The five pillars of agile transformation strategy:

The starting block for achieving enterprise agility

The Adaptavist Group

The five pillars of agile transformation strategy

"We cannot direct the wind, but we can adjust the sails."

Dolly Parton, music legend

Steering a large organisation in the direction you want to go is no mean feat. It's a colossal undertaking fraught with challenges, obstacles, and uncertainty, more so now than ever because we're operating in an era of rapid change.

Traditional organisation working models create the illusion of control, with senior leaders holding the power and dictating the actions. But these outdated ideas are no longer fit for purpose–if they ever were. The pace of technological innovation, customer demand and expectation, and the competition always hot on your heels are all evidence that a new way of working isn't just nice to have but essential for survival.

Agile may have started as a preserve of software developers, but its principles have since become embedded across some of the world's most successful organisations—and for good reason. For those leaders stubbornly forging ahead with their plans, even when the winds change, agile might come as a shock to the system. But a welcome one.

An agile approach gives you the behaviour change (often referred to as mindset), processes, and tools to work faster, more effectively, and adapt to whatever is coming up next. It allows you to experiment, take risks, and innovate, driving your business forward while securing its future. When done right, an agile environment also boosts team morale, and you'll have happier, more engaged, productive employees.

In this eBook, we take a look at what it means to be an agile enterprise, what an agile transformation strategy needs to include, and how to implement one.

We work with organisations of all shapes and sizes, helping them put flexibility, collaboration, and change at the heart of their business. Here we draw on that experience, articulated by Tina Behers, VP of Enterprise Agility at Aligned Agility, part of The Adaptavist Group.

As Dolly says, you cannot direct the wind. And you cannot change the tide. But by transforming your enterprise with agility, you can batten down the hatches, stand firm behind the wheel, and look to the horizon with clarity and confidence.

An enterprise-wide approach to agile transformation

"You have to be fast on your feet, and adaptive or else a strategy is useless."

Charles de Gaulle, former president of France

Volatility, unpredictability, market disruption, and the demand for rapid delivery are the new normal. This constant change cannot be denied for an enterprise to succeed in any industry or market in today's climate.

Your organisation needs to get products and features to customers faster than ever before and adapt to customer feedback, trends, and global events if you're to hold steady against the competition, let alone soar above it.

Why agile?

Agile at scale is neither a box-ticking exercise to keep up with the competition nor a problem you can throw a tool at to solve. Agile at scale is an organisation changing the way it plans, behaves, makes decisions, and the way it works. Being agile means you can change quickly, strategise, and reorganise as necessary, enabling you to create value, scale, and succeed in a turbulent environment.

Chances are your organisation will already have some agile processes and tools in place, practising agility at the team level. For years, companies have taken a bottom-up approach to agile, letting teams learn how to do Scrum and Kanban, for example.

People choose agile for many reasons including:

- They want to put their customers' needs first, test and learn what they want, and respond accordingly.

- They want their team to be able to focus on work that has real value.

- They want to collaborate effectively with other teams across the organisation.

- They want happy, productive, and motivated employees.

- They prefer trying things and failing fast to improve rather than wasting time with long-winded processes.

- They don't want to be micromanaged (or micromanage themselves) and want to remove as much bureaucracy from their work as possible.

- They decide to jump on the bandwagon because the latest issue of a tech industry magazine says agile is great.

Working in an agile way, with agile behaviours and thinking, allows many of these motivations to be realised. Teams can reach a point where they're highly effective, quickly getting work done. **But agile teams in an un-agile organisation can only succeed to a point.**

With the introduction of SAFe (Scaled Agile Framework) and other frameworks, organisations started to think about agile from the top down, starting first from the portfolio management office (PMO) level. But this came with its own set of problems when done in isolation. PMOs typically have very structured, rigid controls, which businesses enforced in the name of governance without consideration for how teams work. SAFe and other frameworks take these into consideration. Sadly, those considerations were often ignored for the status quo or "because we're agile", and framework bashing began.

For the full benefits of agile to be felt, you need to look at your organisation as a whole and think about agile holistically. There needs to be an enterprise-wide transformation, where everyone in the organisation buys into the change and shifts their behaviours and ways of working—and the organisation's business model, processes, operations, and culture need to be more responsive to changes from internal and external factors.

'With a bottom-up approach, businesses think, *"What product are we building?"*, rather than *"What are the products and services we offer that make money for the business and add value to the customer?"*

'In a banking context, for example, your bank's software does not bring you money. A more holistic approach helps you identify the value streams—how people work there and what processes support that work—and then apply improvements and train teams to be more adaptive.

'Unless companies start looking at the organisation in terms of people, process, and what tools they use, a true transformation cannot take place. We get a lot of customers coming to us looking for that magic bullet in terms of a tool. Tools will only amplify where the breaks in your value stream are and where there are holes or blockers in your process.'

Tina Behers, VP Enterprise Agility

What are the characteristics of an agile enterprise?

It's a common misconception that agile is for software development teams alone and that by practising Scrum or using agile tools, you are "doing agile". **But an agile enterprise means <u>everyone</u> is working in an agile way—with an agile way of working, thinking, and behaving.**

Here are some common factors you would expect to see in an agile enterprise:

An agile enterprise embraces an **iterative and customer-centric approach** at all levels of the business—from how products are built to how performance reviews are carried out.

Rather than all decisions coming from the top and trickling down, an agile organisation comprises **autonomous teams** empowered to make decisions based on their expertise and experience.

Teams are **cross-functional**, too, rather than siloed, sharing skills and metrics to progress together.

Agile businesses have a solid foundation of tools to **build and test ideas quickly**, gather data, and gain insights.

And they're strategic: everyone follows a **common purpose** and has access to information they need to adapt to achieve organisational goals and meet customers' needs.

What is an agile transformation strategy?

Strategic plans help organisations to define, develop, and implement top-level agendas and achieve their goals. **An agile transformation strategy focuses on changing your organisation's business model, processes, operations, and culture to be more responsive and adapt quickly.**

'We work with many companies where they've been doing agile at the team level, with a bit of business participation, but they've hit a point where they can't get visibility into what's happening longer term,' explains Tina Behers. 'The way they work is so fragmented and disconnected from the wider organisation. In other cases, it appears agile is working well, but organisations are getting fines from regulatory agencies, or their customers or employees aren't happy.

'Without an agile transformation strategy that defines goals, the vision (or North Star) and clearly communicates the intent of achieving them across all aspects of the enterprise, it's easy for agile only to be thought of in terms of software development.

'This process helps organisations look at their work around agile so far–reviewing their tools and processes, identifying their value streams, aligning the teams to the value and customers, and defining what they want the company to look like in five years. The strategy is then built around that, across the entire organisation.'

What are the benefits of an agile transformation strategy?

There are two benefits of having–and communicating–your agile transformation strategy:

1) Your employees will be happier.

Employee satisfaction is always higher with a clear strategy and clear communication. When employees know they won't lose their jobs–just changing how they work–they are more willing to adjust.

When knowledge workers understand the goals and why something should be done, and they're allowed to experiment and make decisions to achieve the goals, they are happier at work. No one likes being treated like a "code monkey".

2) You have a path to follow.

If you don't have a plan, how can you know if you're on track? With a strategy, you can put solid metrics in place that tell you if it's working. You'll have a clearer idea if you're steering the ship in the right direction.

The benefits of having a clear, agile transformation strategy (and communicating it) might seem like common sense, but they're often overlooked. And that's without mentioning the revenue growth potential of being more strategic. According to Strategy& (part of PwC), companies that get strategy right are more profitable– they're twice as likely as other organisations to report above-average profits.

This research also showed that only 37% of executives said their company has a well-defined strategy and a clear sense of its direction. In comparison, 70% are concerned their strategy is unclear about how they create value for their customers.

"If you don't have to fight people's fear of the unknown to change the process, they're more open to those changes and offer their ideas. They become willing participants and ambassadors in the transformation."

Tina Behers, VP Enterprise Agility

Five features of a successful agile transformation strategy

While every organisation's strategy is unique, there are some specific components that you need to include for success to remain in sight. A half-baked strategy will fall apart at the first hurdle.

Here we explore five components your agile transformation strategy can't do without.

1. Aspiration

" An organisation needs to have a clear line of sight of what it wants to be when it grows up."

Tina Behers, VP Enterprise Agility

First, as the organisation's leaders, you must set your intention. What is your short and long-term vision for the business? What do you want to achieve, produce, and succeed at in five years?

This 'North Star' can't be vague or contradictory. **You need to articulate explicitly what you want to achieve.** To inspire your people, ensure it's underpinned by the broader outcomes you hope to accomplish for your customers. And make sure you find alignment among senior leadership before confidently sharing this with everyone else.

Communicating the overall goal to everyone in the organisation is as vital as the strategy itself. Management at all levels must buy into it without resistance or apathy, putting a spanner in the works and blocking implementation.

An example of the importance of this step is we know of several companies who stated, *"We thought we knew the vision, but when our C-level was unexpectedly out during the pandemic, we were rudderless because it wasn't communicated in a way that we could action or continue to steer towards without our C-level at the helm."*

2. Adaptability

"**Everyone has to know what their position is on the field, and the only way you can do that is to help them understand how their role is going to change.**"

Tina Behers, VP Enterprise Agility

Agile transformation at the enterprise level requires everybody to change how they work and think about the work—some much more than others. This significant cultural shift is exciting but means letting go of old ways of working and being willing to play ball. Your strategy has to consider team structures, outdated policies, and rigid processes that will derail your transformation before it gets off the ground.

Agile in action

True stories of agile transformation so you can learn from our experience

Adaptability is so important. The only time we've seen a successful agile pilot fall apart as we tried to roll-out the implementation to another group was when people were utterly unwilling to change. You need to have the people on board at the start. One person **can** impact the whole experience.

In this situation, the pilot and the second group were both successful. And then we moved to the third group, where the mid-level HR manager had none of it. He was the problem. People under him were willing to implement agile but were terrified because he told them, *"If I find out you're doing it, you're going to get fired."* It took about six months to get that manager's boss to realise he was the problem. The manager was given the opportunity to adapt and change, but rather than do so, he was "given the opportunity" to work in his preferred way at another company.

There's a lot of chatter about agile and how it's this "great thing" which works everywhere, but that's not true. People must be willing to change their behaviours and how they think about their work and adapt how they work. Leaders must recognise that one person can't control every detail for agile to succeed. You have to be willing for those closest to the work to experiment with ways of getting things done faster, cleaner, and more efficiently.

3. All-inclusivity

If it's not clear by now, **engagement and involvement from everyone in the business is critical.** Everyone must know their role in the business (their purpose) and accept that their role may change (but not disappear). This is crucially important for everyone, particularly for leadership and management at every level.

'There have been times where I've worked with companies with a clear aspiration and willing employees, and when we got to mid-level management, the resistance was a blocker,' says Tina Behers. 'It's not enough for managers to pay lip service to the strategy and training around new processes and tools if they insist their teams don't actually work in an agile way.'

Much of this resistance comes from fear: fear of losing control of their team and their position. Show your mid-level managers they're still essential for many other reasons. While they won't be "in command", they'll have collaborative control and remain a vital function in the organisation. Like the commanding officer of a ship, they'll set objectives and trus their crew to make the best decisions to achieve them.

Smooth sailing

How agile transformation is similar to being at sea

Imagine being on an aircraft carrier. The ship's commanding officer (CO), the equivalent of a company CEO, doesn't tell the person in control of the flight deck which plane to launch first, or which runway to launch it from.

Instead, the CO tells the crew where the ship needs to end up and why, for example: *"We're going to this spot in the Atlantic Ocean to run these exercises."* Then, the team leaders of each department decide what needs to happen to complete that mission and coordinate with each other to get that done most efficiently and safely as possible. This is an excellent example of an agile organisation in action.

4. Analysis

How can you tell if you're making progress if you're not measuring it? Valid metrics—not vanity metrics (i.e. ones that make you look good but do not help you understand your performance in a way that informs your future strategies)—are essential to learn if the changes you've implemented have the desired impact.

Many of these measurements will focus on your processes and output, such as whether product quality increases. Are new features delivered faster? Are product managers' requirements clearer, more concise, and more manageable? You might also measure staff and customer satisfaction: are employees more productive? Are they happy at work? Are customer problems resolved quickly enough?

The metrics you analyse will depend entirely on your agile transformation strategy, the goals you've set, and the plan you've put in place.

5. Adjustment

"**The point of allowing people to experiment is to see if things improve. If you're going to punish people for trying to make things better, you won't get many people willing to experiment after that.**"

Tina Behers, VP Enterprise Agility

In a traditional organisation, if an experiment fails, people are often punished and may even lose their jobs. The new ways of working that your agile transformation strategy is designed to implement will take time for your people to get used to. **It's important to give them time to learn, experiment, and adjust. And they need to be able to do this without the risk of repercussions.**

It's common for leaders and managers to be reluctant to accept agile and the experiments that come with it. They're scared of wasted time and people working on projects that "lead to nothing". Again, it's about changing mindsets and behaviours, helping everyone to understand that experiments happen within guardrails. It shouldn't be a free-for-all; **learning is its own success, even if a project fails.**

We recommend conducting regular retrospectives—a common agile practice typically held at the end of a sprint or quarter. This review process allows you to reflect on what's working, what's not, and why. If it's not working, you need to ask what you could have done better to ensure success, if anything. Accept that sometimes there's nothing that could have been done differently. Sometimes you just have to try a wild idea to see what happens and learn from it. In short, experiment!

Agile in action

True stories of agile transformation so you can learn from our experience

Experiments are great, but you must temper them with logic and reasoning. Here's a great example of what happens when experimentation runs wild.

We were working with a large financial services company. It took about seven years to convince the leadership in one department to set up a lab and try out agile. The person in charge of that lab soon proved the benefits—they were releasing clean, high-quality code very quickly that was impactful to their stakeholders.

So the company said, *"Let's do more of that!"* without communicating why. Another lab decided to try something out, which meant buying expensive software that didn't work with any of their other technologies—to use it would have meant an entire rewrite of their core. Needless to say, this experiment was a catastrophic failure, and everyone engaged in that activity got fired.

So experiments are great, we can learn many good things, but we can't try an experiment that will necessitate an entire rewrite of everything we do. When experiments aligned with our constraints and goals fail, figuring out why is crucial.

"The only real mistake is the one from which we learn nothing."

Henry Ford, founder of Ford Motor Company
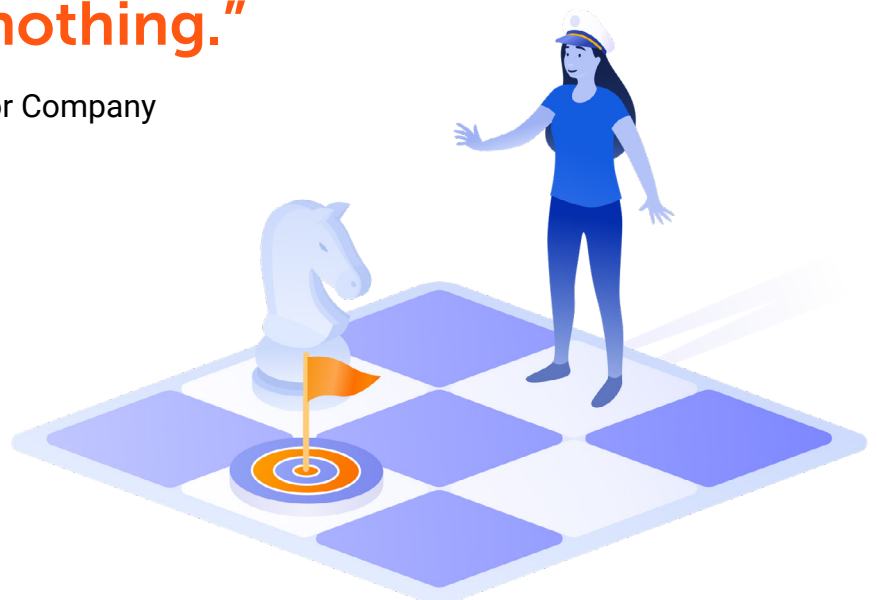
Implementing your agile transformation strategy

"An organisation's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage."

Jack Welch, American former Chairman and CEO of General Electric

Now you understand what an agile transformation strategy entails, we thought it might be helpful to see how implementing it plays out in practice.

Kicking off your transformation journey

The first stage of getting your agile transformation going is developing the strategy.

We recommend starting with an executive strategy workshop. This brings all the senior leaders together to ensure they are thinking about the transformation with the same mindset and goal. It also helps them understand they must be willing to support the following changes. This phase typically takes one to two weeks, depending on your organisation's size, culture, and complexity.

Getting to know your organisation

Once you've developed and communicated your strategy across the organisation, work continues simultaneously across several areas.

This typically includes: (i) assessing your people and skills, (ii) identifying value streams, (iii) understanding and analysing your processes, and (iv) organising teams around your value streams and processes. We take this holistic approach because it's the most effective way to get to know your organisation inside out and align with your value flow. It's also crucial in helping us select a pilot group (see below) who will be the organisation's agile proof point.

Choosing a framework

With your pilot group and beyond, the next step is implementing the people changes, process improvements, and tools you need to support your transformation.

There's no one-size-fits-all approach here. For example, there's a lot of support for (and criticism of) the scaling framework SAFe. You may find only some of the proven practices described in SAFe are new to your business, and others may need adjusting to be more effective at scale. Some of SAFe's collection of proven best practices date back to the mid-1940s. But it's rare that they're ALL suitable for one organisation, as Tina Behers says: 'To affect change of any type, you have to think about your organisation holistically from top to bottom. Then you pick and choose pieces of a framework, be it SAFe or something else, that work best for your industry, market, products, and organisation. You need to decide which of those practices to implement first and last, or at all.'

Piloting your approach

Unless your organisation is relatively small, it's always best to pilot your ideas with one group of teams first. Even when a business comprises 200 to 600 people, we still prefer to do a pilot. No matter how much discovery you do or how many strategy sessions you have, there's going to be some subtlety–in the process, in control, in a system constraint, in the culture–that you didn't think about.

It's these easily overlooked things that can completely derail your transformation–not to mention have catastrophic results if they're unaccounted for. Your pilot experiments will also help you understand how your employees work together, see each other, and feel about their work, so you can consider that when moving forward.

Adapting to change

When we present an agile transformation strategy to clients and show them the high-level plan, it looks like we're taking a linear approach as we implement features, quarter by quarter, with small overlaps between each. But we're not.

The mindset shift begins here. Leaders must understand that we might find something along the road that necessitates a complete shift in the plan. That's called being adaptive. And it's why we get buy-in upfront from leadership.

This is not a waterfall project (a clearly defined sequence of execution where each new phase only starts when the previous one is finished). Agile doesn't work that way. We present a plan we believe will be most successful today, but as you learn, things will change.

Do you need an agile consultant?

When you're searching for someone to lead your agile transformation, look for someone with not just a certification but proven organisational change management experience. Ask yourself whether you can do this with an internal person. Possibly, but unlikely without experienced guidance.

If someone inside the organisation leads your transformation, there might be a few blockers. Number one, they may be worried about their job security. They don't want to be the person who raises their hand and says, *"We have a problem!"* And two, they may not have the authority (perceived or actual) or the experience to affect change across the whole organisation.

In the case of one company, a person was brought in at a senior level who had no transformation experience, nor did they understand everything required to do an agile transformation or about the framework they were using. Unfortunately, the changes resulted in almost $200 million in fines from regulatory agencies over a few short years.

There often exists a mentality in business that if you want to change and do it well, you should bring someone in from the outside to help. But really, it's the experience you should be looking for, as this will be the difference between your transformation's success and failure.

Agile in action

True stories of agile transformation so you can learn from our experience

In one of the most successful transformations we've participated in, leadership offered teams that supported a particular value stream to volunteer as the pilot group for agile transformation. Everybody on the tech side wanted to be part of it. So we interviewed them to find out why they wanted to do it, what changes they were willing to make, and how they would support the transformation moving forward.

We wanted the pilot group to be the ambassadors and in-house support for the next group. The chosen team could pass on their knowledge as we moved on to the second group. Whenever there was an issue or question, they would jump in and help.

This organisation also set up multiple Communities of Practice (CoP) so people could come together and figure out what was working and what wasn't. CoPs give people a space to talk about their processes and tools, so they can collaboratively determine their next steps for improvement and have one voice to give feedback to leadership.

The types of experiments that can come out of these groups are invaluable. In this case, the quality assurance CoP realised that a particular tool would allow them to do automation testing in conjunction with story writing, accelerating overall delivery. Once they wrote stories that way, **the scope of work dropped from 1,900 hours to less than 200** for at least two products the company was developing. Think about the associated monetary value in people time savings alone!

Final thoughts

"A satisfied customer is the best business strategy of all."

Michale LeBoeuf, American author

Enterprise-wide change is not going to happen on its own. If you want to reap the benefits of agile thinking and ways of working, you need a clear transformation strategy in place–as well as the will and experience to see that strategy through to fruition.

Remember, this shift has to take place at the top first. You can have all the enthusiasm in the world at the team level. But if leadership, from senior to mid-level managers, are not bought into the strategy, don't have an agile mindset, and aren't ready to make the changes, you will never be able to call your organisation an agile one.

Agile is not just about a transformation of how you do work, it's a behaviour change for your entire organisation.

Become a truly agile enterprise

If you're ready to put enterprise-wide agility on the agenda, we're here to help. From our wealth of resources to our highly experienced consultants, we cover the breadth of agile, including leadership and mindset coaching, strategy workshops, business agility assessments, tooling selection, and implementation. Our team has the expertise and experience to take your transformation further, so your organisation can reach new heights of business agility.

Adaptavist

We're **The Adaptavist Group,** experts in agile transformation

We help organisations transform to continuous change being their business as usual. We do this by supplying technology, providing advice, and delivering change through modern, iterative approaches to development, deployment, and application lifecycle management.

Adaptavist is Atlassian's largest platinum partner, supporting more than half of the Fortune 500. We are uniquely placed to provide our experience, expertise, and insight to help your business.

Whether you want training for your team, to build a software platform for your company, or to automate your existing tooling, we can help you. If you want to unlock the full power of Atlassian and transform your business at scale, get in touch with our team today.

Ready to transform your organisation?

Find out more

Platinum
Marketplace Partner

SCALED AGILE
PARTNER
GOLD