



AGILE CHANGE
management limited

Creating an Agile Environment for Effective Project Management



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Introduction

This book has been written for those who are evaluating if an agile approach to their projects and change initiatives is relevant to their work. I have not assumed any prior knowledge about agile project management so have included information on what agile means to different people, what its benefits are and some of the challenges of adopting an agile approach.

I didn't want to talk about the benefits of agile without providing first hand, hard won experiences about the reality of making this change to your ways of working. After every benefit I describe some of the challenges I have faced, why they arose and what I did to help mitigate them.

So - what is agile?

Agile feels as if it is the latest management buzzword. As a result:

- The concept means different things to different people
- Many people are sceptical about its importance, wondering if it's just another fad

I work with a number of senior executives from across the public and private sector who have identified 'agile' as something they should have a view about, and perhaps something they should be doing but are not exactly sure what is involved. The urge to understand agile is driven by the many surveys and reports that confirm the importance of agility to senior executives:

- MIT Centre for Information Systems Research Agility research in their 2012 research stated that agile firms had 37% higher profitability than their non-agile counterparts.
- A 2009 survey by the Economist Intelligence Unit stated that 90% of CEOs rated agility as a competitive advantage.
- Business Technology Management Institute, Agility research conducted over 5 years between 2002 and 2006 found that annual revenue growth for agile firms was 12% compared to only 4% for non-agile firms.

Agile is a broad term but The Centre for Advanced Human Resource Studies at Cornell University provides a useful definition:

"Organizational agility is the capacity to be infinitely adaptable without having to change."

In other words, an organisation that is so flexible it is able to take developments in its external environment and its internal capabilities in its stride, as the organisation sees change as 'the norm' and not something separate that has to be addressed by a task force or special project team.

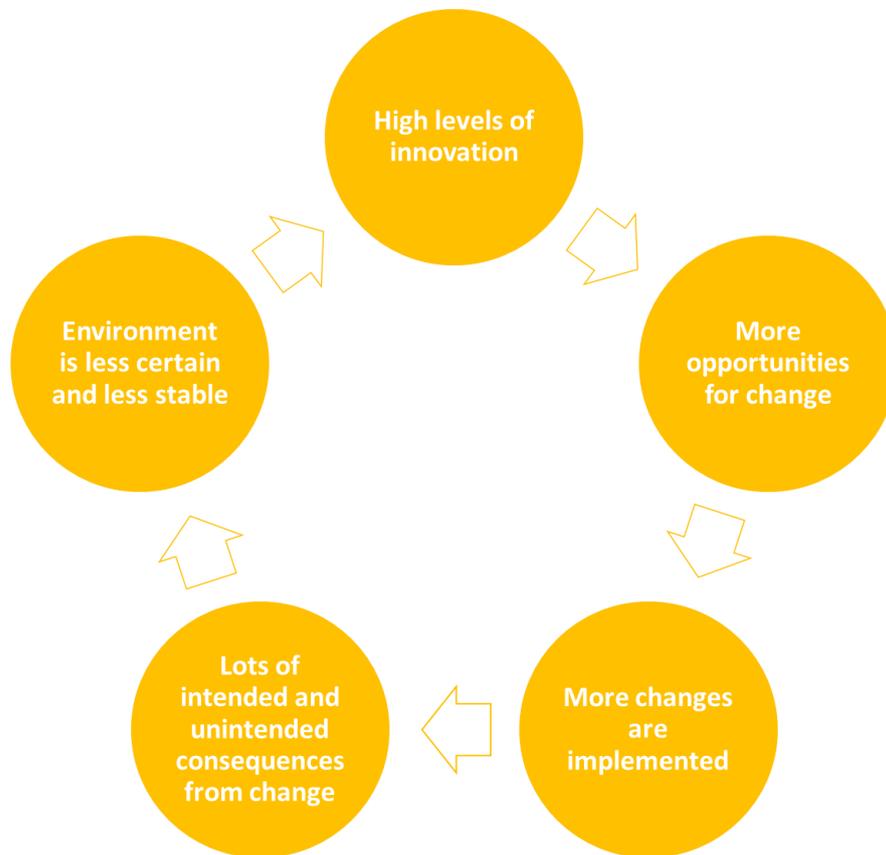
Agility means the ability to move quickly and easily. Agile has become a popular term to describe a wide range of activities that help organisations move faster. It's popularity has grown significantly, particularly during the financial crisis of 2008-2013 when many organisations realised that their hierarchical structures and lengthy decision making processes were not fit for purpose in a world of complex and continuous change.

Agile is a concept whose time has come, as a result of the environment that we now work in, where continuous innovation leads to continuous obsolescence.

The pace of change has increased whilst the expected lifespan of any changes that we implement has decreased. It is no longer appropriate to undertake an in-depth information gathering exercise to decide on the scope and objectives of a possible change. An in-depth study provides us with ideas and requirements that will become out of date and overtaken by new developments if they are not addressed swiftly. So we need to reduce the time we spend guessing about the future needs of



our users and customers. Agree the scale and types of benefits that change must deliver and start making changes, identifying further ideas as the response to these initial changes becomes clear.



Increasing pace of change

Our traditional approach to strategy development and project planning involved a lot of up front research and planning which created the impression we were overcoming the risk of the unknown by documenting all possible options and the reasons behind our choice of preferred option. An agile approach prioritises reaction to initial ideas over research about possible options. It is based on the principle that change is so complex and so many ideas are inter-linked it is better to make small changes first, understand their impact and then make further changes.

How do I build an environment that supports an agile approach?

Creating an agile environment is a change like any other. There needs to be a clear rationale for why your organisation would benefit and this should be expressed in terms of:

- How an agile approach helps your organisation achieve its strategic objectives
- Why your current approach is no longer fit for purpose
- The benefits you are expecting to realise as a result of your move to agile working

It is also important to ensure there is support for creating an agile environment:

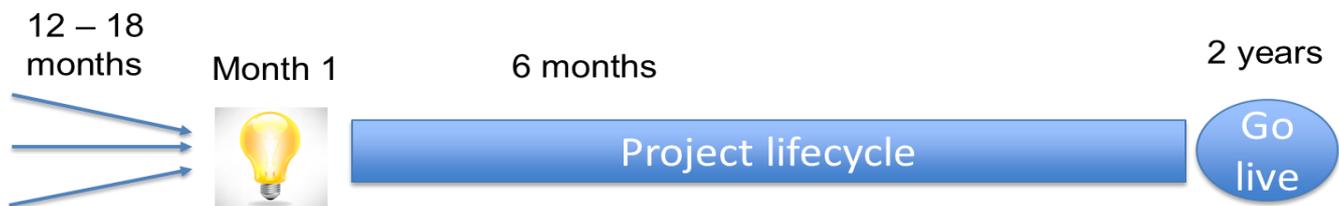
- From senior management whose decision making and governance processes will be affected by agile
- From those who are responsible for creating and implementing change throughout your organisation

This support can only be developed if there is a clear understanding of what agile means within the context and culture of your organisation and how it is likely to affect your customers, your suppliers and other stakeholders.

What is the impact of an agile environment on my organisation's approach to project management?

1. Increased ability to manage changes in scope and requirements throughout the life of the project.

As we have already seen, the pace of change continues to increase, and with greater levels of uncertainty and greater choices about what to do and how to do it, it is difficult for customers and users of projects to fully define their requirements up front.

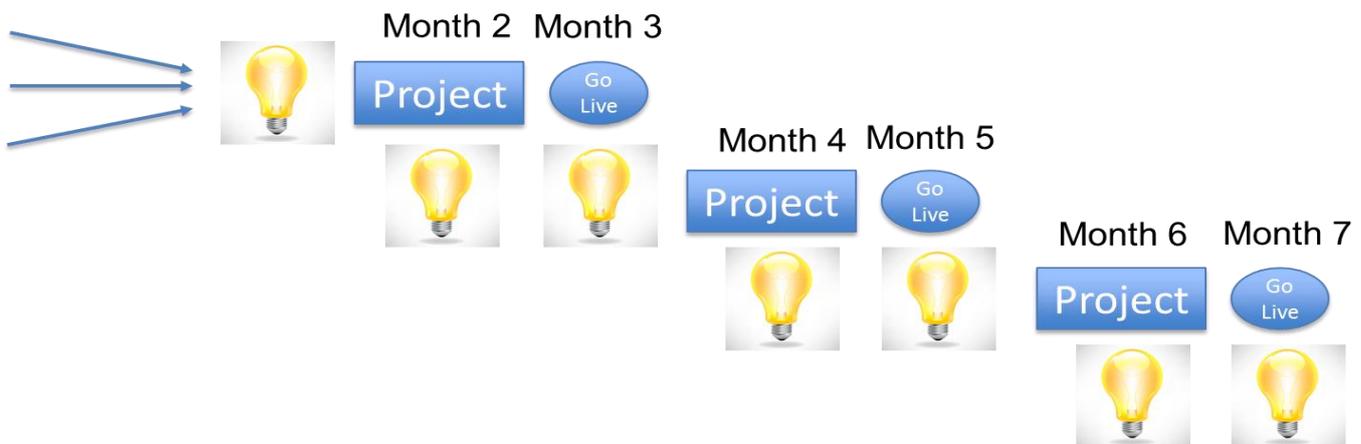


In fact, it can be dangerous to ask for a definitive list of all the required features and functions at the start of a project, before any work has even begun. Requirements gathered today are the product of the views and experiences of those requesting them. These views and experiences will have been formed over a period of time, so requirements identified today are probably formed on the basis of information that is perhaps a year to 18 months old.

If the project then takes a further 6 months to deliver these requirements, what is implemented at the end of the project lifecycle is already two years old. With technology doubling in processing power every two years (Moore's Law) and regulators and law makers constantly shifting the parameters of business, implementing old requirements is unlikely to realise the benefits expected and is a waste of effort.

To overcome the issue of 'out of date' requirements, we need to put in place a mechanism for working alongside our customers and our users, identifying key points throughout the project when what has been delivered so far will be presented to them for their feedback. It is this feedback that will lead to the identification of up to date requirements and ideas as work is developed and project deliverables become available for implementation.





The Challenge

This mechanism for close collaboration requires more time and effort from customers and users to engage with the project team over an extended timeframe. In the old model, they would need to take part in an initial requirements gathering exercise, but their involvement in the project would then cease until the end of the lifecycle when they would take part in training and handover activities.

The agile approach relies upon timely and frequent sessions to review what has been created, take part in interviews, focus groups and workshops to gauge their reaction and to identify more ideas. Involvement of these business representatives can conflict with the need to carry out 'business as usual' activities.

In order to mitigate the time required with the business, I have helped project teams finesse their approach to seeking this regular feedback from their customers and users. I have found that the more professional the project team are in their engagement with the business and the greater the respect they show for the need to maintain focus on business as usual, the more likely they are to get the input they need.

For example, I have helped one project team to develop a 30 minute 'show and tell' session which presents project deliverables to users and asks them to take part in quick reviews of functionality. The structure is the same for all of these sessions, whatever the project deliverable and whatever the stage of the project. In this way, the users become used to what they have to do very quickly, which increases the amount of time they have for feedback as it reduces the amount of time the project team need to spend on explaining the process. As these sessions have become the norm, the number of refusals to attend has decreased.

2. Changing the emphasis of project management from control to facilitation

The traditional role of Project Manager involves detailed planning of all tasks and activities and the delegation of this work to the various project team members. To ensure that work is progressing according to plan, the Project Manager must ensure the team provide regular progress updates which form the basis of the Progress Report sent by the Project Manager to the Sponsor and other stakeholders.

In agile project management, the planning skills are very different. In traditional project management, the plan is created 'top down' by the Project Manager, who uses their understanding of all the requirements to build a plan that defines the order of

work, recognising which completed requirements act as inputs to other project work. Each task is allocated to a team member, and as one task is completed, the Project Manager gets ready to delegate further work until the whole plan is completed. This creates a paternalistic environment, where the project team rely on direction from the Project Manager about what to do and when to do it.

Project Duration

Increment 1

Increment 2

Increment 3

Timebox
1

Timebox
2

Timebox
3

Timebox
4

Timebox
5

Timebox
6

In agile project management, there is no overarching work plan, because the details of what needs to be done evolve as feedback about early deliverables drives decisions on what to work on next. This evolving solution is created within an agreed timescale, so the emphasis for the Project Manager is to ensure that the available time is broken down into specific 'increments' or 'phases' during which work will be designed, developed, tested and handed over to the customers and users for feedback.

Time driven planning replaces activity based planning

To keep things on track and make sure that delays do not build up during any of these increments, the Project Manager can further divide each 'increment' into 'timeboxes' or 'sprints'.

The key skill for the Project Manager is understanding how work can be packaged together into these 'increments' so that it can be undertaken as a whole, and is capable of creating something of use at the end of the increment. The Project Manager is essentially planning multiple implementations of the project, instead of having one implementation at the end.

The Challenge

I have seen first-hand how some Project Managers find this shift in thinking to be very difficult. They have to be able to step back from the detailed work and see the bigger picture. They need to be able to think how this bigger picture can be 'chunked up' into several usable pieces. Failure to do this means that the project loses its ability to deliver quick wins, benefits are not realised early in the project lifecycle which can affect the ability of the organisation to fund later parts of the project.

Some Project Managers are fearful of delivering only part of a solution for fear of being criticised for its lack of completeness. It is important to work with them and their customers to generate support for early trials and pilots of project deliverables,



with all those involved recognising that they will not receive perfection but will have the chance to specify what else is needed before the work is finalised and opportunities for change are reduced.

To help Project Managers make this change in their approach to planning, I provide them with an 'out of the box' planning workshop which has an agenda and activities:

- Break the project deadline into multiple delivery dates that are acceptable to the customers and users
- Break the overall project idea/solution into several elements, each of which is capable of being deployed in its own right
- Identify the expected improvements and benefits that each element is expected to deliver so that these can be measured, giving motivation to later parts of the project
- Creating a template for progress reporting that records involvement of users and amount of feedback instead of who has done what work during the reporting period

3. Being flexible about what is delivered, evolve in response to the demands of customers and users

This means accepting that not all aspects of the project can be planned in detail at the start, but will need to emerge as more becomes known about the situation you are trying to improve and the changes taking place in all of the aspects of your organisation and the wider business environment that affects the situation.

This can be uncomfortable for those authorising and/or funding the project because there is uncertainty about exactly what will be delivered. This uncertainty will only be accepted if there is very strong evidence that although the solution is not known in detail, the purpose of what is to be created and how it will improve the current situation is known.

This trade-off between flexibility and certainty only makes sense on those projects which are truly 'unknown' i.e. where what is being created has not been done before. It is worth pointing out that for those projects where the deliverables are critical inputs to other initiatives and what is needed is well understood, there is little value in an agile approach. Emphasis must be given to defining exactly what is to be created so that their delivery can be planned for by those expected to use them. In this case, an evolving solution would not meet the needs of users.

The Challenge

The challenge when the situation evolves is likely to affect:

- Finance
- Procurement

If the solution is allowed to evolve, does the means that the budget also evolves? If so, how does an organisation account for this? If the project requires capital expenditure, this would normally have to be agreed in annual budgets in advance of the project being authorised.

This is best illustrated with a simple example. If the project is to commission a training and development programme for staff, a contract will need to be established between the organisation and its chosen training partner.

At the early stages of the project, there is a need for a contract to provide the design and delivery of a number of classroom based training courses. However, as the project progresses and the first course is delivered, further ideas are suggested for improving the training including creation of a pre-course questionnaire and a post-course assessment.





This can be accommodated via an extension to the original contract, and the funding might come from the contingency in the original budget. However, further roll-outs of the training lead staff to request e-learning modules and a social media platform for learners to engage with each other.



These are capital costs that are subject to depreciation and they are unlikely to be funded from any contingency budget. The above example illustrates that the funding and procurement of services for agile projects must recognise that customers and users will want to evolve the solution but that it needs to be managed so that spending is not uncontrolled.

In some organisations, project funding is drawn down from a central pool as the project progresses. The size of this pool of funding has been set in the annual budget process and the amount any one project can access is agreed at the time the project is authorised. In this case, the solution and therefore the cost of the solution is allowed to evolve within the constraint of an agreed budget but without specifying in advance what the budget will be spent on.

Where services are being procured from suppliers it can be difficult for traditional procurement processes to engage for services or products that are not defined in detail at the start of the project. For agile projects, contracts need to specify the duration of the engagement and the cost parameters within which the supplier can operate, so they are a version of a time and materials contract rather than a fixed price contract.

4. Ensuring that whatever is delivered, it meets the needs of those who will use it

Agile project management is a value driven rather than a process driven approach to project management. In other words, the driving force for what is created comes from solving a business problem.





Understanding business value

Now this might sound obvious, but in reality a significant number of project teams don't deliver business value. They deliver a solution and hope that when it is ready for use their customers will be able to apply it one of their business problems.

Our challenge is to bring to the front of the lifecycle the sometimes challenging conversations about why something new is needed, and what the business will look like once it has been implemented. I know from experience how difficult these conversations can be.

- It can appear as if the project team are creating delays by spending time understanding the business environment and the challenges that must be met instead of getting on and creating new ways of working
- It is more difficult to imagine and articulate how things will work in the future so that a clear scope for the project can be defined
- It feels uncomfortable proposing the benefits of what the project will deliver when there are so many inter-dependencies across the business that could stop these benefits ever being realised

Even though this is difficult, it is impossible to allow the solution to evolve to meet the needs of the business if the needs of the business have not been fully defined. This means that project teams and their customers have to spend more time listening to each other, and prioritising the definition of the business problem or opportunity instead of jumping to a conclusion of what the solution should be.

The Challenge

This aspect of agile project management actually addresses an issue that is outside of most project management approaches. Many projects are triggered by the agreement to pursue a specific idea and the creation of the business case that proves the viability of the idea. This makes the assumption that everyone is already well informed about the business benefits associated with the project, when in reality that is often not the case.

To address this, I have helped a number of project teams build a mechanism for information sharing between technical project teams and those in the business that is not connected to the commencement of a specific project. It is a continuous activity that happens throughout the year. Some of my clients have called this their 'innovation environment' and are seeing it as an important engine of ideas creation and problem solving that is linked to their emphasis on continuous improvement.

Mechanisms for bringing project teams and business customers and users together include:

- Quarterly innovation forums that run as a half day or full day workshop and can include external speakers from competitors, customers or different industries to help give a wider context to the conversations that take place internally
- Monthly 'lunch and learn' sessions which alternate in content between technical presentations outlining new capabilities and new technologies and business issues, strategic objectives, progress against performance etc that generate discussion on what else the organisation needs to be doing to satisfy/delight its customers.

Ideas creation has to be matched by the ability to assess the potential and prioritise which initiatives have the strongest ability to solve a business problem or exploit a potential opportunity. For this reason, many organisations are partnering their adoption of agile project with greater control over the project authorisation process via portfolio management. The control comes from ensuring that not only is the idea viable in its own right, but that it is only authorised if it is agreed that its expected contribution (benefits, improvements etc.) are greater than those offered by other projects.

5. Providing certainty of when project deliverables will be ready for use

It's a fact of life that many projects deliver late. This is not because project teams set out to fail, but because emphasis on delivering every requirement and change request received during the project means that it is very difficult to shout '*STOP!* – *we have done enough, this is fit for purpose, even though it doesn't have every possible feature it could have.*'

Agile project management turns things on its head by putting on time delivery ahead of certainty of delivery. Customers and users of an agile project can be certain that they will have project deliverables to implement on agreed dates throughout the project lifecycle. Each of these deliverables might contain the minimum features and functions but the deliverable will still be workable. However, if things went well then the project team will have included as many non-essential but beneficial features and functions that they could fit into the time available, still meeting the agreed deadlines.

Guaranteed delivery of at least a 'fit for purpose' solution means that the project team are empowered to manage their time so that they prioritise the most important elements of the project, which deliver the greatest business value. This means that they have can choose not to work on less important elements of the solution if time is tight and they are in danger of missing their agreed deadlines.

The Challenge

When customers and users contribute new ideas and changes to existing requirements throughout the project, there has to be a willingness to agree to de-scope earlier ideas and focus on what the minimum delivery is that will be workable and usable.



This is a new discipline for project teams and their customers and users, as more traditional project management approaches just add new requirements to the existing list and shift the date for delivery to accommodate the extra work.

I have found that this aspect of agile project management is closely tied to trust by the business that the project team really understand the business environment and the challenge that are being faced. To make this work, the project team have to challenge the business to demote the importance of at least one existing requirement for every new idea that they have. This has to become so routine that the business begin to think in this way, i.e. are willing to give something up.

Biography

Melanie Franklin is a highly respected thought leader in change management with an impressive track record in the successful realization of business change programmes across public and private sector organizations. An impressive array of clients have benefited from her unique insights into change, including GSK, HSBC, United Nations and International Red Cross. She is the author of several publications and a regular keynote speaker at various conferences worldwide.

