

Agility Beyond Software Development

October 2015

We ask, listen and solve.



Commerce Bank
Member FDIC





Agile is:

Agility is the dynamic ability of an enterprise to sense, create, and respond to change, quickly and confidently, in order to continuously deliver value to customers.

- Agile is a flexible method that promotes **adaptive planning, evolutionary development, early delivery, continuous improvement, innovation** and embraces a **rapid response to change**.
- Agile is a simple, **people-centric** framework based on the values of **respect, trust, transparency, adaptation** and **collaboration** within **cross-functional teams**.



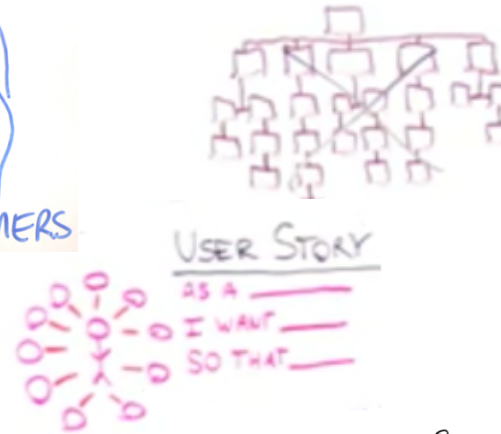
Agile Everywhere

- NPR
- Special Forces
- Boy Scouts/Girl Scouts
- High School Engineering

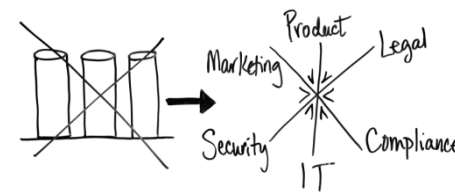
“As a Special Forces medic, I must teach basic physiology to my students, so they can understand the human body.”

Commerce Agility Principles

1. Customers FIRST



2. Collaborative Teams



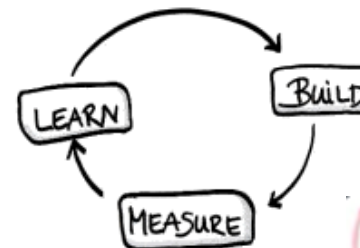
DAILY STAND-UP
1. What we DID
2. What we're DOING
3. What is STOPPING US

3. Bias Towards Action

DOING > NOT DOING

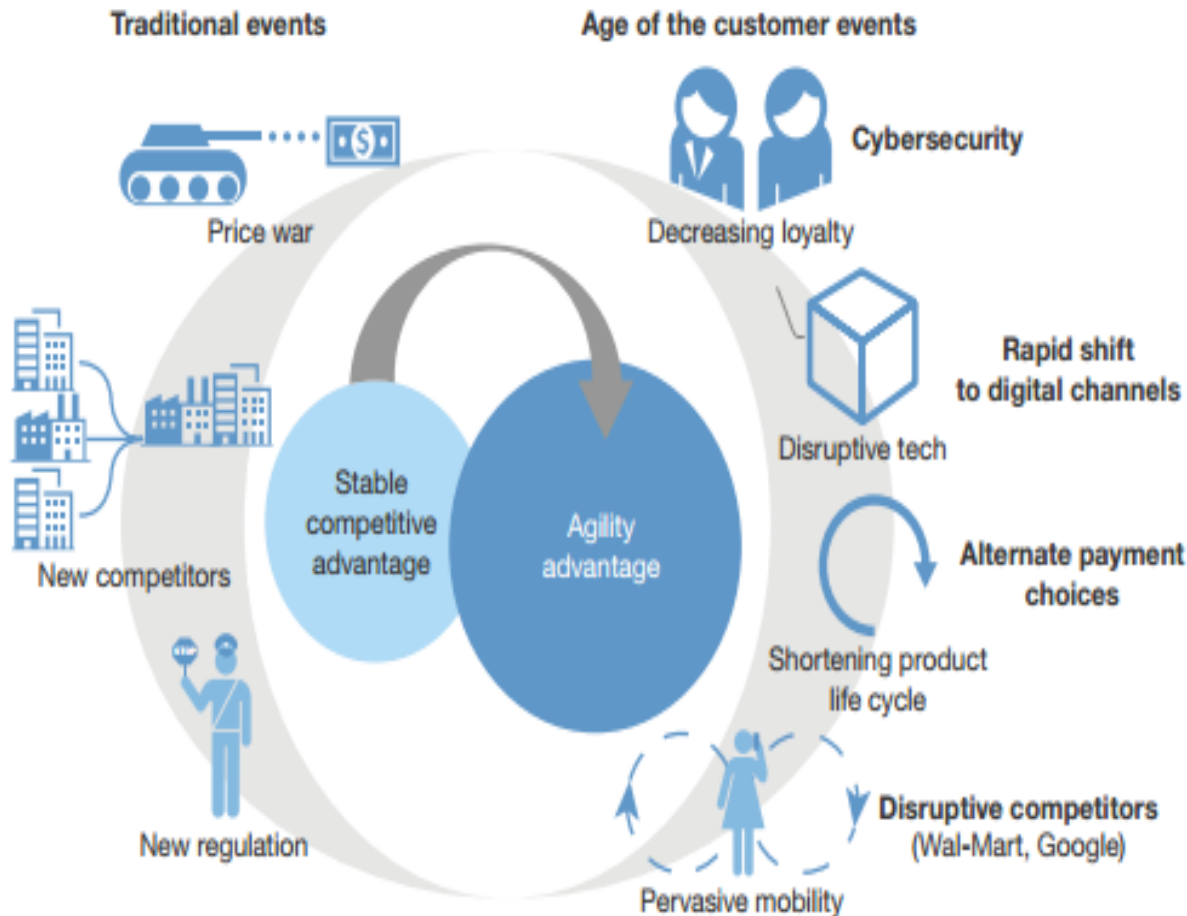


4. Don't Hate ... Iterate!



YOU'RE NOT PERFECT
...AND THAT'S OK.

Why is Agility important to us?

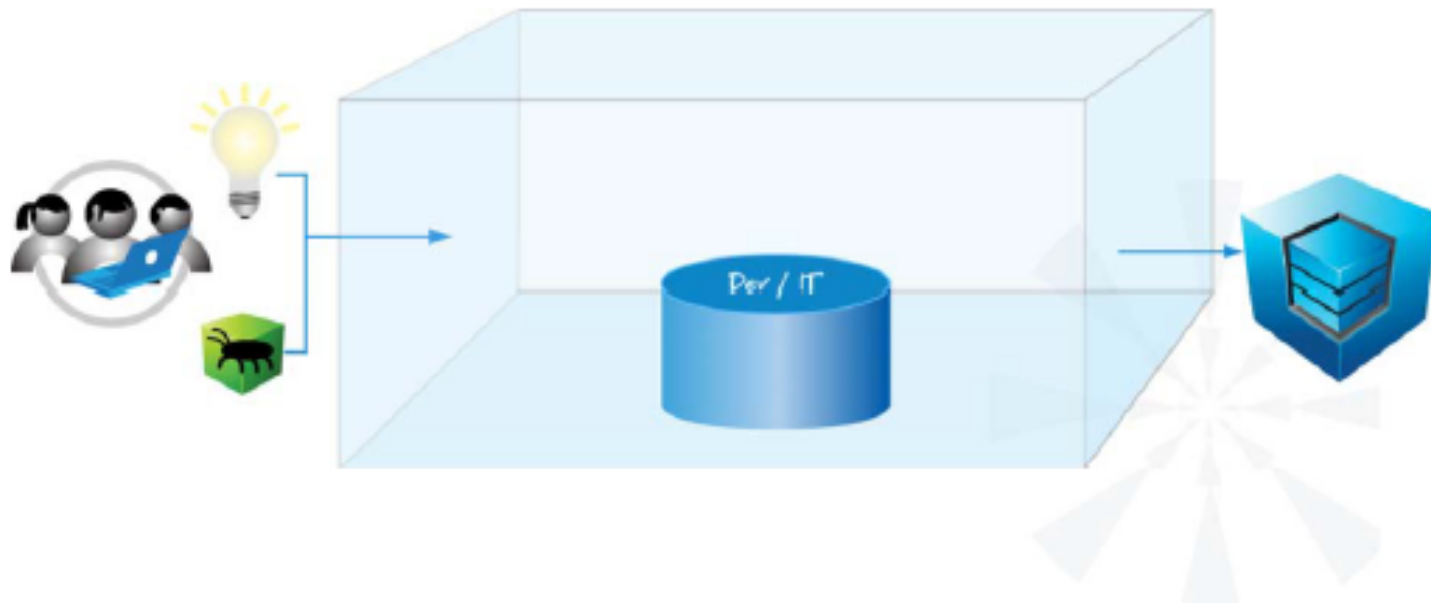


“Banks are burdened with *sizeable infrastructure*, struggle to service *traditional and emerging channels*, are severely boxed in by *increasing compliance demands*, and are *not particularly nimble*. At the same time, the banking industry is *ripe for digital disruption*. **Business agility will be their most fundamental strength and competitive weapon.**”

Forrester Research “Ranking the Most Agile US Banks” June 2014

* Agile in Development/IT

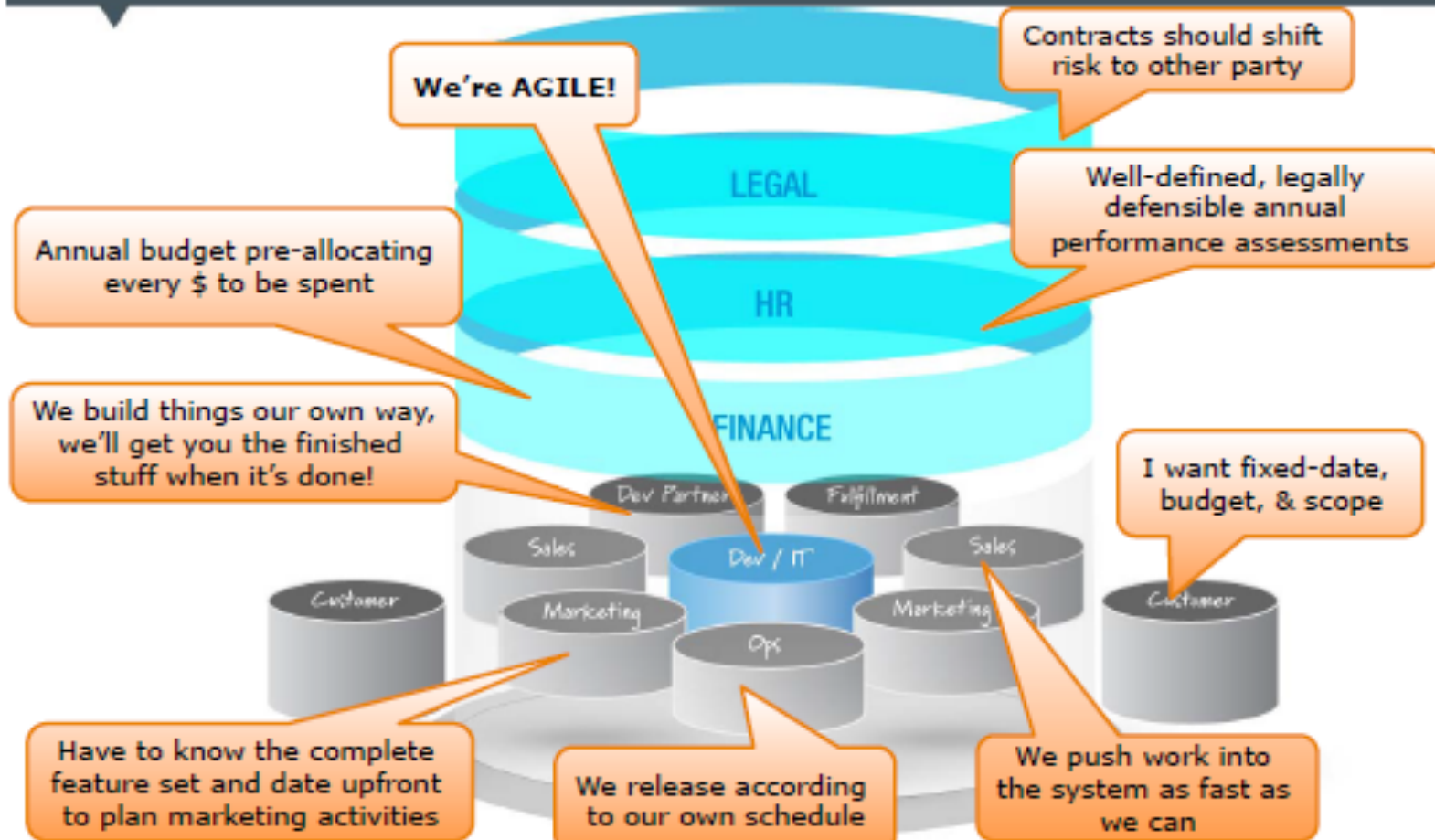
We do Agile here only



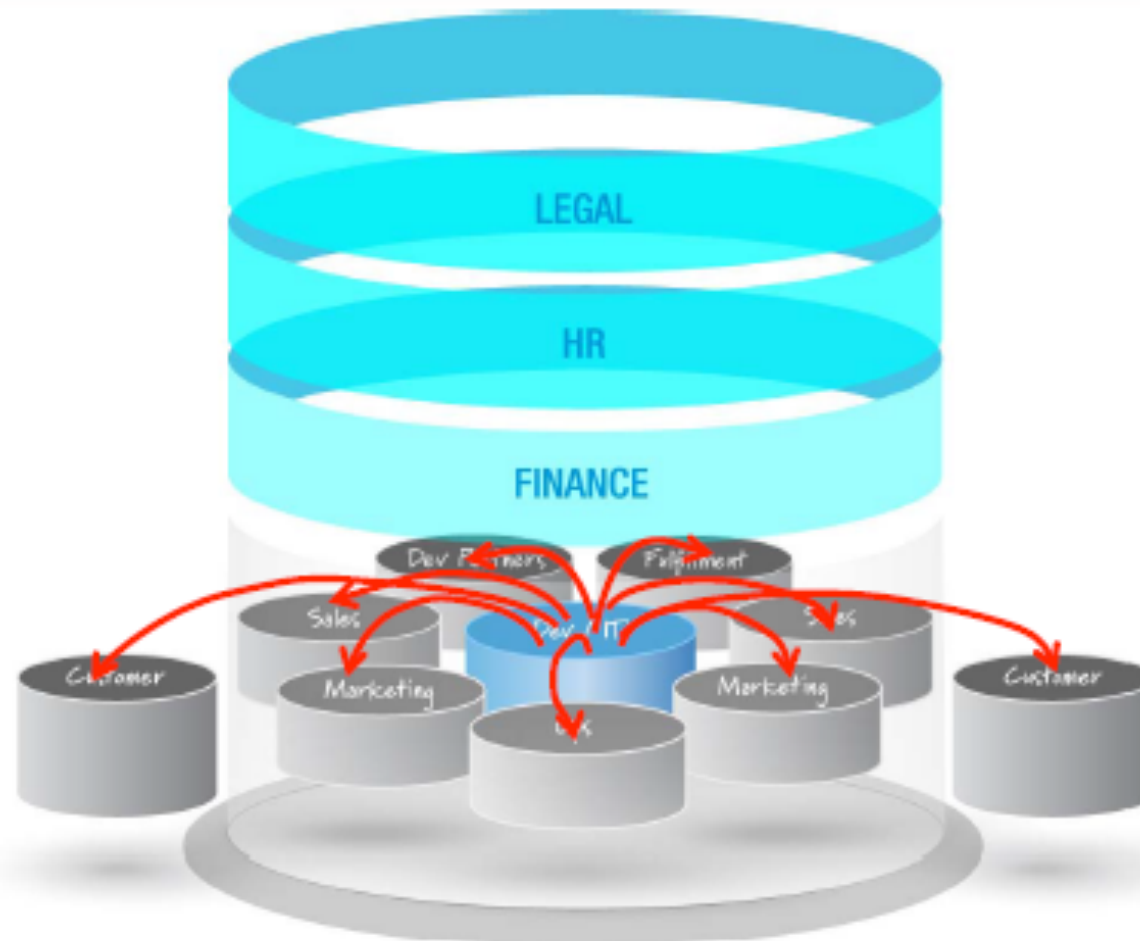
To fully realize the benefits of agile, companies must embrace agile throughout the value chain. Failing to do so will provide only limited benefits from its use within the development organization.



Misalignment throughout the value chain



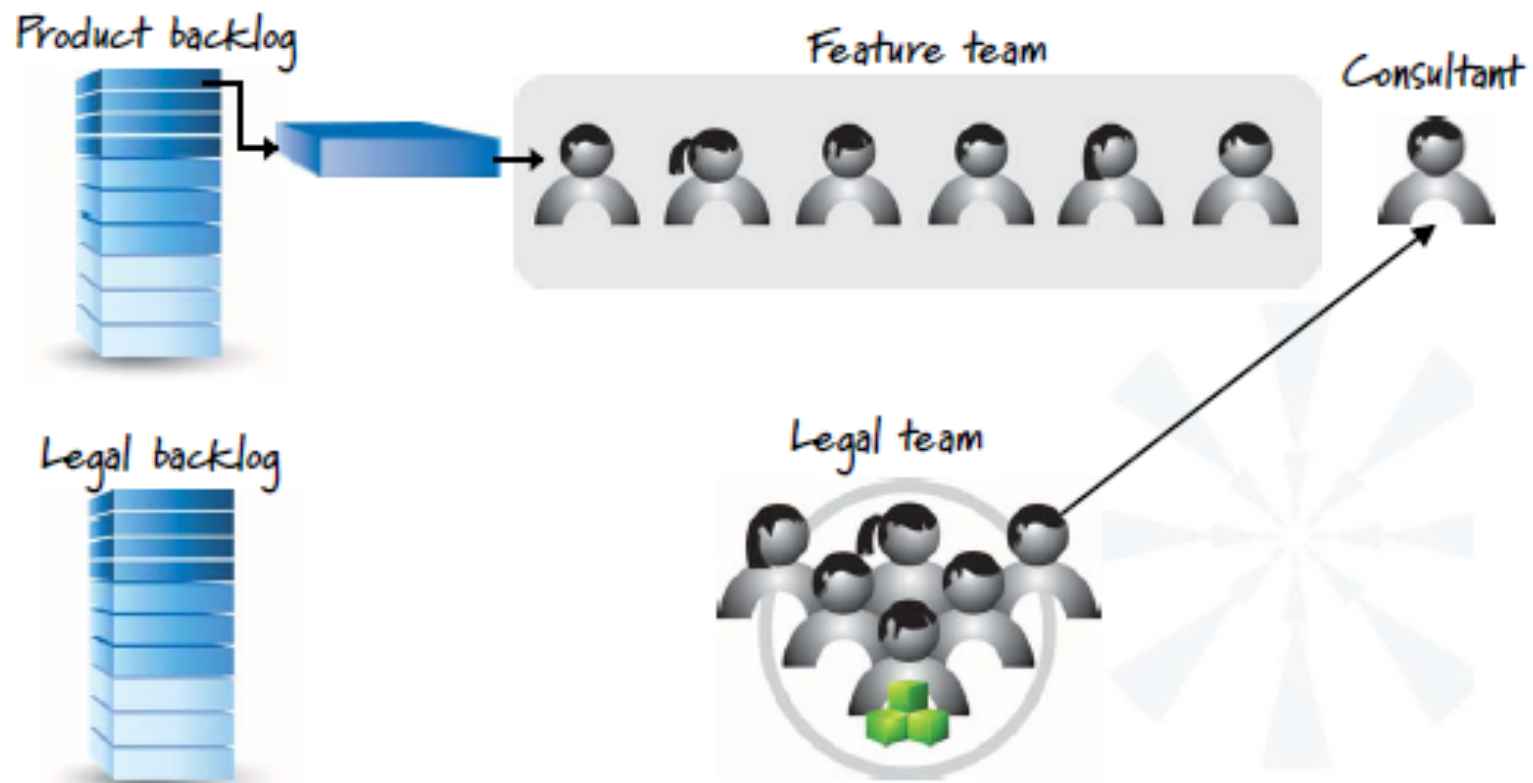
Agile adoption has tentacles that touch most parts of an organization



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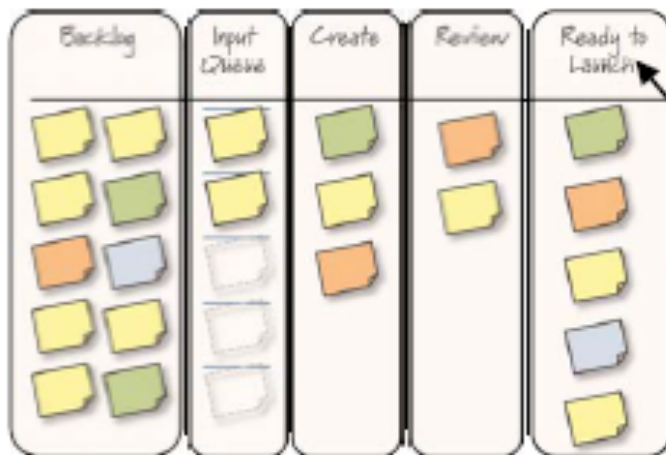
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Specialist as consultant to feature team



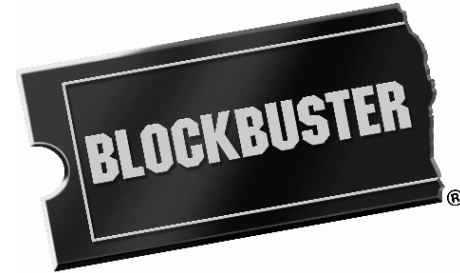
How Marketing can do marketing work in an agile way

Backlog has marketing-related items



Columns relate to states relevant to marketing activity flow

Agile ... To Be or Not To Be



Agile enterprises recognize agility as a **business strategy** to address today's challenges. They:

- are capable of rapid learning and reconfiguration
- are lean and adaptive in products, culture, processes, and teams
- deliver quality consistently and get to market faster
- embrace change, innovate continuously and thrive in unpredictable markets

Where is Agile Used?

- Commercial software
- In-house development
- Contract development
- Fixed-price projects
- Financial applications
- Sales & Marketing
- Radio & News Media
- Wedding/Vacation Planning
- Manufacturing
- Video game development
- Construction
- Websites
- Handheld software
- Mobile phones
- Network switching applications
- Talent Management
- Family
- Defense

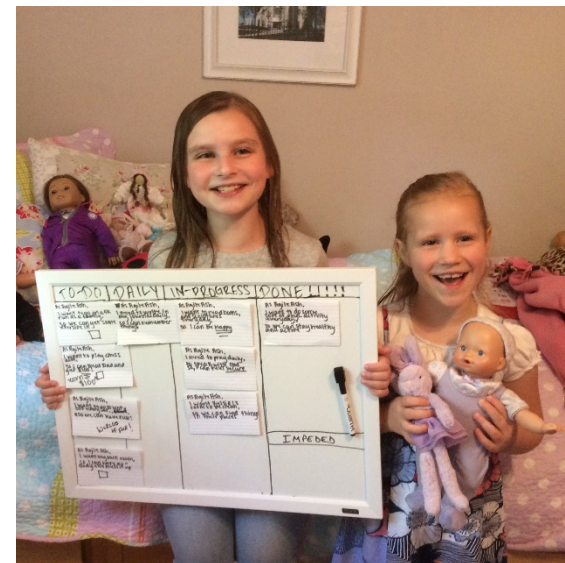
Agile is agnostic to the work we apply it to!



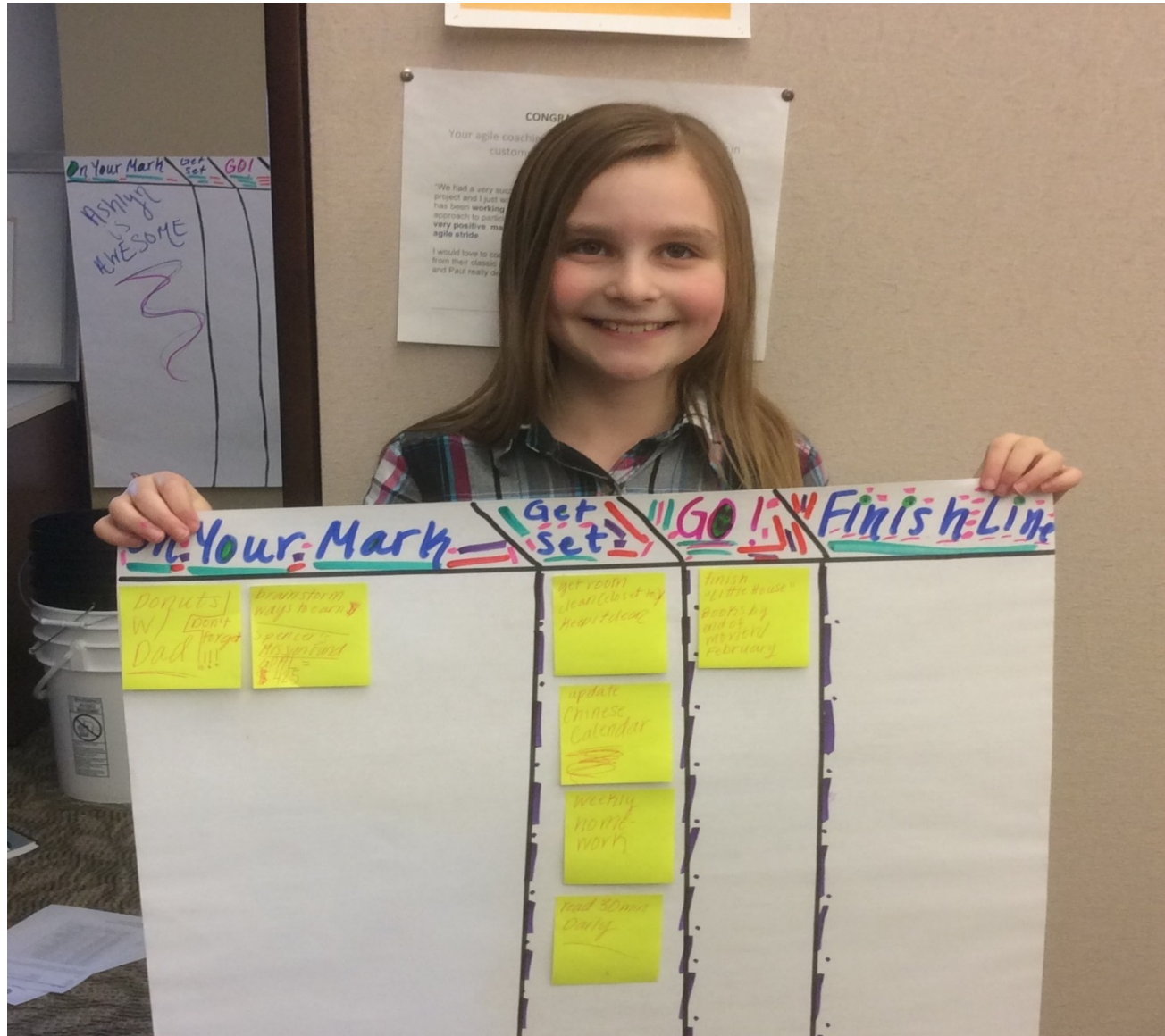
#agilefamily



#scrumdaddy



Kid-Ban



Flipping a House with Scrum



THE CHALLENGE

- Starting on February 4th
- 4 week effort
- Budget of \$9K
- Value of effort: \$45-50K
- Team: Painter, Drywall-Specialist, Flooring Specialist, Plumber

- Challenges:
 - Product owner has a full time job and cannot be onsite all day
 - Individual team members have to coordinate work in order to maximize effort and minimize non-productive time
 - Team has no training on SCRUM

Definition of Success:

House listed on market by March 5th, 2015
Maintain budget within 10%



TEAM TRAINING & SPRINT SCHEDULE

Team Training:

- Product owner (who is a CSM) brings team together to discuss the goals of the project and proposes the idea to use SCRUM. The major benefits are:
 - Focus budget on the most important areas of the flip; kitchen and 2 bathrooms
 - Communication tool for all team members to know what needs to be done and when, in order to maximize effort and meet deadline
 - Communication tool for the team to tell the product owner what needs to be inspected/ approved
 - All Team members can add tasks as issues or opportunities arise
 - All Team members agree to use SCRUM with the idea that at the end of each sprint, we can reexamine the success of SCURM and adjust if necessary
 - Labor payments will be made at the end of each successful sprint

Sprint Schedule:

- 1 Week in duration – Wednesday to Tuesday
- "Product demonstrations" 8:00 AM on Wednesday to review progress
- Sprint retrospective at 8:30 AM on Wednesday
- Sprint planning at 9:00 AM on Wednesday



Week 1 Sprint

\$9k – 4 weeks – 54 backlog items



Backlog	Week 1	Inspect	Done



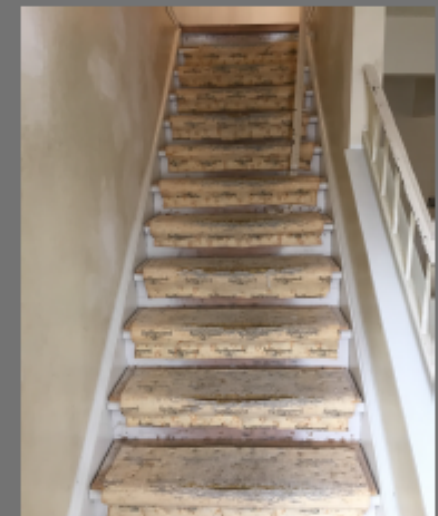


Week 2 Sprint

\$6k – 3 weeks – 45 backlog items

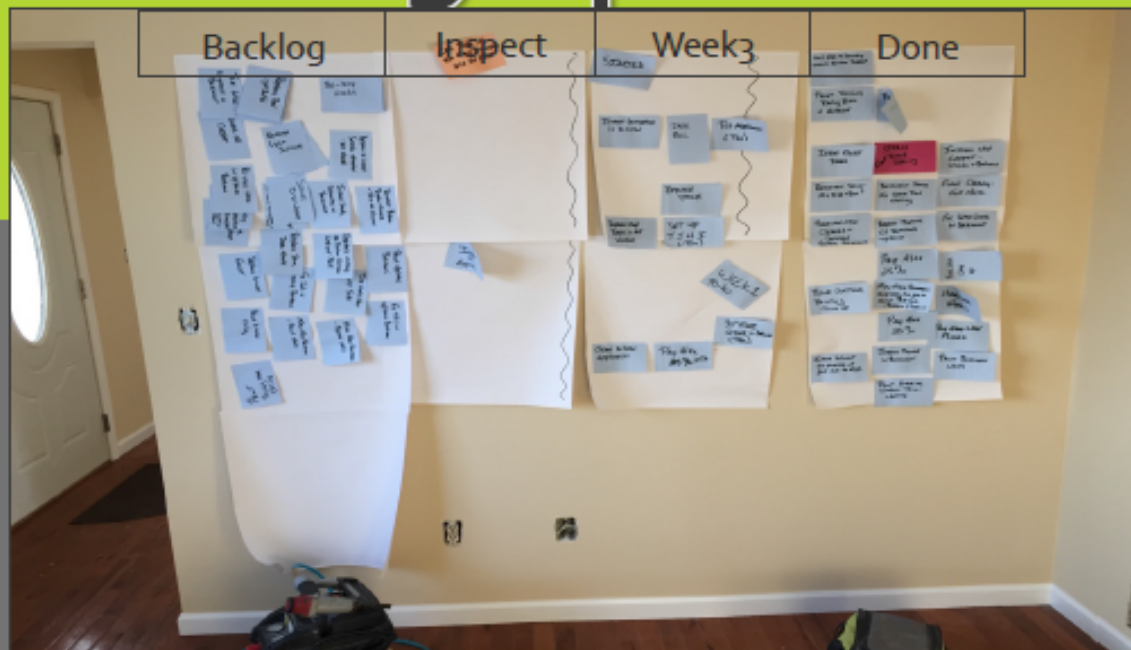


Backlog	Week2	Inspect	Done



Week 3 Sprint

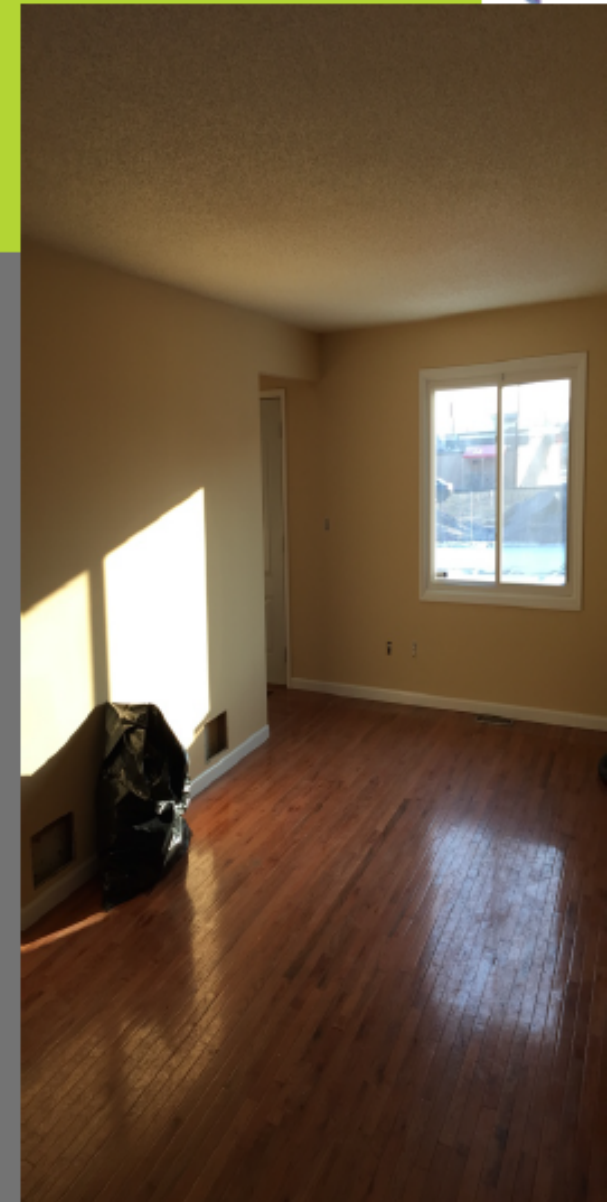
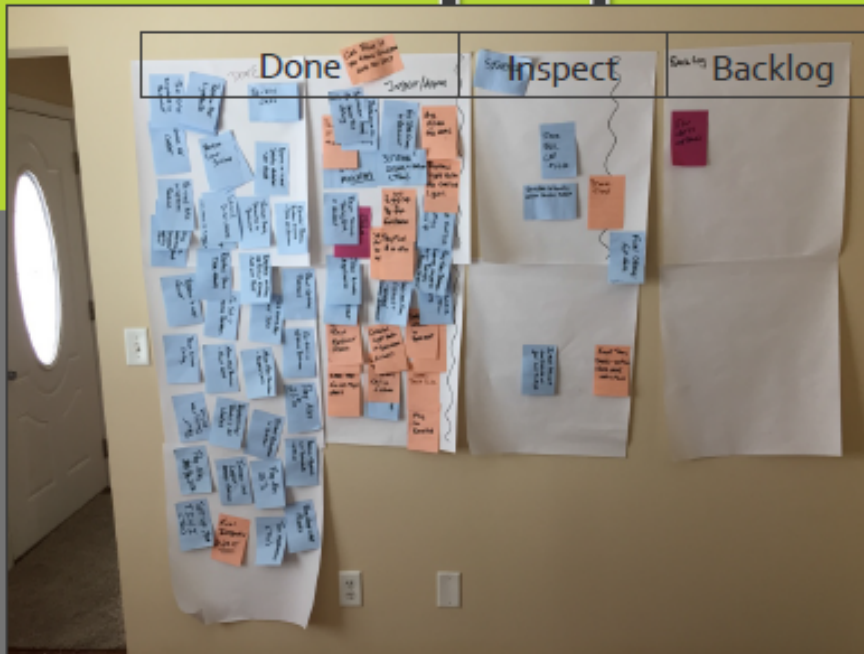
\$2.5k – 2 weeks – 26 backlog items





Week 4 Sprint

\$.5k – Final Week – 1 backlog items





DONE!

\$ 1k over budget— o backlog— Sold in 4 days!





DONE!

\$ 1k over budget- o backlog- Sold in 4 days!





FINAL RETROSPECTIVE

- *What went well?*
 - Communication via SCRUM board was clear and efficient
 - Weekly "Product Demonstrations" were invaluable to adjust designs on the fly resulting in a more elegant solution:
 - i.e: Wood floor stair case & brand new range
 - Product owner felt like the budget was used on the appropriate items first
 - Product owner clearly understood what budget overrun was for
- *What should we do different?*
 - Make the SCRUM wall the last wall you plan to paint so it doesn't have to be moved around so often
 - Understand ALL inspections that are needed and schedule them as early as possible
- *What should we not do again?*
 - Not wait so long to use SCRUM!



Agile in Talent Management

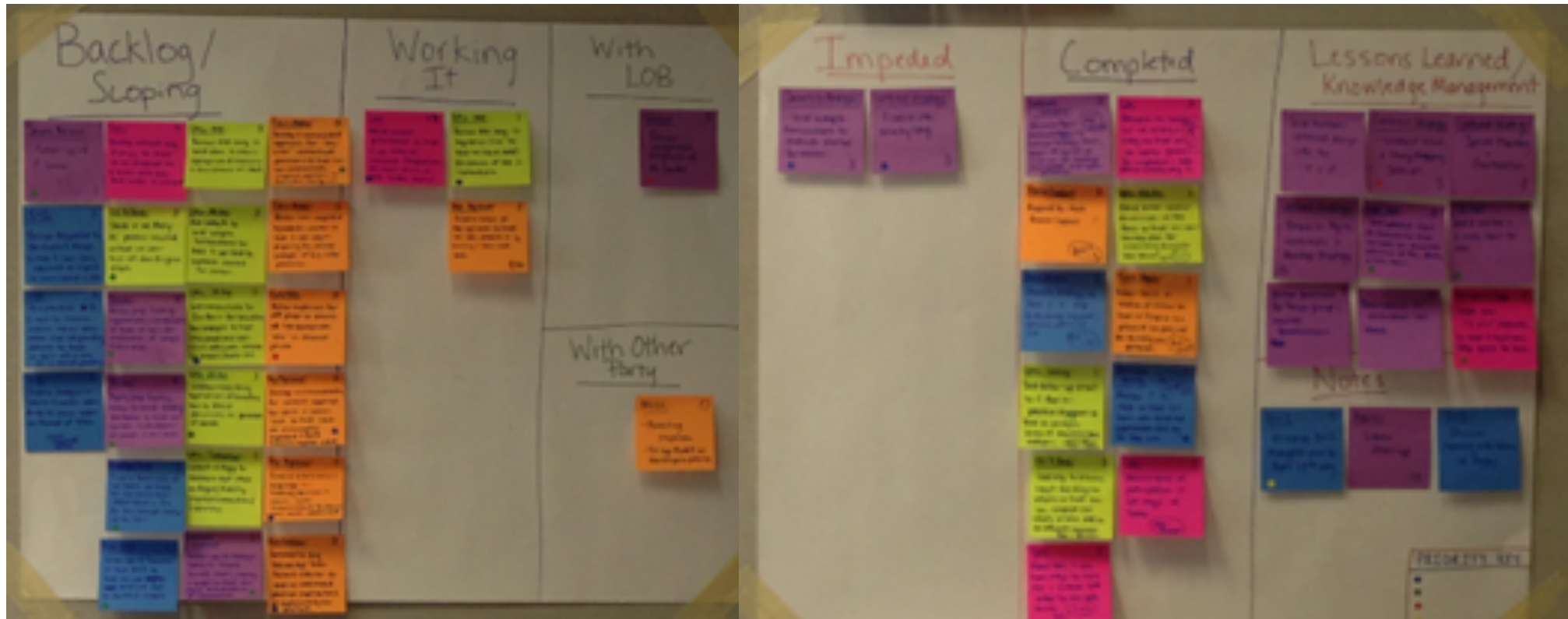
- 6 Specialized Teams
- Forming collaborative, cross-functional teams
- Utilize the User Story to focus on the customer
- Daily Stand-ups
- Retrospectives

Legal Agility

- Lonely Planet
 - 100 day transformation
 - Align Priorities with Corporate Portfolio
 - Use Scrumban
 - 25% increase in productivity
- AgileAttorney.net
- Commerce Bank
 - Daily Stand-ups for Legal Backlog
 - Consultants to Scrum Teams



Legal Agility



“Work on 10 things move each a few inches.
Work on 2 or 3 things, move them many feet”

Sales Agility

- iSense
 - Sales Manager fills role as Product Owner
 - Daily Stand Ups
 - Backlog is CRM or customer pipeline
 - Retrospectives
 - Demos – “How I closed the deal”
 - Release – quarterly or monthly sales goals
 - Cross functional team – different skills or expertise – increase sales / cross selling
 - 50% increase in sales

Agile Product Development

- Lean Startup
 - Assumptions/hypothesis instead of user stories
 - Zappos – proverbial poster child for Lean Startup/Scrum
 - Lean Startup + Scrum = Awesome
 - Flat organization
 - Piloting Lean Startup within Retail

Scrum in Manufacturing

■ Wikispeed

- Leadership in Agile Manufacturing
- Scrum to build modular cars
- 149 mph / 100 mpg
- 0-60 < 5 seconds
- Used TDD
- 1 week sprints – 3 months to achieve working prototype
- Meets all legal safety standards



Scrum in Manufacturing: A Motivational Example

F-35 "Joint Strike Fighter" – Traditional Design



- \$143 billion over budget
- Delayed until 2022 (final systems integration)
- Cost of Navy F-35C grew from \$273 million in 2014 to \$337 million by 2015

SAAB JAS 39E "Gripen" – Agile Design



- Cumulative program cost of \$15 billion
- New iteration of all systems released every 6 months
- \$43M cost¹ (20% of F-35)

1. According to Jane's Aviation Weekly, the Gripen is the world's most cost-effective military aircraft

Mission Bell Winery

Madera, CA

60 acres of Scrum Wine



Commerce Transformation

- Training is Critical
 - November 2013 to present 500+ trained
 - Create Agile Champions
- Leverage the Lean/Agile Umbrella
 - Lean StartUp – New Product Development
 - Scrum – Application Teams, Marketing
 - Scrumban – Sales, Legal, Compliance, Risk, Talent Management
 - Kanban – Infrastructure
 - Product Visioning and Story Mapping
 - Using to kick off all initiatives

Some Favorite Principles

- Customers' First
- Collaboration
- Conversation
- Mindset
- Philosophy
- Swarm
- Done
- Pivot or Persevere
- Build Measure Learn
- Continuous Improvement
- Embrace Change

References

- Agileattorney.net
- Scruminc and Joe Justice
- Ken Rubin – Author of *Essential Scrum*
- Tom Auld @ TCAuld
- Paul Carter @AgileFamilyGuy



Questions