

# Agile v. Agility

## ...the problem of management

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CDO, Enterprise Consultant

*Net* Objectives



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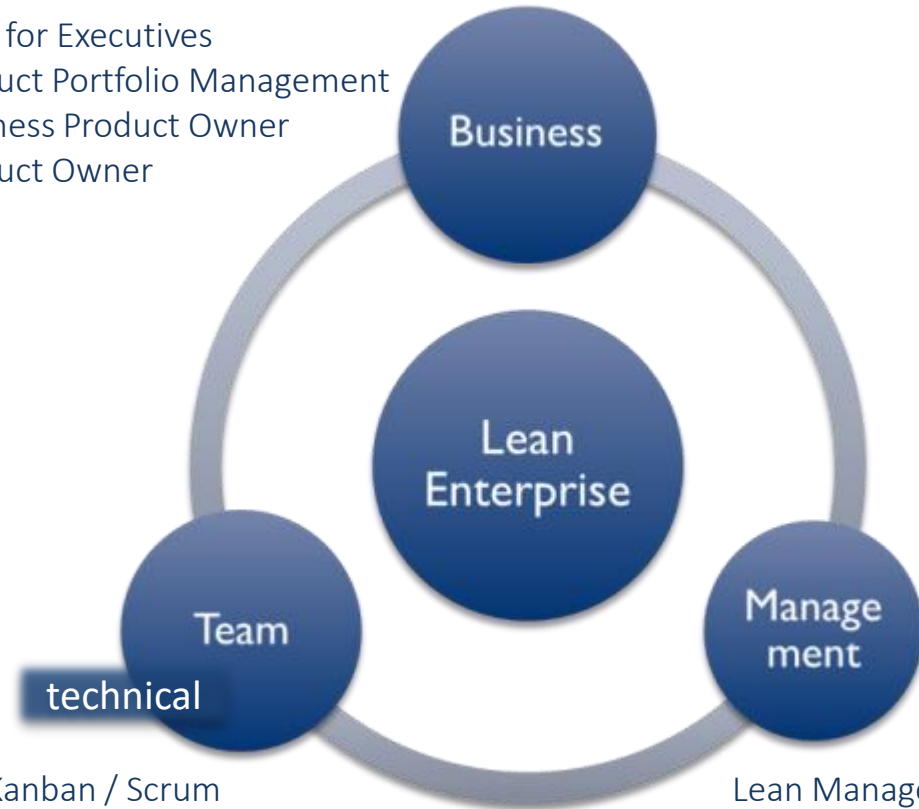
CDO, Enterprise Consultant

**Marc Danziger** is the Chief Delivery Officer of Net Objectives. With over 20 years of experience, Marc is a leading practitioner in project and program management, project rescue, product portfolio management, SAFe, Scrum and business architecture. He helps companies transform to Lean and Agile enterprises.

He has a Masters in Planning Theory from U.C. Berkeley where by random chance he studied with the originators of the concepts of Wicked Problems and Design Patterns.



Lean for Executives  
 Product Portfolio Management  
 Business Product Owner  
 Product Owner



Kanban / Scrum  
 ATDD / TDD / Design Patterns

Lean Management  
 Project Management

Onsite SPC  
 Leading SAFe  
 SAFe Architecture  
 PM/PO

# Net Objectives

ASSESSMENTS  
 CONSULTING  
 TRAINING  
 COACHING

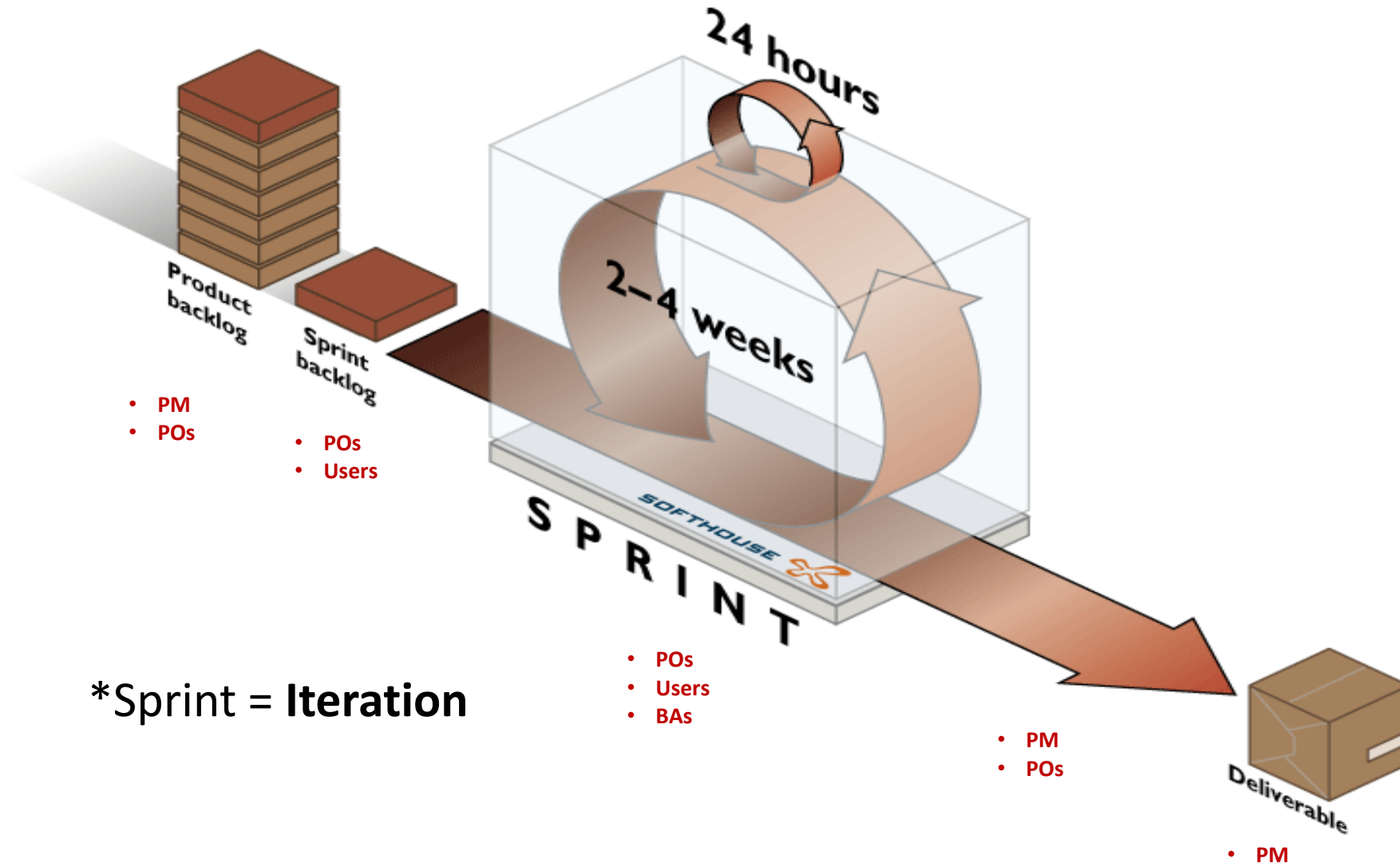


# What's we talking about?

Differentiating 'Practicing Agile' from 'Organizational Agility.'

Discussing the barrier typical management practices place between the two.

# Agile is about practices





Agility is about **overall** control and responsiveness

# What's "Agility?"

Simple:

The tight connection between strategic decision and execution

When an organization can make a decision and promptly deliver an outcome that accurately manifests that decision, the organization is demonstrating agility.

# Don't Agile practices lead us to Agility?



...not always

# We've all lived through this

- Friction at the working service goes down
- Reliability of delivery improves

But:

- Does value of delivery improve?
- Post-transformation, does this persist?

If not, why not?

# So we have to do two things...

Improve the delivery of value.

Change our model so that the transformations persist.

Why? ...and how?

# Delivering Value

*“It’s all about the  
Benjamins.”*



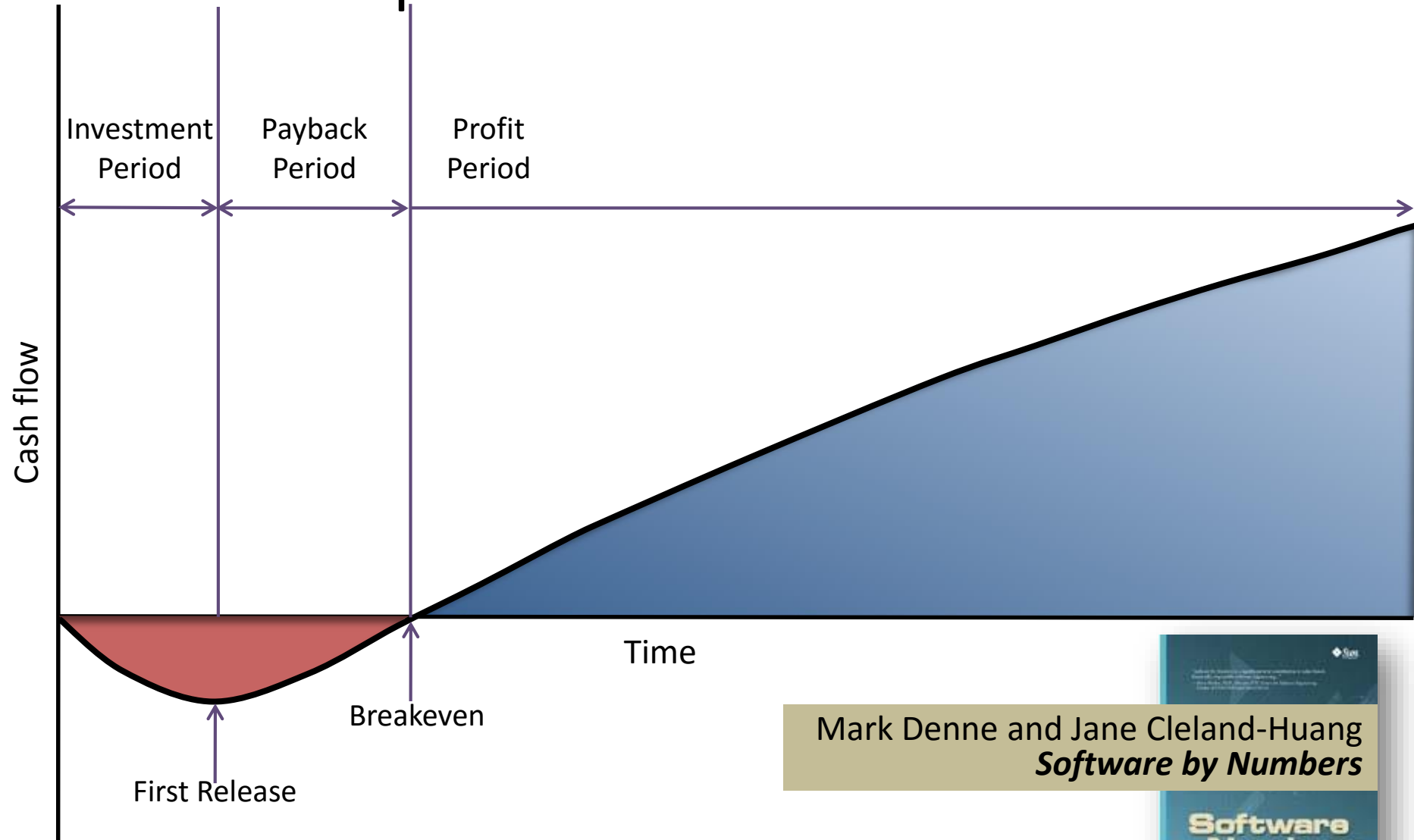
# Is it all about Money?

No.

It's about delivering value. But in our economy, money is a decent proxy for value.

...and, by the way, when we rapidly deliver value other good things happen.

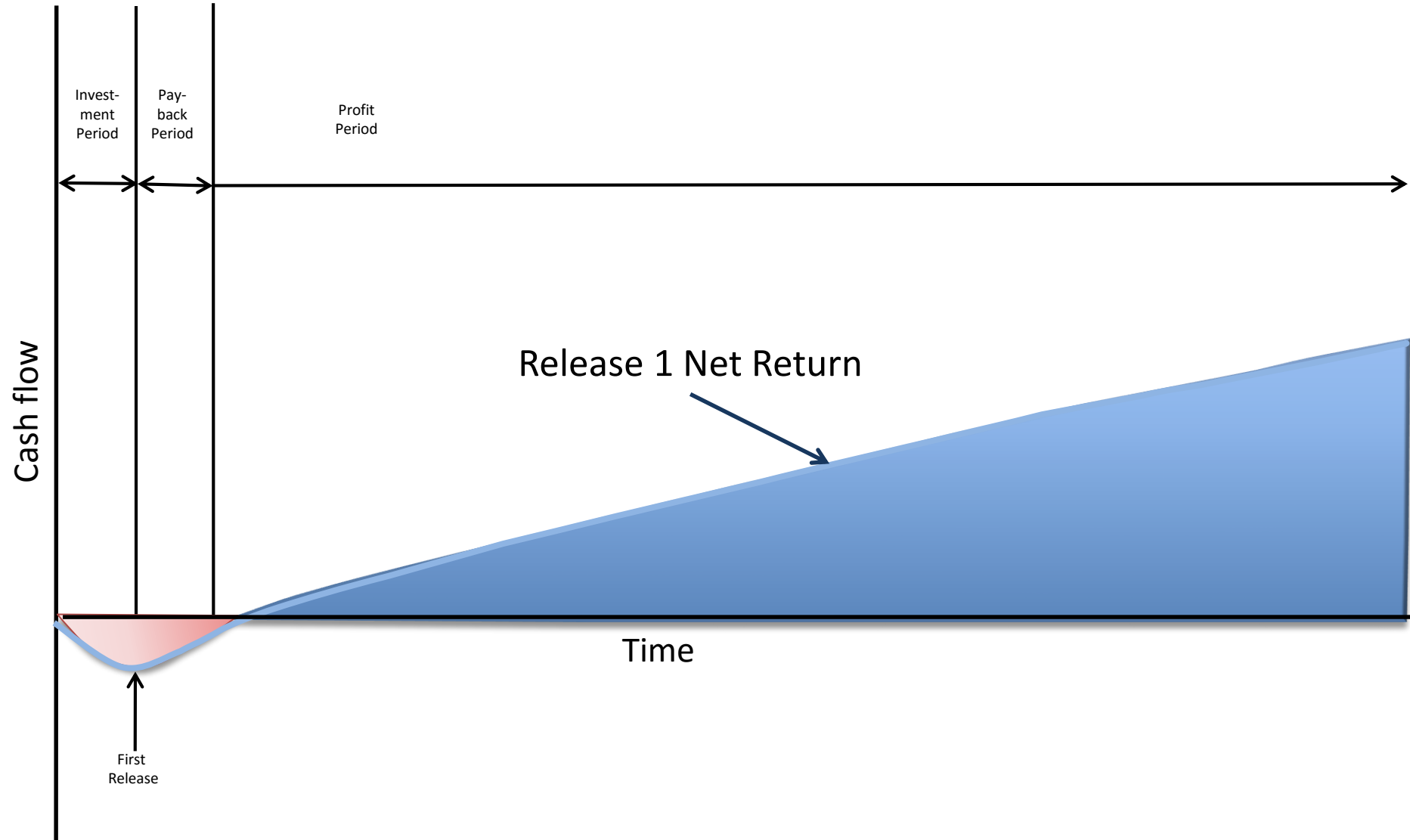
# economics of responsiveness



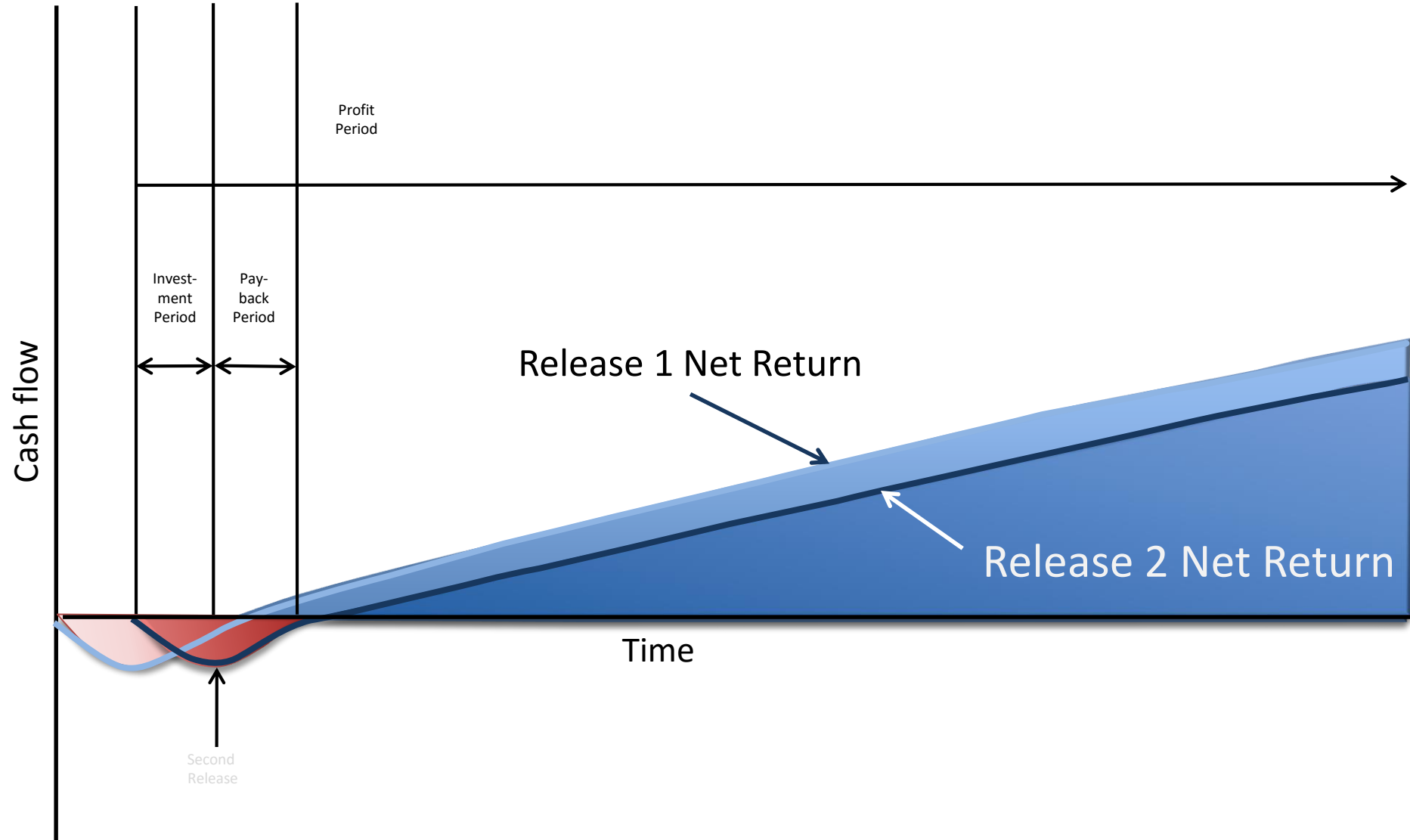
Mark Denne and Jane Cleland-Huang  
***Software by Numbers***



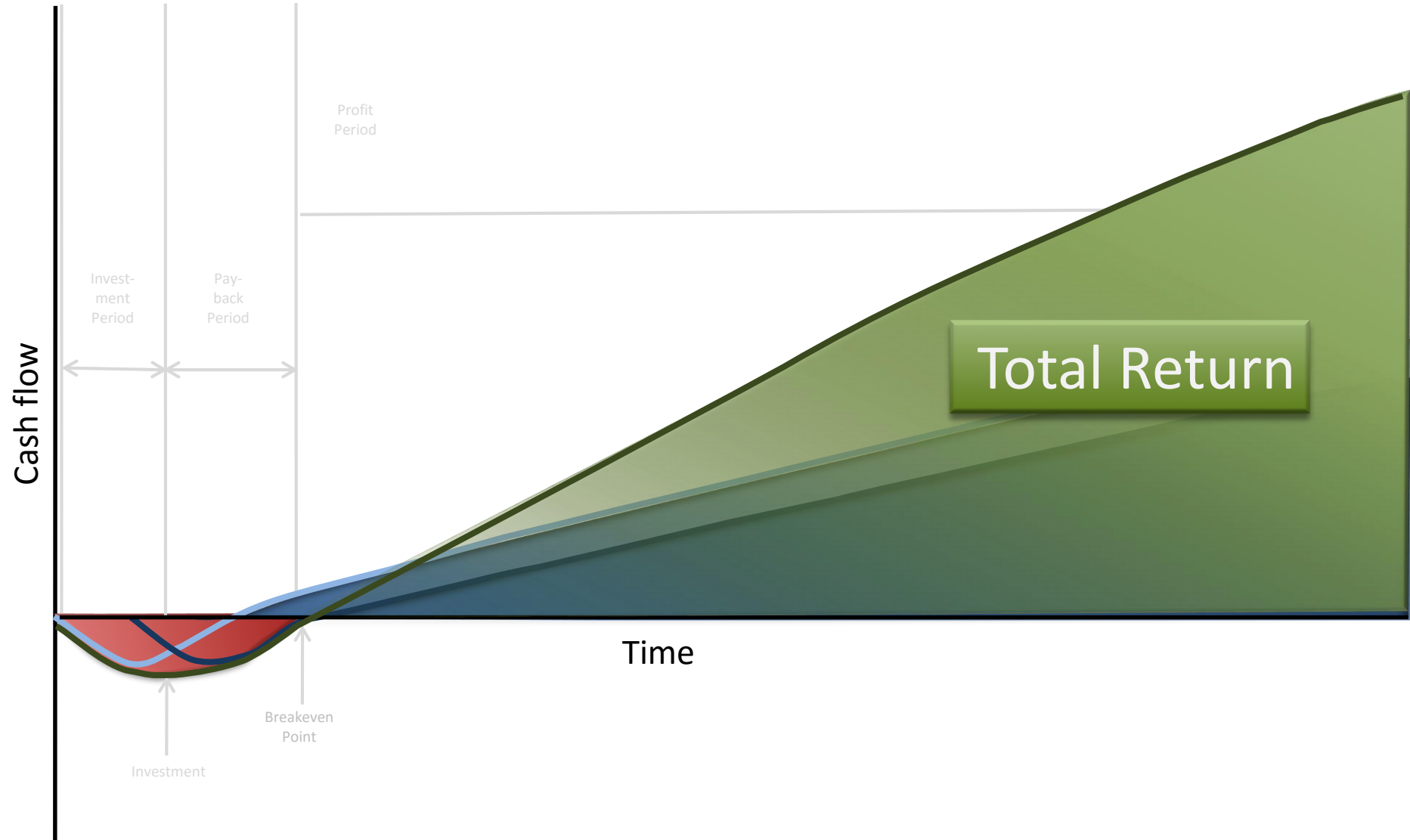
# staged releases



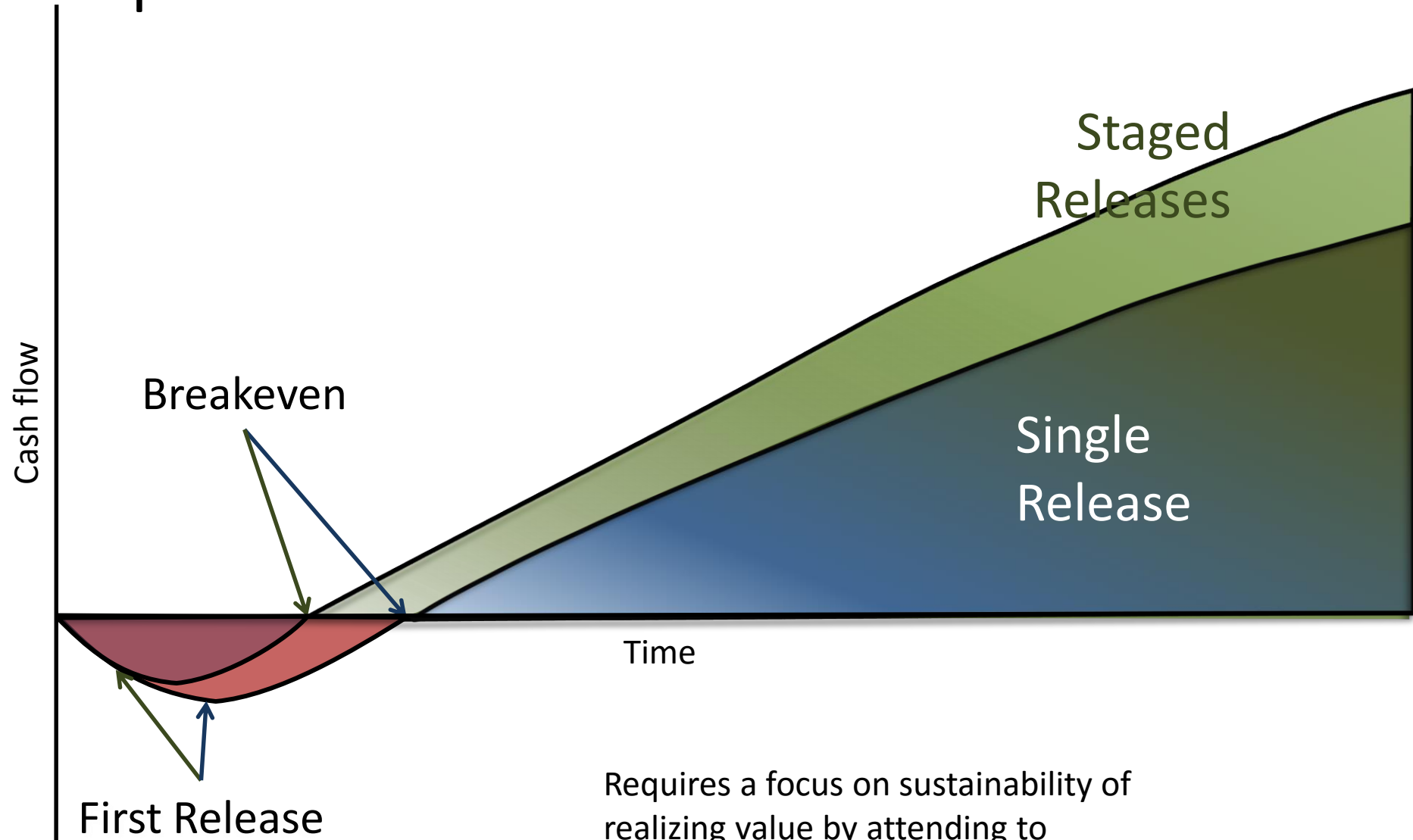
# staged releases



# staged releases

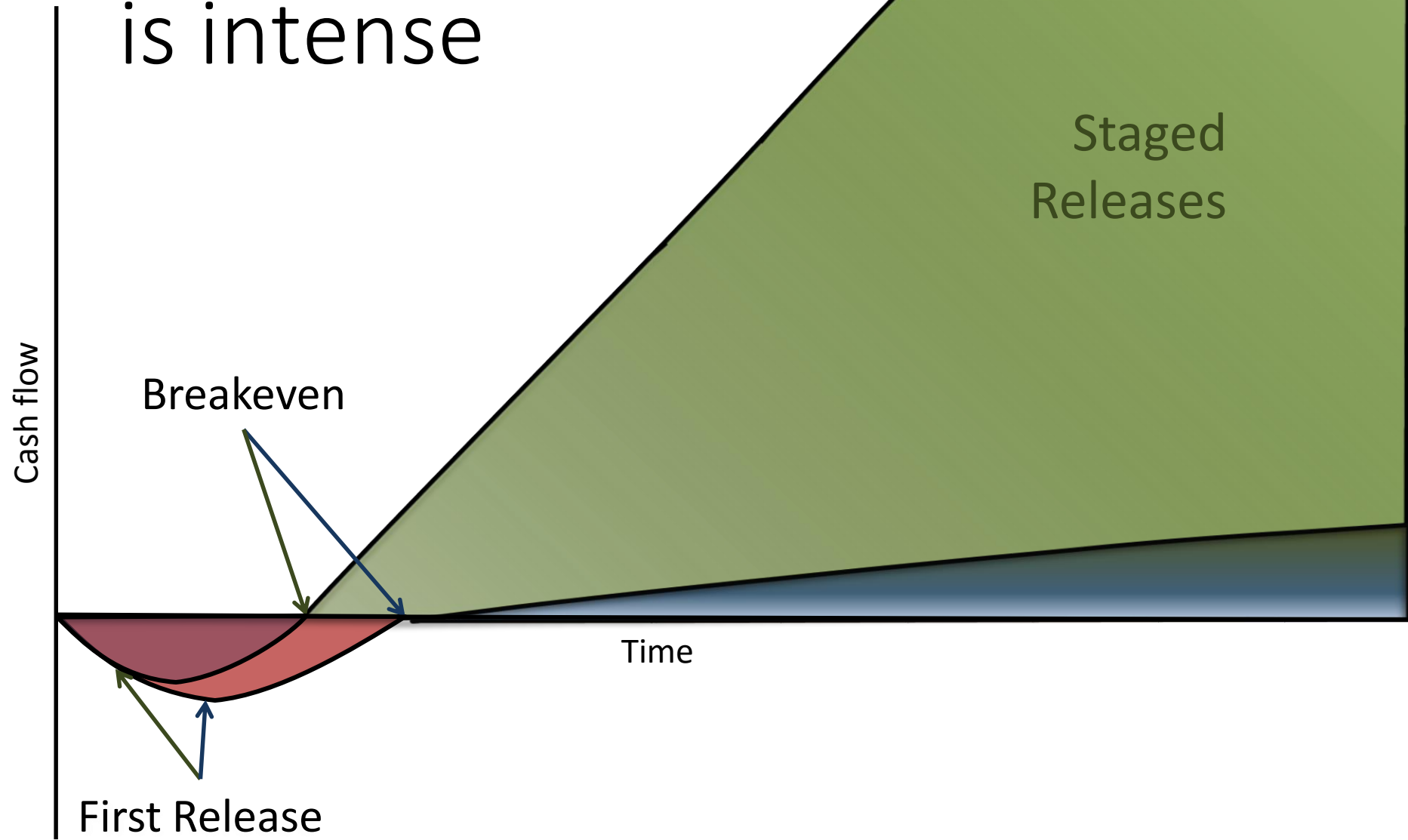


# increased profit

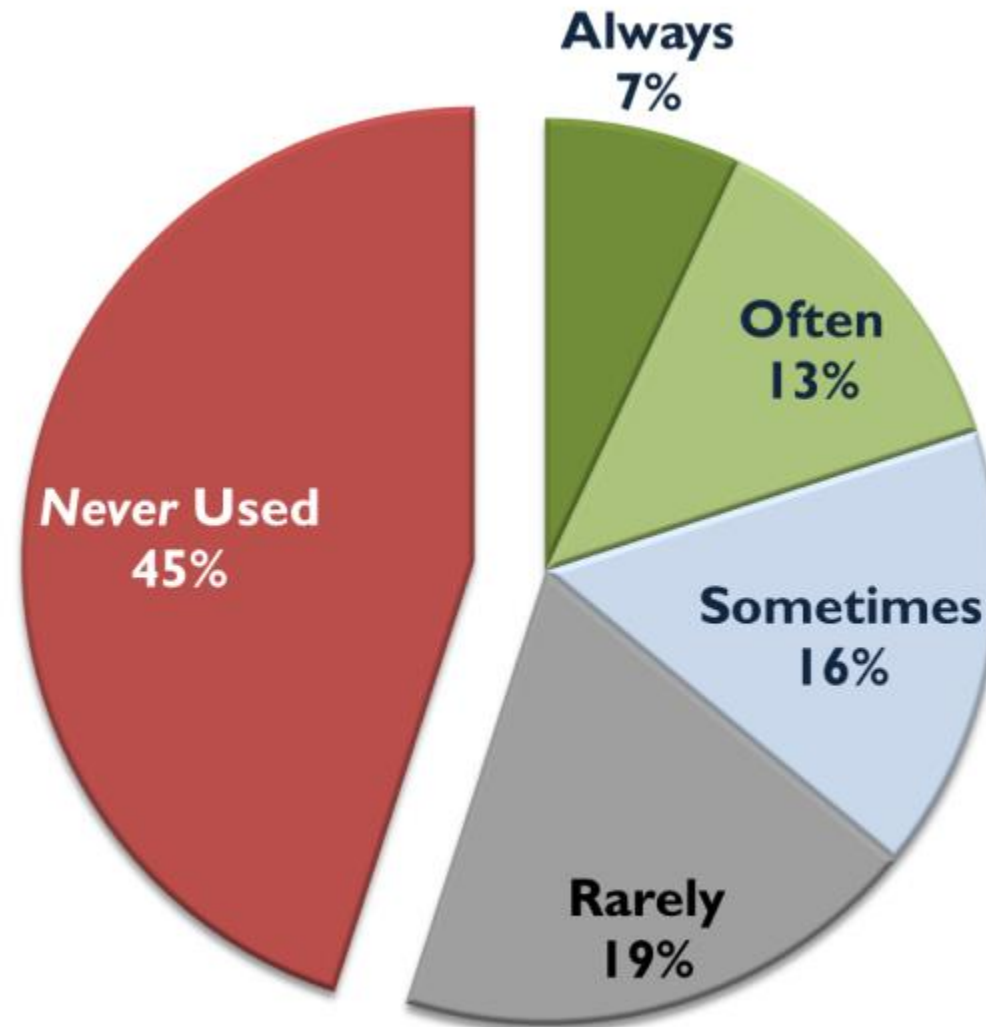


Requires a focus on sustainability of realizing value by attending to architectural roadmap of product line

# when competition is intense



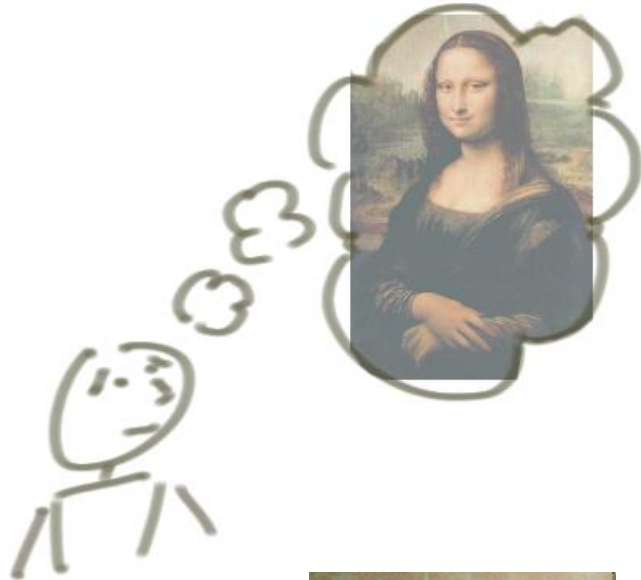
# DELIVER the IMPORTANT THINGS ...NOT EVERYTHING



Usage of Features and  
Functions in Typical System

Source: Standish Group  
Study of 2000 projects at 1000 companies

“incrementing” builds **a bit at a time...**

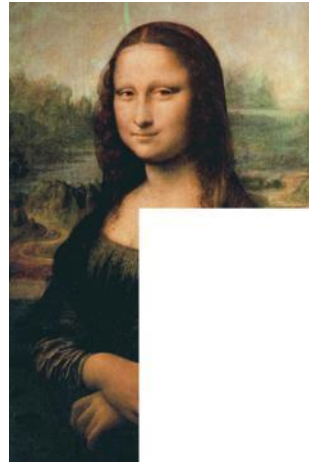


*but incrementing calls for a fully formed idea*

1



2



3



“iterating” builds a **rough version**, **validates** it,  
then **slowly builds up quality**...



*to allow you to move from  
vague idea to realization*

1



2



3



# Program: Straight Through Processing

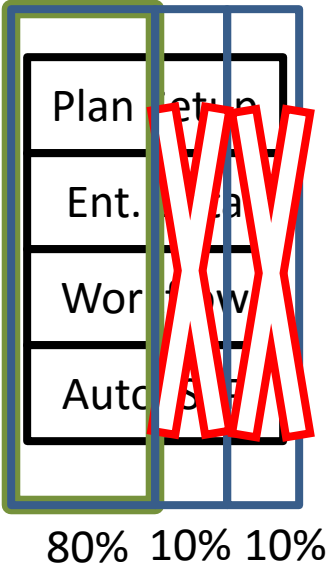
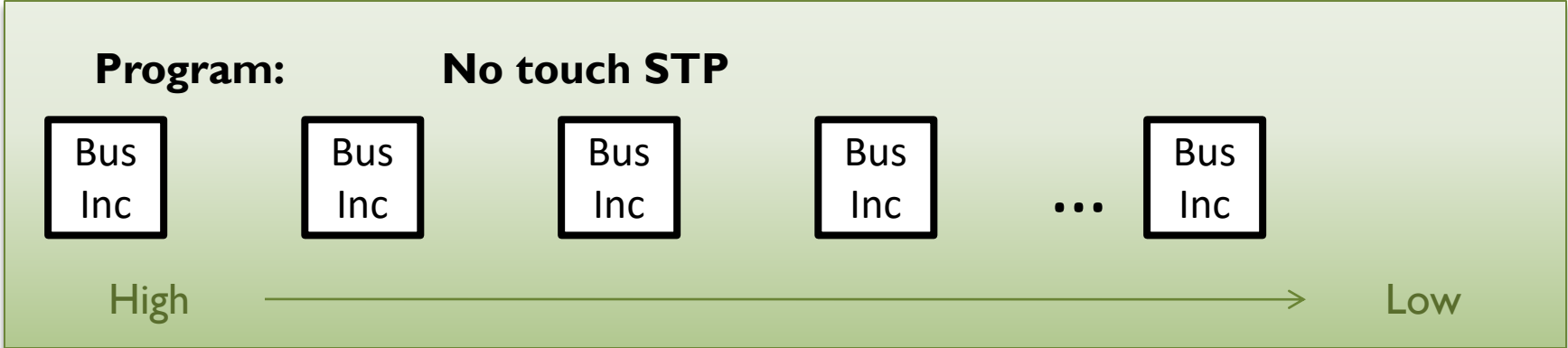
Investment		Value Criteria	
Budget	\$20M	Improve Operations	Increase capacity for handling transactions
Payback / ROI	1-3 years	Customer Satisfaction	Shorten resolution time
		Reduce Cost	Reduce manual processing cost (headcount)

## Synopsis

Customer transactions/requests/issues/problems are handled by process associates in the customer service area. The volume of transactions which need to be resolved on a daily basis is nearing the capacity of what can be handled within a 24 hour period; in addition, resolution time is longer due to the manual effort involved in resolving the problem.

The company is committed to investing in technology which would automate (no touch) current manual processes, handle more requests in a shorter amount of time, with a reduced number of process associates.

# Business Backlog for STP



6 months!

**1 month of a dev team's  
vs.  
Realizing value 3 months sooner!**

4 months

80% 10% 10%

# Why don't Agile transformations persist?

# Success Rate of Change Projects

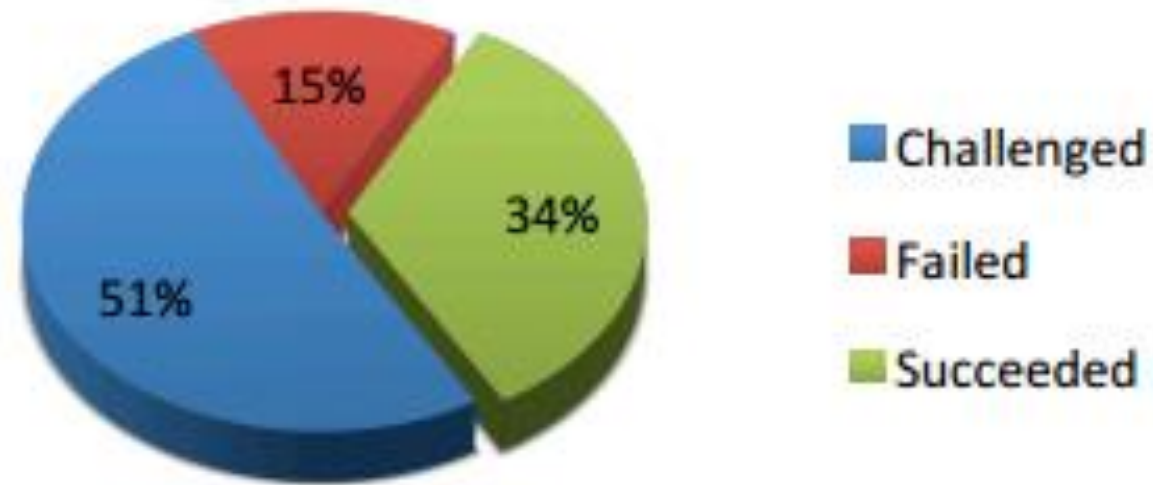


Figure 1 Source: Standish Group, Chaos Study 2011

*“In a poll last Wednesday of some 400 people working in many different firms where the practices known as Agile and Scrum are being implemented, 88% reported tension between the way Agile/Scrum teams are managed in their organization and the way the rest of the organization is managed. Only 8% reported ‘no tension.’ “*

- Steve Denning, Forbes January 2015

# management

*noun* | man·age·ment | \ 'ma-nij-mənt\

## Simple Definition of MANAGEMENT

Popularity: Top 1% of lookups

- : the act or skill of controlling and making decisions about a business, department, sports team, etc.
- : the people who make decisions about a business, department, sports team, etc.
- : the act or process of deciding how to use something

Source: Merriam-Webster's Learner's Dictionary

# What's management's problem?



# Why is Management fearful?

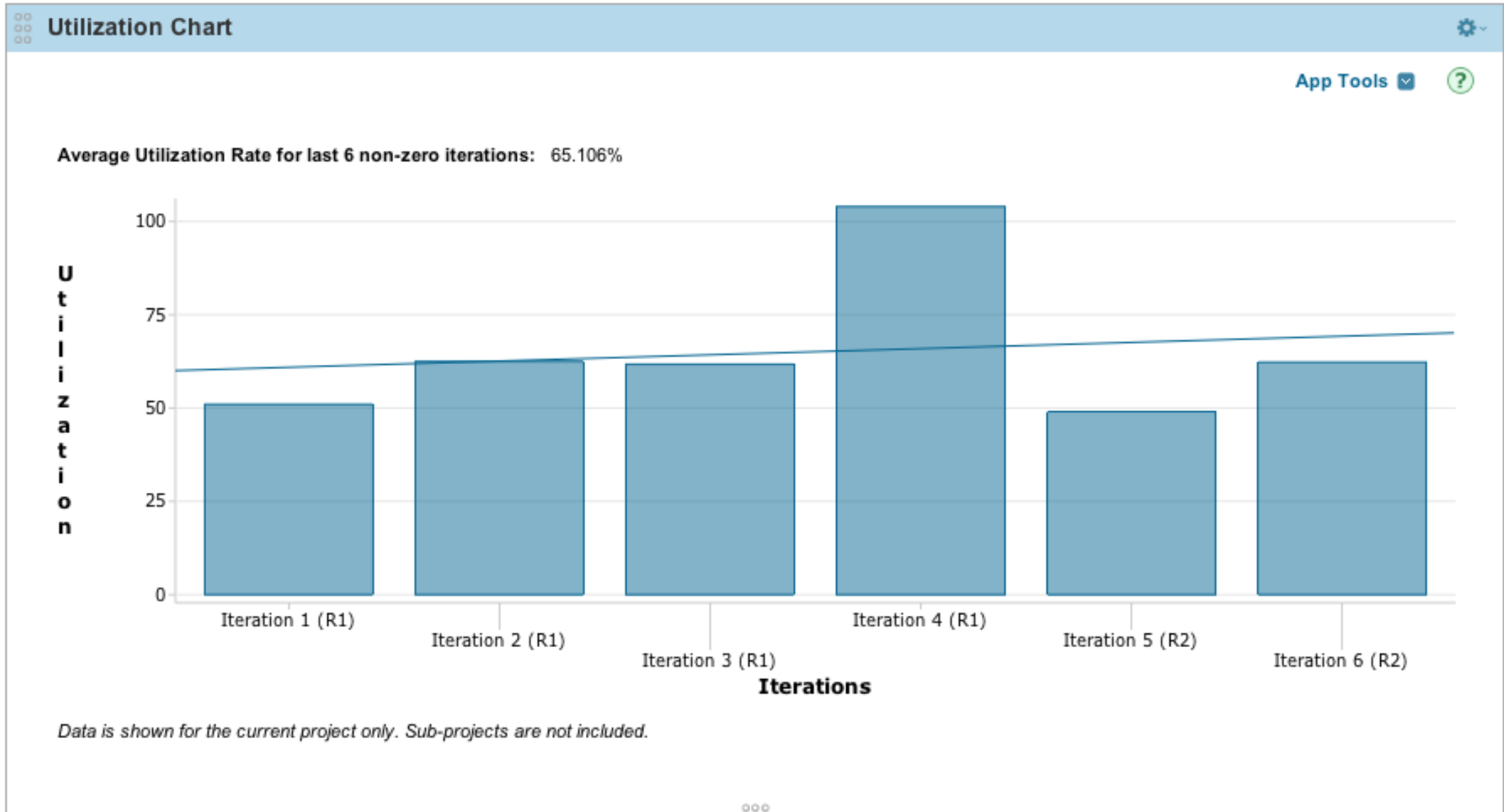
*"I don't think investors and money managers are aware of the rate of change coming down the pike. The rate of change is too hard to fathom. But they need to be aware that many of today's F500 are in danger. A study from the John M. Olin School of Business at Washington University estimates that 40 percent of today's F500 companies on the S&P 500 will no longer exist in 10 years."*

- Peter Diamandis, X-Prize founder

- Technological change
- Cultural change
- Economic change
- Political / Regulatory change
- \_\_\_\_\_ change

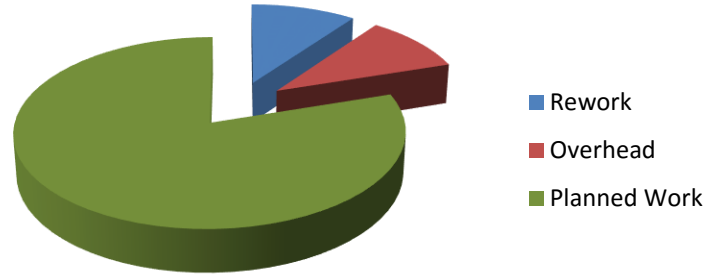


# How We Manage People



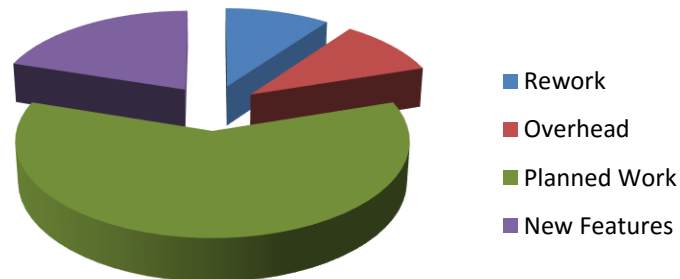
# Costs of Interrupting a Team

Current state

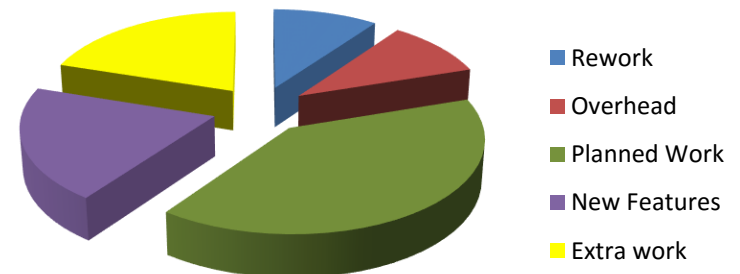


The cost of interrupting a team is not just the delay of other work, it is the additional work it creates that would otherwise not have to be done.

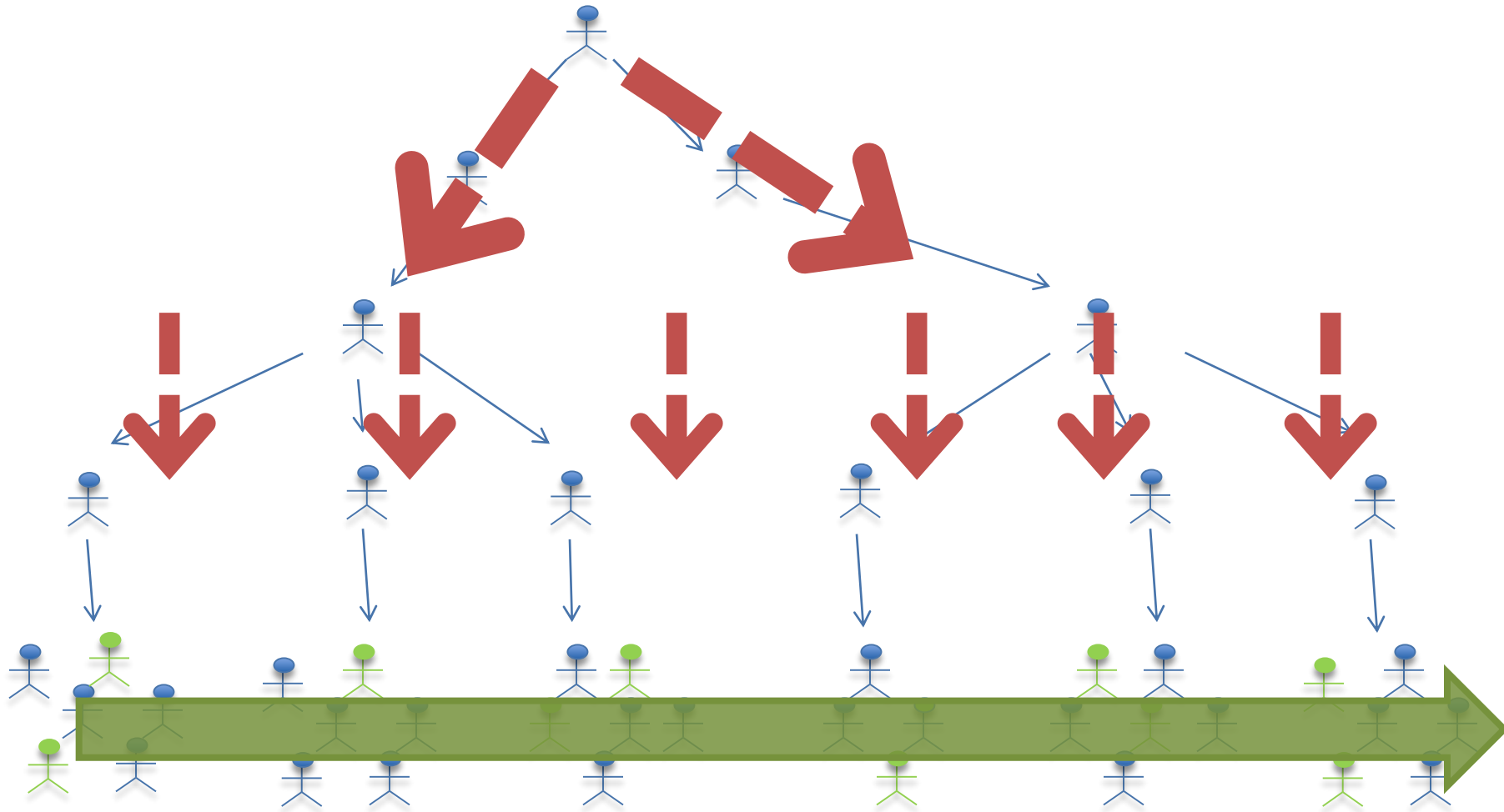
What we think will happen



What does happen

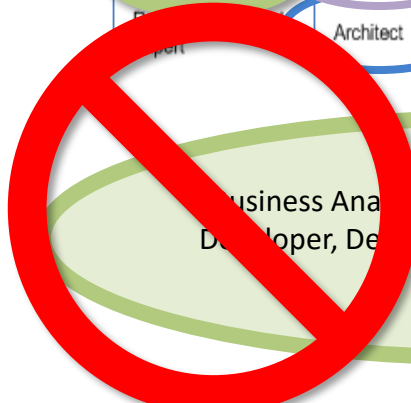
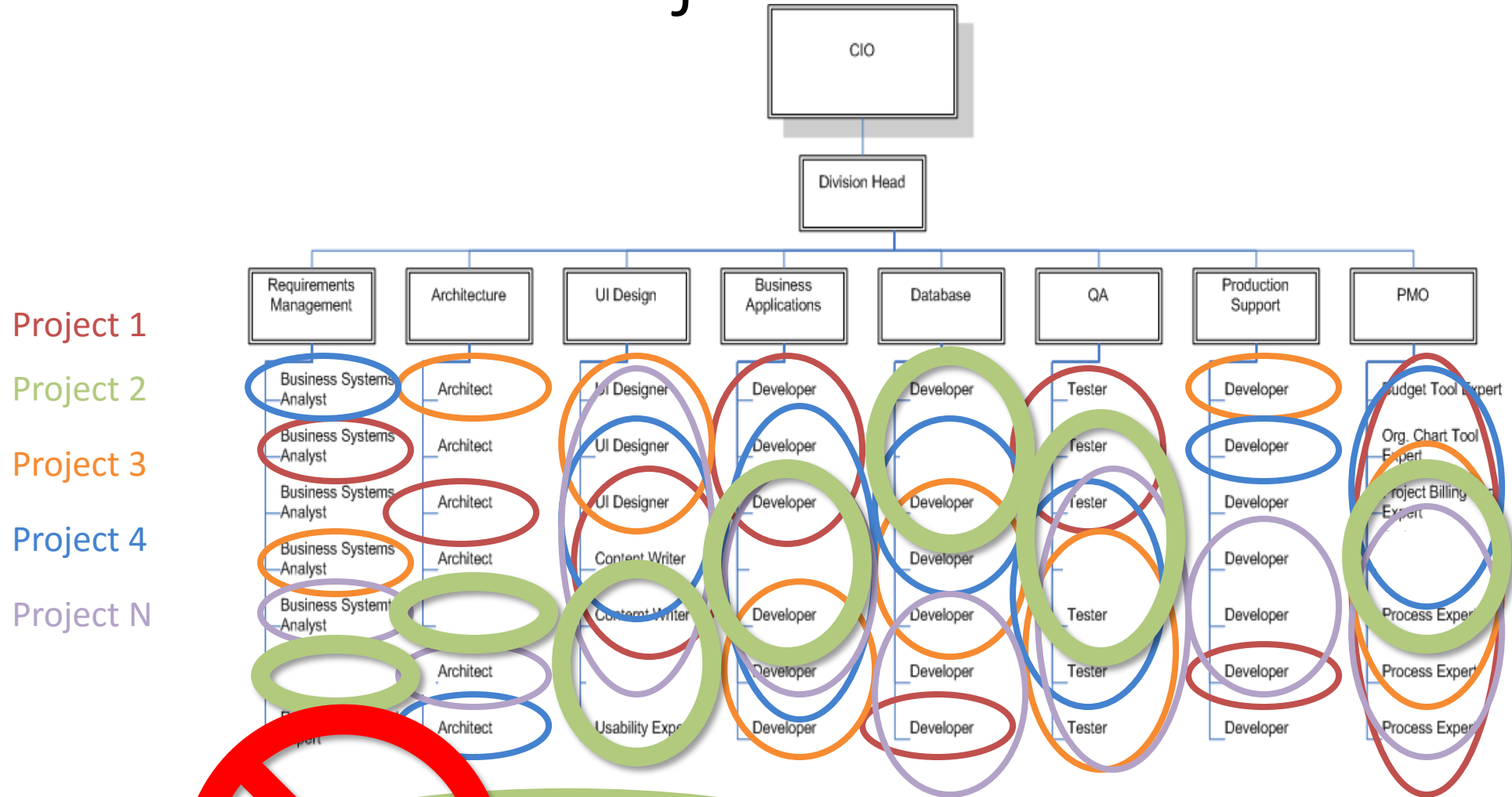


# We Manage This Way



even though our *value* flows this way

# Let's Create a Pilot Project



**While it may be successful as a pilot, it will likely not be sustainable.**

Just creating a **cross-functional, co-located team** you will improve 3x without changing your process.

Let's look at this again.



...reducing friction in monolithic systems  
can be a good thing.

..but it leaves us with some issues.

- Strategy
- Budgeting
- HR

...are the top 3. Let's discuss them.

# HR and Agile

Project Manager >

Program Manager >

Portfolio Manager >

CIO

Scrum Master >

RTE >

??

# Other HR Issues

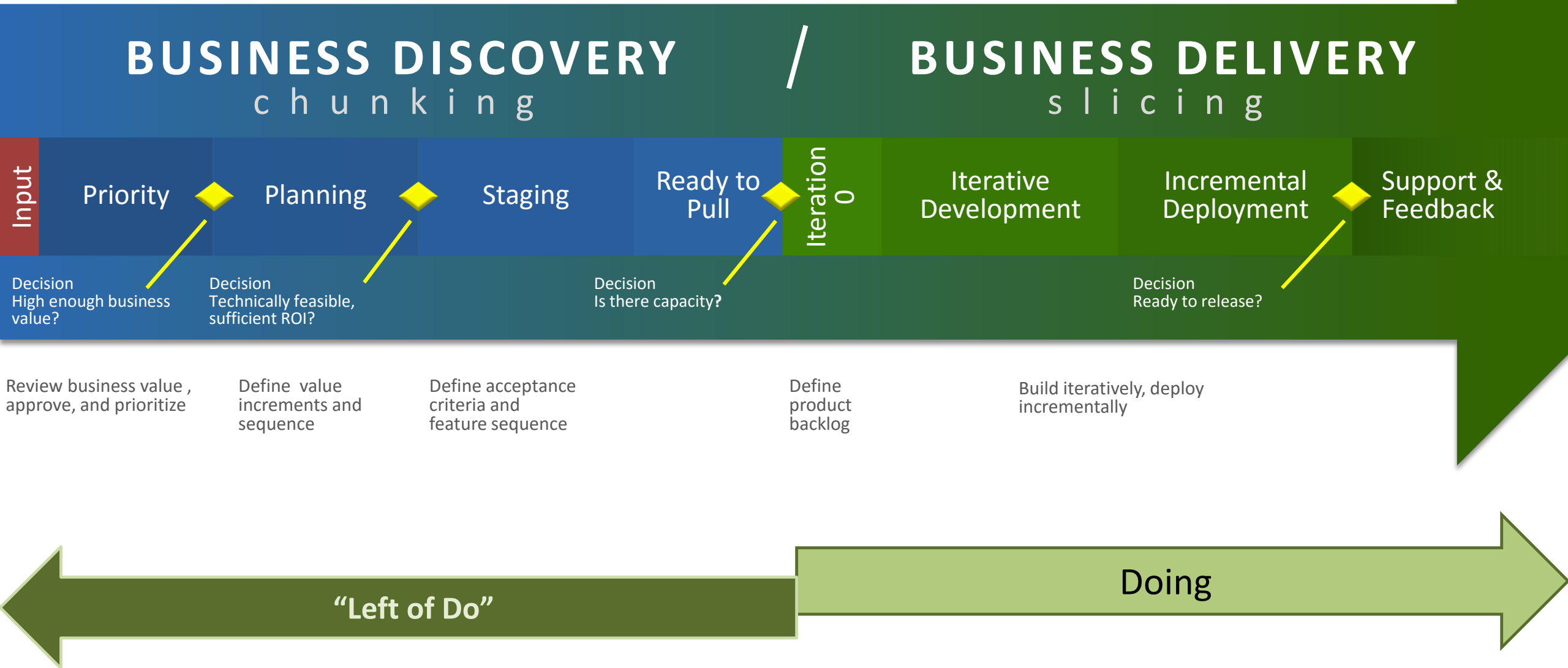
- Stack rank
- Individual reviews
- Bonus/promotion policies

# Budgeting and Agile

- Budgeting by project
- Inflexible annual budgets
- Managing variance down

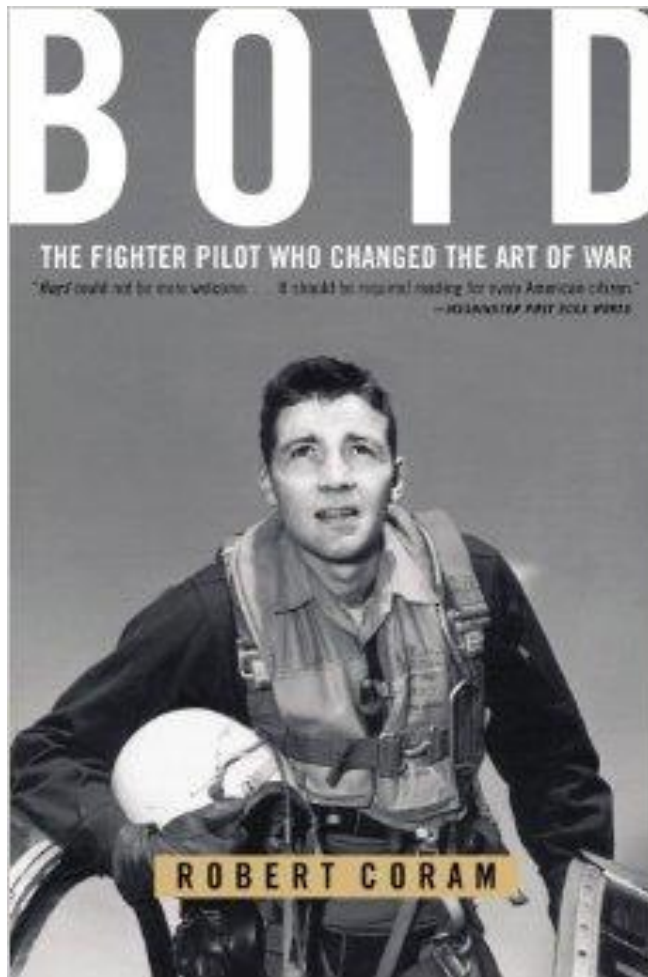
Given all this - what is to be done?

# The Value Stream



# What happens if we make 'left of do' Agile?

- Dynamic, responsive strategy
- Budgeting aligned with value streams
- Agile leadership becomes a characteristic of the management team
- Agile team members have both a pro-Agile set of HR goals and a career path that doesn't require that they abandon Agile (or Lean) practices to advance into management roles



## Observations Related To Moral Conflict

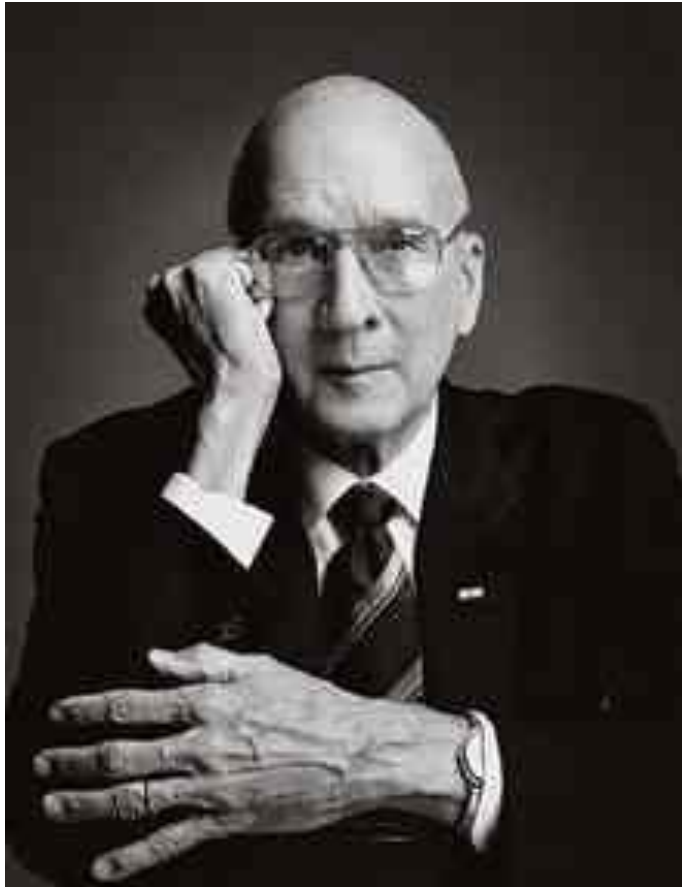
No fixed recipes for organization, communications, tactics, leadership, etc.

**Wide freedom for subordinates to exercise imagination and initiative – yet harmonize within intent of superior commanders.**

Heavy reliance upon moral (human values) instead of material superiority as basis for cohesion and ultimate success.

Commanders must create a bond and breadth of experience based upon trust – not mistrust – for cohesion.

*- John Boyd, "Patterns of Conflict" slide 118*



“In command – and  
out of control.”

*- LtGen. Paul Van Riper*