

ACHIEVING BUSINESS AGILITY

STRATEGIES FOR BECOMING PIVOT
READY IN A DIGITAL WORLD

John Orvos



CA Press

Apress®

Achieving Business Agility: Strategies for Becoming Pivot Ready in a Digital World

John Orvos

Belle Mead, New Jersey, USA

ISBN-13 (pbk): 978-1-4842-3854-7

ISBN-13 (electronic): 978-1-4842-3855-4

<https://doi.org/10.1007/978-1-4842-3855-4>

Library of Congress Control Number: 2018955308

Copyright © 2019 by CA. All rights reserved. All trademarks, trade names, service marks and logos referenced herein belong to their respective companies.

The statements and opinions expressed in this book are those of the author and are not necessarily those of CA, Inc. (“CA”).

This work is subject to copyright. All rights are reserved by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

Trademarked names, logos, and images may appear in this book. Rather than use a trademark symbol with every occurrence of a trademarked name, logo, or image we use the names, logos, and images only in an editorial fashion and to the benefit of the trademark owner, with no intention of infringement of the trademark.

The use in this publication of trade names, trademarks, service marks, and similar terms, even if they are not identified as such, is not to be taken as an expression of opinion as to whether or not they are subject to proprietary rights.

While the advice and information in this book are believed to be true and accurate at the date of publication, neither the authors nor the editors nor the publisher can accept any legal responsibility for any errors or omissions that may be made. The publisher makes no warranty, express or implied, with respect to the material contained herein.

Managing Director, Apress Media LLC: Welmoed Spahr

Acquisitions Editor: Susan McDermott

Development Editor: Laura Berendson

Coordinating Editor: Rita Fernando

Distributed to the book trade worldwide by Springer Science+Business Media New York, 233 Spring Street, 6th Floor, New York, NY 10013. Phone 1-800-SPRINGER, fax (201) 348-4505, e-mail orders-ny@springer-sbm.com, or visit www.springeronline.com. Apress Media, LLC is a California LLC and the sole member (owner) is Springer Science + Business Media Finance Inc (SSBM Finance Inc). SSBM Finance Inc is a **Delaware** corporation.

For information on translations, please e-mail rights@apress.com, or visit <http://www.apress.com/rights-permissions>.

Apress titles may be purchased in bulk for academic, corporate, or promotional use. eBook versions and licenses are also available for most titles. For more information, reference our Print and eBook Bulk Sales web page at <http://www.apress.com/bulk-sales>.

Any source code or other supplementary material referenced by the author in this book is available to readers on GitHub via the book's product page, located at www.apress.com/9781484238547. For more detailed information, please visit <http://www.apress.com/source-code>.

Printed on acid-free paper

*To my wife and kids, who were patient while I stared
and clicked away on my laptop writing this during
evenings and weekends over the past two years.*

Contents

About the Author	vii
About the Technical Contributors	ix
Preface	xi
Acknowledgments	xv
Introduction	xvii
Part 1: The Mechanics - Understanding Strategies to Achieve Business Agility	1
Chapter 1: Sound the Alarm	3
Chapter 2: Look in the Mirror	23
Chapter 3: Shine the Light	43
Chapter 4: Agile Business Realization	71
Part 2: The Story - Strategies in Action	121
Chapter 5: The Solar Corona Insurance Company	123
Chapter 6: Sounding the Alarm at Solar Corona	131
Chapter 7: Solar Corona Looks in the Mirror	147
Chapter 8: Shining the Light on Solar Corona	167
Chapter 9: Agile Business Realization at Solar Corona	181
Chapter 10: Learning from Solar Corona	187
Part 3: The Takeaway - Defining Your Company's Journey	191
Chapter 11: Importance of Alignment	193
Chapter 12: Your Journey Ahead	201
Appendix A: Quick Reference Conversation Guide	203
Index	209

About the Author



John Orvos brings techniques from over 20 years' experience as a business consultant, agile practice leader, and award-winning agile strategist. John has led transformations alongside hundreds of agile consultants dealing with adopting and scaling agile in Fortune 500 organizations. Over the past two years, John has been challenged by these customers to accomplish even more ambitious goals—an agile business—in order for them to better compete against digital disruptor competitors. John provides a fresh business-oriented perspective on how to enable an entire organization to achieve business agility.

About the Technical Contributors



Deema Dajani led some of the largest transformations to business, portfolio, and delivery agility in Fortune 500 companies. She helped several financial services companies transform to adaptive organizations that better sense and respond to market disruption. She started the agile journey in the early 2000s and never looked back, at a fast-growth startup that was one of the earliest success stories for adopting scrum across the enterprise. Drawing on her MBA education from the Kellogg School, Deema advises on go-to-market strategy. She carries her passion into the local community, cofounding agile groups and the Women in Agile nonprofit.



Marie Kalliney is a transformational, results-oriented business and information technology leader with 20 years of progressive experience, focused on global software portfolio, program, and product management. She drives business and IT transformations and bridges both communities to optimize processes and deliver value from technology investments. Marie has a strong passion for the business and commitment to the development of solutions to complex business issues to enable successful organizations.



Yvonne Kish Delaney is a Sr. Principal Agile Consultant at CA Technologies (formerly Rally Software). The agile movement in the early 2000s was a game changer, and Yvonne realized that early on and never turned back. Since then agile has been at the foundation of Yvonne's coaching in enabling companies to get truly excited about engaging and working in new ways to efficiently deliver high-quality products that are of great value to their customers. Yvonne specializes in large, complex organizational agile transformations. Leveraging her agile subject matter expertise coupled with deep software engineering and quality background, Yvonne has led numerous companies in translating their product vision into market-ready reality.



Gene Mrozinski has been in the business of planning, designing, writing, testing, and deploying software for over four decades. During that time, he has seen a lot of change, but none so fundamental and important as agile. It has changed the game in so many ways. He is fortunate enough to have been involved in agile for almost 20 years now and enjoys working with teams and companies in not only adopting agile but helping them continue their journey into what comes next. Areas like scaling, agile portfolio management, and true business agility are some of the focus areas that he is passionate about.



Ronica L. Roth is a practice development lead for agile services at CA Technologies (formerly Rally) who coaches the coaches. She helps design and bring to market the services that will help client companies become better workplaces and corporate citizens. Since the early 2000s, she has been trying to push the boundaries of “lean” and “agile” to touch more people and places. She facilitates groups of people to have great interactions and outcomes, and she coaches executives to adopt an agile mindset as they lead culture change.

Preface

There was a loud buzz in the room. It was standing room only during the sold-out New York City business agility summit in the spring of 2017, where over 400 executives and thought leaders packed into the conference center. I had high expectations to learn something new about the emerging “agile business” frontier and was happy to pay for the \$1200 ticket. The highly anticipated keynote speaker, a well-known agile thought leader, set the tone by asserting that business agility success depends on “having the right culture and mindset of teamwork” within an organization, and that “business executive support” is key to agile business success. I got that; I silently agreed, since I’ve heard these agile principles many times.

But then, as the day went on, a string of agile transformation speakers took turns merely echoing those same basic ideas throughout the day. Wait. That’s it? I thought. Not one speaker was attempting to define business agility or explain strategies to accomplish this? To the contrary, I was hearing the same worn-out success stories about various departments implementing agile ways of working with the words “agile business” cut and pasted in their presentation slides. What made it more astonishing was all the Kool-Aid drinking and groupthink at the event. It seemed like no one else felt the same, and my efforts to share this view kept falling on deaf ears. I felt like I was in a time warp and back in 2001. Has nothing evolved since then?

A great deal of attention has been given to the idea of business agility, but comparatively little insight has been offered into what it really means or strategies that create the right team collaborative culture and business executive buy-in. Consequently, even after over fifteen years of agile evangelism, consulting, and adoption efforts, these agile ways of working remain largely within

IT, R&D, GIS, software development, and product delivery (which we will call “delivery”¹), while organizations struggle to expand and adopt them into the business. As a result, delivery can claim departmental success with agile ways of working to improve software development but is still falling short of the true potential to enhance the organization overall. Agile, as we know it, is suspended in mediocrity; it has not lived up to its true promise.

In a CA Technologies survey of 150 executives between March and June 2017, only 12% of participants felt their entire organization is on the path to business agility (“The State of Business Agility,” 2017).² The majority (58%) of respondents cited cultural or political barriers as primary challenges in fully adopting agile methodology.

This book will help guide an organization’s adoption of business agility. In these pages, I will introduce clear, actionable steps for modernizing and utilizing change management truths that I believe have been long overlooked, thereby limiting the success of agile expansion into the business. My aim is not to pile on reasons for why organizations need to expand agile into the business or to spout recycled notions about having a collaborative and team culture. Those subjects are well covered by oceans of articles, books, and events. Rather, this

¹Delivery—short for “product delivery”—comprises all the groups who contribute to building any software or solution that interacts with customers, including the those who build the enabling technologies that ultimately contribute to that goal. Delivery might include:

- a product delivery or product management group, which studies customers and the market and defines the vision and roadmaps for the products and solutions we sell (including technology products, technology-enabled products, and nontech products)
- a product management office, which manages the company’s product and/or technology investments
- a research and delivery (R&D) or engineering or technology department, which builds the software that comprises or supports the solutions
- all or part of an information technologies (IT) or general information systems (GIS) department, which builds the enabling technologies that support all of these activities

A note on the internal IT or GIS department. Some of their work does not contribute to building product but rather supports other business processes, like around selling, marketing, finance, and so forth. Although that work is not part of product delivery, the company still benefits from being more pivot ready if IT is agile.

²Gatepoint Research, “Business Agility Throughout the Enterprise Pulse Report,” May 2017, www.ca.com/content/dam/ca/us/files/ebook/the-state-of-business-agility-2017.pdf.

book will provide a pragmatic framework for driving the business toward an agile mindset and facilitating cultural changes that will help your organization deliver great products and services.

Achieving Business Agility offers four strategies and concrete examples for engaging the business executives and will teach you how to execute these strategies effectively. Whether you are a delivery executive, change advocate, consultant, business leader, or newcomer to agile, you will learn clear actions from a pragmatic, business-oriented perspective that is vital to effecting change and bringing agility into the business.

Acknowledgments

This has been a team effort.

Coaches Call-Out Contributors

Saif Islam, Agile Managing Consultant, CA Technologies

Christen McLemore, Agile Managing Consultant, CA Technologies

Chris Browne, Senior Director, Agility Services, CA Technologies

Rob Desmarais, Senior Director, Agility Services, CA Technologies

Editorial Contributors

Gary Putlock, Senior Director, Agile Management, CA Technologies

John Martin, Director, Agile Services, CA Technologies

Alfred Aversa, Agile Solution Director, CA Technologies

Joe Katusha, Agile Solution Director, CA Technologies

Jim Rezen, Agile Solution Director, CA Technologies

Brian Piening, Agile Solution Director, CA Technologies

Monica Russ McCarthy, Agile Solution Director, CA Technologies

Chris Pola, Principal Agilist, CA Technologies

Jason Deno, Agile Advisor, CA Technologies

Suzanne Lorch, Agile Strategist, CA Technologies

Rob Kowalski, Agile Solution Director, CA Technologies

Brent Chalker, Global Account Director, CA Technologies

Greg Kiey, Agile Solution Director, CA Technologies

Wendy Schall, Agile Manager, CA Technologies

Jordan Goodwin, Agile Manager, CA Technologies

Introduction

Whether you are a technology or business executive, you certainly know that agile development has been practiced in your company's delivery department for some time. Over the past 15 years, organizations across the globe have made major investments to implement, scale, and expand these practices within delivery. You probably also recognize the importance of extending this agile way of working beyond delivery and into the business to fend off the emergence of digital disruptor competitors: doing so is vital for your company to compete in today's marketplace. By connecting agile ways of working between delivery and the business, your company can better understand its customers and quickly pivot on its product go-to-market strategy to serve their fast-changing needs. A fully agile business can sense market changes and quickly respond with competitive product offerings. As a result, it will compete more effectively because it can change direction on a dime to morph its product offerings and capitalize on market opportunities or thwart potential threats. The definition of business agility to be used in this book, therefore, is the ability to sense and respond as a matter of everyday business (or, as the subtitle of this book says, becoming "pivot ready"). With the increasing numbers of digital disruptors, the ability of a company to sense market opportunities and threats and respond quickly with products that customers value is vital.

Sense and respond has been one of the original selling points for delivery to adopting agile ways of working. Yet does anyone feel it has lived up to its potential? Are companies that adopt agile ways of working really able to sense and respond and deliver customer value faster than the competition? Regrettably, the answer is almost always no. Agile ways of working have not yet achieved their fullest potential in organizations. That's because agile ways of working are trapped inside delivery. Although this helps delivery to deploy products fast, the company is not aligned to support it. So, delivery builds products fast based on guesses of what customers want and, in turn, pushes out products that have no go-to-market plan from the business. Agile, as we know it, is stifled in delivery and falling short from realizing its full, untapped potential to help organizations sense and respond to compete more effectively.

Figure I-1 shows the evolution of agile through the years.

Evolution of Agile

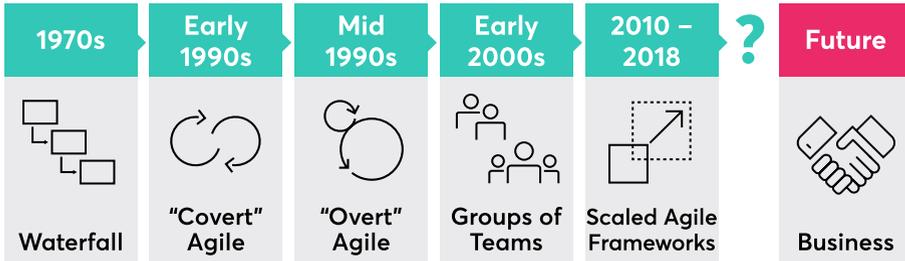


Figure I-1. Evolution of agile

Waterfall software development era: 1970s–80s

- A noniterative and sequential approach, as progress flows in largely one direction (“downward” like a *waterfall*) through the phases of conception, initiation, analysis, design, construction, testing, deployment, and maintenance.

Covert agile software development era: early 1990s

- A new approach for software *development* under which requirements and solutions evolve through the collaborative effort of self-organizing cross-functional teams.
- Rapid application development (James Martin), adaptive software development (Jim Highsmith, Sam Bayer), lean principles (James Womak and Daniel Jones) Scrum (Ken Schwaber, Jeff Sutherland), XP (Ken Beck, Ward Cunningham, Ron Jeffries), and others.

Overt agile software (team-level) development era: mid-1990s

- Came out of frustration in the 1990s. The enormous time lag between business requirements (the applications and features customers were requesting) and the delivery of technology that answered those needs led to project overruns or the canceling of many projects. Business requirements and customer requisites changed during this lag time, and the final product did not meet the then-current needs. The software development

models of the day, led by the Waterfall model, were not meeting the demand for speed and did not take advantage of just how quickly software could be altered.

Groups of agile team development era (no Framework): early 2000s

- Agile Manifesto (2001) is a milestone that brought together seventeen agile thought leaders to proclaim the value in the following principles: individuals and interactions over processes and tools; working software over comprehensive documentation; customer collaboration over contract negotiation; responding to change over following a plan. Team-level iterative agile started to gain momentum.
- Kanban, a manufacturing method from the 1940s, was first embraced for software development also at the team level. Instead of iterative, Kanban is focused more on continuous flow mainly by limiting work in progress.

Scaled agile framework development era: 2010 to today

- As agile ways of working have continued to expand in popularity, there has been a growing need for agile frameworks that will work for large-scale programs and projects in the enterprise. Frameworks promote alignment, collaboration, and delivery across large numbers of agile teams. The primary reference for the scaled agile framework was originally the development of a big-picture view of how work flowed from product management, through governance, program teams, and development teams, out to customers.
- Large multiteam scaling methods started to emerge, with frameworks such as Scaled Agile Framework (SAFe), Large-Scale Scrum (LeSS), Disciplined Agile Delivery (DAD), and Nexus

Future

- Scaling to portfolio agility, not just program levels
- The start of business agility, which is transforming whole businesses to be adaptive to change

DEFINING BUSINESS AGILITY

Is business agility the same as agile “within” the business?

In the various agile conferences with a gathering of all the agile thought leaders and consultants, it has become clear that there is confusion about what business agility means. Many of the so-called success stories are being told based on practicing agile in a particular business unit, such as HR, marketing, compliance, and so on. Their claim of success centers around practicing agile ceremonies within these departments to better run their workflow. As a result, they improve their productivity, morale, teamwork, and transparency to better manage their work within their respective departments. That’s great for the department, but it’s not business agility. Instead, this is the definition of implementing agile within the business.

Achieving business agility is far different than implementing agile within the business. An agile business connects everything back to developing software products that customers value. So, all activities are in sync with the common goal to develop and deploy the most valuable product. Business agility is focused on improving the company’s ability to sense and respond to changes in the marketplace. Therefore, business activities are connected to building products that provide value to the customer. An emerging mistake is getting the terms confused with agile within the business. Agile within the business refers to when there is the adoption of agile practices in the business without any connection to building software products.

Although a noble cause, agile within the business is not the same because it has nothing to do with helping the company compete in the marketplace. An agile business has the single mission to help the company sense and respond to change in order to compete by delivering high-value software products. Therefore, business agility is different from agile within the business.

So where to begin? We could launch right into a long list of agile success stories about improved productivity, quality, and meeting software delivery deadlines. But let’s acknowledge something: achieving business agility goes far beyond building software in delivery using agile practices, so venturing into uncharted territory outside the delivery comfort zone may feel like crossing into a different world.

Imagine you are an astronaut who has successfully orchestrated many trips to the moon—agile in delivery. Now, in the coming months, you must prepare for a mission to Mars—agile in the business. While you have years of experience to build on your moon endeavors, the rules will be different for your upcoming journey to Mars. The conditions, coordinates, equipment, and even language you’ve been using may not work for this new planet. When a fellow astronaut approaches you and asks, “So, how are we going to get to Mars?,” the last thing you would want to do is smugly reply, “Since we are experts at

going to the moon, we will simply take off in that direction and hope we get lucky and find the right way.”

To reach your new destination, there’s no question that you will need a new plan. Unfortunately, many agile experts, who have had enormous success in delivery, assume that their current model can simply be dusted off and reused for new missions. Though I have attended many agile classes over the past ten years, I don’t recall a single class, speech, or discussion about change management strategy as it applies to business adoption. In fact, I have often heard that the success of agile delivery assumes that the business side of the organization would magically migrate to adopt these same practices and come to the table; explaining nothing about strategies to communicate what’s in it for the business to make this change. Change management has never been on the radar screens of the agile transformation consulting world because change management teams’ well-oiled routines have been working smoothly in delivery over the years—they know how to get to the moon. Now with the new challenge to reach Mars, how can we expect success if we don’t know how to get there? Why do we talk so little about business change management strategies instead of dusting off the old ones that have worked in delivery? To start this journey, we must first acknowledge that the business is different than delivery and, therefore, requires a business-oriented change management approach to adopt agile ways of working. This change management approach must answer the looming question that various business executives will be thinking, which is, “What’s in it for me?”

Despite the increasing importance of business agility for companies to stay competitive these days, agile software development practices are too often stuck in the delivery box, remaining disconnected from the business. A fundamental problem occurs when delivery executives set out to convince their business to join their agile crusade but are repeatedly denied due to misconceptions. There is, however, a way to bring the organization together under a common goal.

Change management suffers in the agile world because agile has been well known in delivery and generally accepted. Within the business, there is minimal understanding about agile, or even worse is that it’s completely misunderstood, and that often results in high levels of resistance to applying agile beyond delivery. Therefore, an agile change management framework that resonates in a business context is vital. Unfortunately, those who have successfully led agile delivery transformations are sometimes overconfident when working with the business have the tendency of not earning the trust, interest, and buy-in of business executives. So, the agile evangelists have remained stuck in delivery, often entrenched in the mechanics of scaling agile. They fail to leverage their success in delivery when talking about agile in a business context. Without a real strategy for bringing everyone along for the necessary changes, many of today’s agile transformation experts

simply hope that there is some business executive in the organization that intuitively understands the value proposition and will actively endorse their agile journey. But hope is not a strategy. Hence the purpose for this book: to offer an actionable change management strategy and framework for any employee to use within their organization and is an alternative to just betting on hope.

How This Book Is Structured

This book is divided into three parts, but you can read them in any order you choose. If you want to start with understanding the strategies before seeing them in action, read the parts in sequential order. Part 1 is instructional and can be re-read as a reference during your journey toward business agility. Part 2 includes a riveting story that demonstrates how the strategies discussed in his book can be applied to a situation. Part 3 then ties everything together with final thoughts to send you on the right path to success. Feel free to bounce around and read with flexibility.

Part 1: The Mechanics - Understanding Strategies to Achieve Business Agility. Chapters 1-4 lay out the strategies to sell business agility's vision within your company and gain executive acceptance.

Part 2: The Story - Strategies in Action. Stories about applying strategies to the business. Chapters 5-10 center on the fictional case study of Linda and the Solar Corona Insurance company. I'll show you how they implemented the strategies discussed in Part 1 to advance change toward business agility.

Part 3: The Takeaway - Defining Your Company's Journey. Chapters 11 and 12 bring it all together so you can start your journey toward business agility.