CREATING
AGILE
ORGANIZATIONS

A SYSTEMIC APPROACH

CESÁRIO RAMOS | ILIA PAVLICHENKO

Forewords by CRAIG LARMAN AND DAVE WEST

CREATING AGILE ORGANIZATIONS

18. J. Strikwerda and J. W. Stoelhorst. "The Emergence and Evolution of the Multidimensional Organization." *California Management Review* 51, no. 4 (2009): 11–31. www.researchgate.net/publication/264948078_The_Emergence_and_Evolution_of_the_Multidimensional_Organization.

19. Craig Larman and Bas Vodde. *Large-Scale Scrum: More with LeSS* (Addison-Wesley, 2016).

20. Harrison H. Owen. *Open Space Technology: A User's Guide* (Berrett-Koehler, 2008).

21. Stanley M. Davis and Paul R. Lawrence. "Problems of Matrix Organizations." *Harvard Business Review*, May 1978. https://hbr.org/1978/05/problems-of-matrix-organizations.

22. S. E. Scullen, M. K. Mount, and M. Goff. "Understanding the Latent Structure of Job Performance Ratings." *Journal of Applied Psychology* 85 (2000): 956–970.

23. Jeffrey Pfeffer and Robert L. Sutton. "Hard Facts, Dangerous Half-Truths, and Total Nonsense Profiting from Evidence-Based Management." *Strategy and Leadership* 34, no. 2 (2006): 35–42. doi: 10.1108/10878570610652617

5

An Agile Adoption Approach

The effort required to adopt Scrum is huge, and only enterprises with compelling
reasons will make the effort.
—Ken Schwaber

One of the big mistakes many companies made in Agile adoption was to view Agile as a set of techniques and tools for Agile teams. Agile teams are powerful for getting work done but are just a tiny part of a more extensive system. Unfortunately, your efforts will be mostly lacking in impact if the adoption ends with a few workshops and a handful of cross-functional teams. Without a real culture change, your teams will start to slow down, and before you know it, all will be much like where you started. The issue is not about tools, techniques, or following the rules of Scrum. The culture needs to change so that delighting the customer and improving the process, product, and organization become a way of life.

Principles of an Agile Adoption

Over many years we have worked with several organizations interested in developing an Agile setup. Some of these organizations started many years ago, while others were relatively new to their journey. All have discovered that a transformation requires radical change. While working with these organizations, we have also learned a few things, including some basic principles of Agile adoption. The following is a brief summary of the adoption principles we have come to value:

- **Start with your customer.** Understand the nature of your market and define your product accordingly. Then design the organization as a product group to learn fast about the customer

needs in service of adapting to change. Identify customer value to improve the product and the process of product development.

- **Change the system of work.** People working in Agile organizations possess different behavior patterns and thinking. As Jay Galbraith points out, "Leaders cannot directly control the culture."[1] Instead, they change the culture by changing the system of work. John Seddon also observes this: "Attempting to change an organization's culture is a folly, it always fails. People's behavior (the culture) is a product of the system; when you change the system, people's behavior changes."[2]

- **Leadership from top down.** Because implementing change is a journey filled with complexities, risk, and far-reaching organizational impact, the committed participation of senior management is essential. They practice *Go See* to understand what is happening in the organization, decide on optimization goals, and make vital decisions regarding organizational design, thereby changing the system of work.

- **Agile from bottom up.** Ask the teams to take full responsibility for their process and provide the freedom to create and improve their product to delight the customer.

- **Manage knowledge.** Finally, manage knowledge to learn how and what to change within the organization. The teams create valuable knowledge by solving impediments in their specific setting. That knowledge needs to be shared and further developed to prevent re-inventing the same things over again.

All of these principles are detailed throughout the book.

Agile adoption has so many variables, parallel activities, paths, and feedback loops that it is impossible to create a detailed plan upfront. This does not mean that planning is a futile task; rather, it is simply an activity that needs to be repeated. So plan to replan! Figure 5.1 illustrates a typical sequence of steps you need to take to launch the adoption.

Prepare the Product Group	Launching the Product Group	Coaching Teams/ Product Ownership
Up to 3–4 months	Several days	Continuously

Figure 5.1
Typical adoption steps.

It can take from a few weeks to a few months to get from the first meeting with management until the first product group launch. The reason is that the people involved need to participate in the preparation while they keep doing their usual jobs. If you can halt the people's work, you could probably finish the whole preparation within two weeks.

Why not longer than a few months? From experience, we have learned that overly long preparation drains too much energy, resulting in people losing enthusiasm and their impulse for a change. Also, all the time that is spent in preparation meetings is time that the group is not really learning anything in practice. For these reasons, we prefer starting with an imperfect product group in a few months, and starting learning rather than losing too much time trying to achieve the perfect conditions. After the product group launch, the focus turns to supporting the teams and product ownership in the new way of working.

Overview of an Adoption Approach

To provide an overview of the adoption approach, we start with a bird's-eye view of the activities crucial for large-scale adoption and reference the chapters where you can find the activity details. After that, we provide overarching adoption guidelines.

A Bird's-Eye View of Adoption Activities

We have found the following topics crucial for an Agile transformation. We don't presume you'll follow a hierarchical, order-specific process because you're dealing with a complex system. Many of the activities occur in parallel, some of them happen before the product group launch, and some may happen mid-transformation. In some contexts, you may consider some activities irrelevant.

Prepare the Product Group (Chapter 8):

- **Involve the managers.** It is difficult to grow effective Scrum teams without senior management involvement. That is because these executives have the authority to resolve organizational impediments and change the system of work. Avoid starting your adoption without making sure senior leadership is onboard and involved. Don't expect senior management to be committed yet, as they have likely not experienced real Agile development yet.

- **Understand the current reality.** Often people start an Agile transformation without a deep appreciation of the current reality. To find the areas of highest leverage, you need to carefully understand the current reality first. This includes a brutally honest understanding of your current development process and management system.

- **Create a vision of what to become.** It is crucial to align everyone involved on the vision of what you want to achieve with the transformation: The path: Business objectives → Optimization goals → Teams' expectations. Alignment creates a clear goal and focus. It can also be improved with change stories.

- **Identify the product.** The product definition determines which organizational elements (people, components, processes, and systems) will be part of the first step in the transformation.

- **Hold awareness sessions.** Organize sessions that people can attend to discover and learn about adopting the Agile way of working. For example, you might organize periodic sessions on Tuesdays and Thursdays, where people are free to walk in and attend. In these sessions,

management and you can engage with the participants on the reasons, objectives, and ideas for the adoption.

- **Practice nonviolent education.** Teach the *why* behind the Agile processes, structure, and values to create deep understanding. Invite people and teach whoever comes in. If the workshop is good enough, there will be a word-of-mouth effect and new volunteers will show up soon.

- **Volunteer to participate in the product group.** It is not fair to ask people to volunteer for something they do not understand yet. People outside the product group might want to join, and people inside the product group might want to leave it. Facilitate a volunteering session after educating the people about the implications of working in the product group.

- **Co-create the change.** Invite the people impacted by transformation to co-create the change, to share ideas, hopes, and dreams. Co-creation increases the chances of success for any change or product initiative.

- **Hold mobbing workshops.** People might want to learn about new product work areas before the first iteration. The current functional teams should organize mobbing workshops that people can join to learn more about their functions and product work areas.

Launch the Product Group (Chapter 9):

- **Create the product definition of done (DoD).** DoD is everything a team must do to a feature so that the product is still ready for delivery to end users with the new feature added to it.

- **Hold a feature team adoption map workshop.** Aligning on feature team adoption is the first step and a potential next step toward creating the perfect feature team.

- **Hold a self-designing teams' workshop.** Facilitate a workshop where people volunteer to be part of a specific team.

- **Hold team lift-off workshops.** Facilitate lift-off workshops to lay a solid foundation for team success.

- **Identify and launch communities.** Create conditions for communities to emerge that address cross-cutting concerns within the product group.

- **Identify coordination mechanisms.** With the elimination of single-function teams, determine which coordination mechanisms and team roles are required.

- **Facilitate decision making.** Create decision rules that will guide teams in their work.

- **Create useful checklists.** Reduce uncertainty by creating checklists that address typical problems in a large-scale environment.

Coaching Teams (Chapter 10):

- **Implement Agile engineering.** Agile development works only with the right development practices in place. In the context of software development, moving to Agile development means delivering high-quality software during every iteration. The teams involved will learn where they need skills to operate in a more Agile manner.

- **Help a group to become a team.** Reward behaviors that build healthy team dynamic and communicate the purpose.

- **Provide coaching for multifunctional learning.** Create a team whose members can work on multiple kinds of tasks—that is, a team of multi-skilled individuals.

- **Provide systems team coaching.** Improve the performance of a team by improving how the team members interact.

- **Improve team dynamics.** Create a culture of trust and psychological safety—one that's characterized by radical candor and facilitated conflict.

- **Emphasize continuous learning.** Define measures that drive learning.

Guide the Product Ownership (Chapter 11):

- **The Product Owner:** Find a person with the right capabilities to drive product development, manage stakeholder relationships, and ensure deep understanding of the market and customer needs.

- **Customer understanding:** If you don't understand whether you are solving the right problems, you can end up with a lot of quality features that have no customer value.

- **Product ownership measures:** Measure business impact and team performance.

- **Stakeholder alignment:** Prepare end users and stakeholders for working closer with the teams on requirements clarification.

- **Leadership:** Know how to lead and guide teams at scale through visioning and style.

Overarching Adoption Guidelines

Through our years of collaborating with so many companies, we've identified several guidelines that worked for us in most of the contexts. You can apply them to enhance your chances of successful adoption.

Form a Leading Group

The adoption needs a group of people who start and run the change initiative. This group can be called anything, but in this book, we call it the *leading group*. The main reason for having a leading group is to connect bottom-up intelligence with top-down support. To achieve that, the group should include a mix of people from different levels of the organization, from senior management to people who do hands-on value work. A combination of people from different levels of the organization will improve the understanding of the problems and make you more effective in solving them. The main goal of the leading group is to support the teams by removing organizational impediments and making the necessary organizational design changes possible.