.e. no DevOps yet), there is often potential for conflict between the agile and traditional organisation. Furthermore, it can often be seen that managers jockey for position, while needlessly creating factions within the organisation. But how do we break down walls or ensure that they are built in the first place?

The following tips can help to contain trench warfare or even eradicate it altogether:



Conclusion and outlook

Breaking up old structures and defining new paths, while simultaneously keeping the corporate goal in focus, is no easy task. Turning that good old steamship, step by step, into a flexible, customer-oriented, responsive modern vessel requires special sensitivity.

Transforming businesses, which have developed over many years, takes a lot of time. Time to give people the chance to liberate themselves from habitual, deeply ingrained ways of doing things. In the process it is important to avoid errors such as imposing things under pressure, having to back-pedal halfway through or setting over-restrictive guidelines. Moreover, it is inadvisable to completely

dismantle structures throughout the entire company at a single stroke. It is better, in order to introduce agile organisation, to grow little by little from within. Starting small and learning, sharing successes and failures are just as important as working together as a partnership. Ivory towers, walls and barbed-wire fences must be dismantled piece by piece. Trusting other people is the key to a successful transformation. Small teams throughout the organisation with individual spheres of expertise build this success. However difficult it may be, any dependency **MUST** be appraised from every angle, in order to eradicate it. Company-wide, broad-based guidelines help promote this success. Micromanagement has no part to play in this game.

References

- [1] Agile Manifesto. <http://www.agilemanifesto.org/>
- [2] Kent Beck. https://de.wikipedia.org/wiki/Kent_Beck
- [3] VersionOne. <https://versionone.com/pdf/VersionOne-10th-Annual-State-of-Agile-Report.pdf>

© SQS Software Quality Systems AG, Cologne 2016. All rights, in particular the rights to distribution, duplication, translation, reprint and reproduction by photomechanical or similar means, by photocopy, microfilm or other electronic processes, as well as the storage in data processing systems, even in the form of extracts, are reserved to SQS Software Quality Systems AG.

Irrespective of the care taken in preparing the text, graphics and programming sequences, no responsibility is taken for the correctness of the information in this publication.

All liability of the contributors, the editors, the editorial office or the publisher for any possible inaccuracies and their consequences is expressly excluded.

The common names, trade names, goods descriptions etc. mentioned in this publication may be registered brands or trademarks, even if this is not specifically stated, and as such may be subject to statutory provisions.

SQS Software Quality Systems AG
Phone: +49 2203 9154-0
Fax: +49 2203 9154-55
info@sqs.com | www.sqs.com