

## AGILE IT ORGANIZATION DESIGN

FOR DIGITAL TRANSFORMATION AND CONTINUOUS DELIVERY



SRIRAM NARAYAN

### Praise for Agile IT Organization Design

"Continuous delivery is often described from the perspective of the technicians. This is understandable because that is where it started, but it does the process a disservice. Continuous delivery is a holistic approach. It requires change across the organization and it encourages such change, to the betterment of the groups that practice it. This book addresses that problem and looks at CD from an organizational perspective. It starts from Dan Pink's ideas of intrinsic and extrinsic motivators and describes how to structure an organization for success—how to encourage a focus on autonomy, mastery, and purpose that will motivate your teams and produce high-quality results. This book takes a look at all aspects of organizational design that impact the ability to deliver regular, small, high quality changes. If you follow the advice in this book, your organization will be the better for it."

—Dave Farley, author of Continuous Delivery

"A number of years ago, Silicon Valley marketing guru Geoffrey Moore quipped, 'A bank is just a computer with a marketing department.' Today, technologies—cloud, social, big data, the Internet of Things, and mobile—continue to drive this unprecedented digital transformation in organizations. As such, the need for agility has moved from software development to corporate boardrooms. Sriram's book makes the case that to thrive in these fast and uncertain times, enterprise leaders need to rethink how IT, not just software development, is organized, structured, and measured. His book provides guidelines, not prescriptions, which enable innovation, adaptability, and responsiveness at scale."

—Jim Highsmith, Executive Consultant, Thought Works, Author of Adaptive Leadership

"Very hands-on and operational book for management of Agile-based development. Provides valuable insight for IT practitioners. A must read for IT professionals."

—A.V. Sridhar, Founder, President & CEO Digite, Inc.

"Agile IT Organization Design is an engaging, enlightening, and immensely practical book. While many authors have addressed Agile software development, very few have tackled the wider topic of the more systemic changes necessary to move from Agile software to an agile organization, and onwards to 'digital transformation.' Even fewer have done so at more than a very theoretical level. Drawing heavily upon his substantial practical experience, Sriram Narayan's

### Agile IT Organization Design: For Digital Transformation and Continuous Delivery

### **Table of Contents**

# Contents Preface Acknowledgments About the Author Glossary A B C D F H I O S

### Chapter 1: Context

1.1 Focus

U

- 1.2 Business, IT, and Shadow IT
- 1.3 Business-IT Effectiveness
- 1.4 Digital Transformation



- 1.5 Bimodal IT and Dual Operating Systems
- 1.6 Angles of Coverage
- 1.7 Summary

### Chapter 2: The Agile Credo

- 2.1 Understanding the Agile Manifesto
- 2.2 Continuous Delivery and DevOps
- 2.3 Agile Culture
- 2.4 Common Themes
- 2.5 Isnt Agile Dead?
- 2.6 Summary

### Chapter 3: Key Themes

- 3.1 Software Development Reconsidered
- 3.2 Govern for Value over Predictability
- 3.3 Organize for Responsiveness over Cost-efficiency
- 3.4 Design for Intrinsic Motivation and Unscripted Collaboration
- 3.5 Summary

### Chapter 4: Superstructure

- 4.1 Business Activities and Outcomes
- 4.2 Centralization and Decentralization
- 4.3 Silos
- 4.4 Summary of Insights
- 4.5 Summary of Actions

### Chapter 5: Team Design

- 5.1 Framing the Problem
- 5.2 Activity-oriented Teams
- 5.3 Shared Services



- 5.4 Cross-functional Teams
- 5.5 Cross-functionality in Other Domains
- 5.6 Migrating to Cross-functional Teams
- 5.7 Communities of Practice
- 5.8 Maintenance Teams
- 5.9 Outsourcing
- 5.10 The Matrix: Solve It or Dissolve It
- 5.11 Summary of Insights
- 5.12 Summary of Actions

### Chapter 6: Accountability

- 6.1 Power and Hierarchy
- 6.2 Balance Autonomy with Accountability
- 6.3 Assign Accountability
- 6.4 Minimize Power Struggles
- 6.5 Decide on an Outcome Owner
- 6.6 Migration
- 6.7 Decision Accountability
- 6.8 Planning and Execution
- 6.9 Org Chart Debt
- 6.10 Summary of Insights
- 6.11 Summary of Actions

### Chapter 7: Alignment

- 7.1 Articulate Strategy for General Alignment
- 7.2 Aligning IT with Business
- 7.3 Structural Alignment
- 7.4 Making Business Play Its Part
- 7.5 Summary of Insights



### 7.6 Summary of Actions

### Chapter 8: Projects

- 8.1 What Is Wrong with Plan-driven Software Projects?
- 8.2 Budget for Capacity, Not for Projects
- 8.3 Business-capability-centric IT
- 8.4 Project Business Cases
- 8.5 Value-driven Projects
- 8.6 Project Managers
- 8.7 Governance
- 8.8 Change Programs and Initiatives
- 8.9 Summary of Insights
- 8.10 Summary of Actions

### Chapter 9: Finance

- 9.1 Relevance
- 9.2 Cost Center or Profit Center
- 9.3 Chargebacks
- 9.4 CapEx and OpEx
- 9.5 Conventional Budgeting
- 9.6 Agile Budgeting
- 9.7 Summary of Insights
- 9.8 Summary of Actions

### Chapter 10: Staffing

- 10.1 Dealing with the Talent Crunch
- 10.2 Go Beyond Project Teams
- 10.3 Better Staffing
- 10.4 Summary of Insights
- 10.5 Summary of Actions



### Chapter 11: Tooling

- 11.1 Access Control for Unscripted Collaboration
- 11.2 Subtle Effects of the Toolchain
- 11.3 Technology Isnt Value Neutral
- 11.4 Tool Evaluation
- 11.5 Summary of Insights
- 11.6 Summary of Actions

### Chapter 12: Metrics

- 12.1 Metrics Dont Tell the Whole Story
- 12.2 Dashboards Promote Ignorance
- 12.3 The Problem with Targets and Incentives
- 12.4 Reforming the Metrics Regime
- 12.5 Designing Better Metrics
- 12.6 Objections to Metrics Reform
- 12.7 Migration
- 12.8 Summary of Insights
- 12.9 Summary of Actions

### Chapter 13: Norms

- 13.1 What Are Norms?
- 13.2 Reinforcing Norms
- 13.3 Cooperation over Competition
- 13.4 Living Policies
- 13.5 Consistency over Uniformity
- 13.6 Ask for Forgiveness, Not for Permission
- 13.7 Confidential Surveys
- 13.8 Balance Theory and Practice
- 13.9 Summary of Insights



13.10 Summary of	f	Actions
------------------	---	---------

### Chapter 14: Communications

- 14.1 Intrinsic Motivation
- 14.2 Interpersonal Communications: Problems
- 14.3 Interpersonal Communications: Mitigation
- 14.4 Scaling Employee Engagement through Internal Communications
- 14.5 Deliberating in Writing
- 14.6 The Use and Misuse of Visual Aids
- 14.7 Documents, Reports, and Templates
- 14.8 Summary of Insights
- 14.9 Summary of Actions

### Chapter 15: The Office

- 15.1 Open-plan Layouts
- 15.2 Ergonomics
- 15.3 Remote Working
- 15.4 Summary of Insights
- 15.5 Summary of Actions

### Chapter 16: Wrap-up

- 16.1 Summary of Effects
- 16.2 Order of Adoption
- 16.3 Information Radiators
- 16.4 Sample Exercise
- 16.5 IT Services
- 16.6 GICs
- 16.7 Beyond IT

### Bibliography



Index

