



William RED Davidson

Successful Agile in Large Companies

10:10am - 11:10am

About the Session: Many agile teams struggle, only a few are successful (impactful). Are there common themes across those successful teams? There are! We'll review a couple of success stories and discuss the traits that contributed to team success with an emphasis on how outstanding leadership led the way.

About the presenter: William "Red" Davidson, is a Disciplined Agile Champion and VP of Education for the PMI Dallas Chapter. He's held numerous positions, received awards, written papers & articles, and presented at more than 100 conferences and meetings. Red is a freelance Agile Coach for large enterprises, where he helps organizations achieve the benefits of Agile product delivery.



1 Strategic PDU



1

Two Successful Teams

Interactive Voice Response (IVR)

- Megabank
- IVR technology outsources
- Located in Florida and Georgia
- Scrum; 2-week Sprints
- Delivery required coordination between Company and Vendor

Credit Bureau Reporting

- Auto Finance Company
- Application development and support outsourced
- Located in Texas and India
- Scrum; 2-week Sprints
- Delivery required promotion into production environment managed via heavy ITIL processes

2



The illustration shows a man in a white shirt and red tie running away from a dashed circle labeled 'COMFORT ZONE' which contains an office chair and desk. He is running towards another dashed circle labeled 'SUCCESS' which contains a gold trophy with the number '1' on it. The background is a dark teal color.

Willing to try something new (will to be uncomfortable).
Accept experiments may not always be successful.

3



A simple black outline icon of a person's head and shoulders.

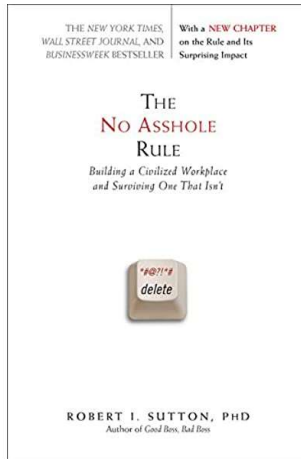
Hard Skills
Techniques

Soft Skills
EQ - People Skills

Leaders
Leadership

4

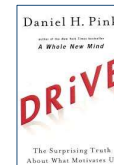
It's About the People



- Psychological Safety
- Being in the team, daily calls, how we treat each other is critical
- When fear rears its ugly head, people focus on **protecting themselves**, not on helping their organizations
- Kindness, respect, openness
- Trust

5

Intrinsic Motivation



<https://commons.wikimedia.org/wiki/File:Danielpink2.jpg>

Purpose	The yearning to do what we do in the service of something larger than ourselves	Customer engagement: create relationship to customers; understand, empathize and solve their problem(s). The WHY. Identify with Product Vision. The WHAT.
Autonomy	Being in control of your work.	Self-directed, cross functional team that completely owns HOW they will deliver the solution to their customers.
Mastery	Feeling that you are using your full potential at work; that you are developing skills and are improving those skills everyday.	Becoming experts in the product being built and in the art of product development. Have room to experiment, learn and grow.

YouTube RSA ANIMATE: Drive: The Surprising Truth About What Motivates Us

6

Business



Many years of experience

7

Have a Compelling Vision with WHY

"I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to Earth. No single space project in this period will be more impressive to mankind, or more important in the long-range exploration of space; and none will be so difficult or expensive to accomplish."

President Kennedy
May 25, 1961



8

A framework for thinking about value

Increase Revenue

Increasing sales to new or existing customers. Delighting or Disrupting to increase market share and size

Protect Revenue

Improvements and incremental innovation to **sustain** current market share and revenue figures

Reduce Costs

Costs that we are **currently** incurring, that can be **reduced**. More efficient, improved margin or contribution

Reduce cost per transaction
Customer Self-Service
Automation (IVR capture)
vs Customer Agent

Avoid Costs

Improvements to **sustain** current cost base. Costs we are not currently incurring but may do in the future

Fines and penalties avoidance
Risk reduction

<http://www.ontheagilepath.net/2017/03/cost-of-delay-a-key-metric.html>

9

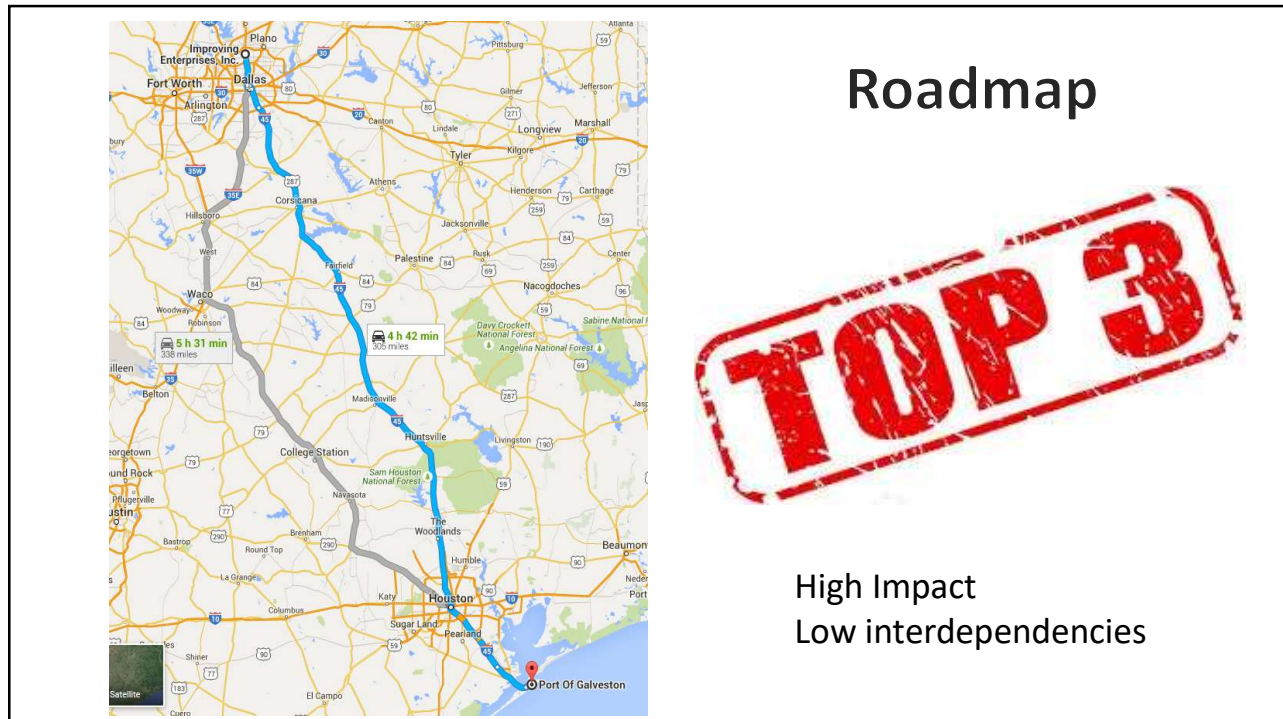
The 2017 IVR Vision



By the end of 2020, the IVR will satisfy and resolve 7 out of every 10 calls, yielding 17 Million in additional calls deflected and a \$55 Million in expense save per annum.

IVR (Interactive Voice Response)
The computer that answers the phone when you call the 800 number on the back of your credit card... and tries to solve the problem without involving a human.

10



11

Section Summary

- It's about people!
- Intrinsic Motivation: Purpose, Autonomy and Mastery
- Vision, Value, Validation

12



13

The LeadingAgile Transformation Manifesto

At the delivery level, agile is about forming teams, building backlogs, and producing working tested increments of product.

<https://www.leadingagile.com/2015/08/the-leadingagile-transformation-manifesto/>

14



Participated in...

- Agile Bootcamp
- Team Bootup
- Team Launch

- Training; Common Language
- Initial Release Plan
- Initial Team Building
- Initial Challenges List

"What has to change so that..."

15

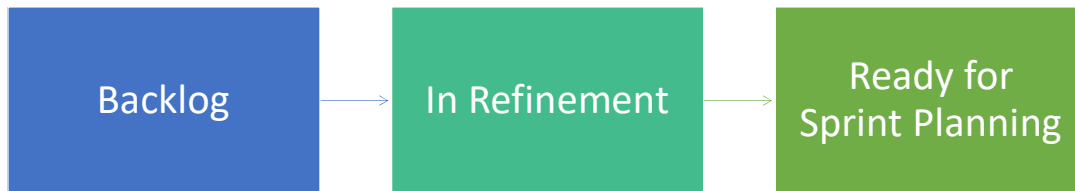
Backlog Refinement is Critical



- Backlog Refinement is the act of adding detail, estimates, and order to items in the Product Backlog.
- It is not a Scrum event, it is a **continuous activity** – to create and maintain a healthy backlog!
- Whole team; ensure all voices heard
 - Ideas came from anyone and everyone.

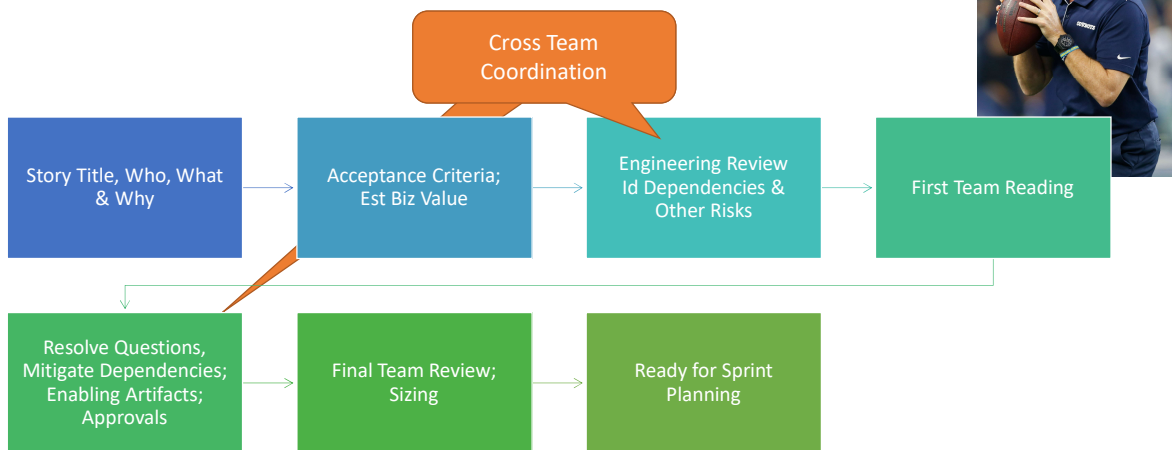
16

Simple PBR Kanban



17

Backlog Refinement is a Process



18

Team, People



Company and Partner became one virtual team.

- ✓ **Had to learn how to become one team**
- ✓ Huge improvement over former arrangement.
- ✓ Former interactions were in the form of typical “telephone game”.



Built Trust

- ✓ **Natural Team Builders!**
- ✓ Everyone contributing ideas for improving the customer experience.



Empowered Team Members

- ✓ Project transparency
- ✓ Immediate feedback
- ✓ Continuous improvements
- ✓ Many reasons to celebrate

19

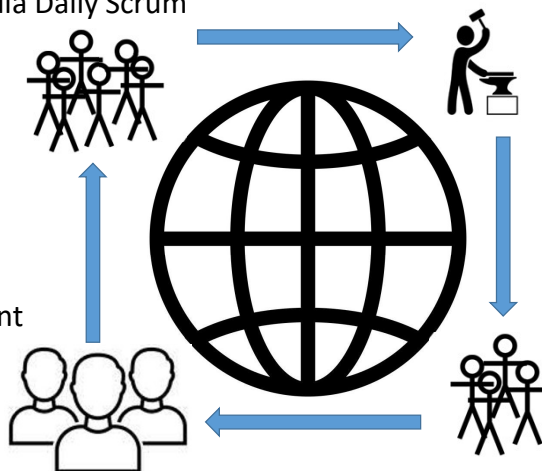
CBR Team; Daily Cadence

US pm/India am; India Daily Scrum
PO was present

India team coded and tested during their day.

- US am; US Daily Scrum
- UAT Testing
 - Release Management
 - Backlog Refinement
 - Offshore Guidance

India pm/US early am;
US Dev Lead learns of offshore’s progress and issues



20

Changes to Enable Rapid Deliver


Challenges:

- Former engagement model limited releases to a few times a year.
- Vendor delivery was always “late”.
- Testing timeframes were crunched.



Execution: Changing the way we work



- **Vendors were willing to change the way they worked with Company.**
 - ✓ Direct engagement vs document exchange.
 - ✓ New server at Vendor for Agile Dev/Test. 
 - ✓ IVR: Voice recording procurement changed from per-recording to flat fee for the year.
- **Company also changed to expedite delivery.**
 - ✓ Modified code merge methods for IVR work into releases – reducing time from end of sprint to production from 2-3 months to 10-30 days.
 - ✓ Standing meeting with Legal/Fraud to get approvals faster.

21

Speed **with** Quality and Sustainable Pace, not Speed **over** Quality and Sustainable Pace



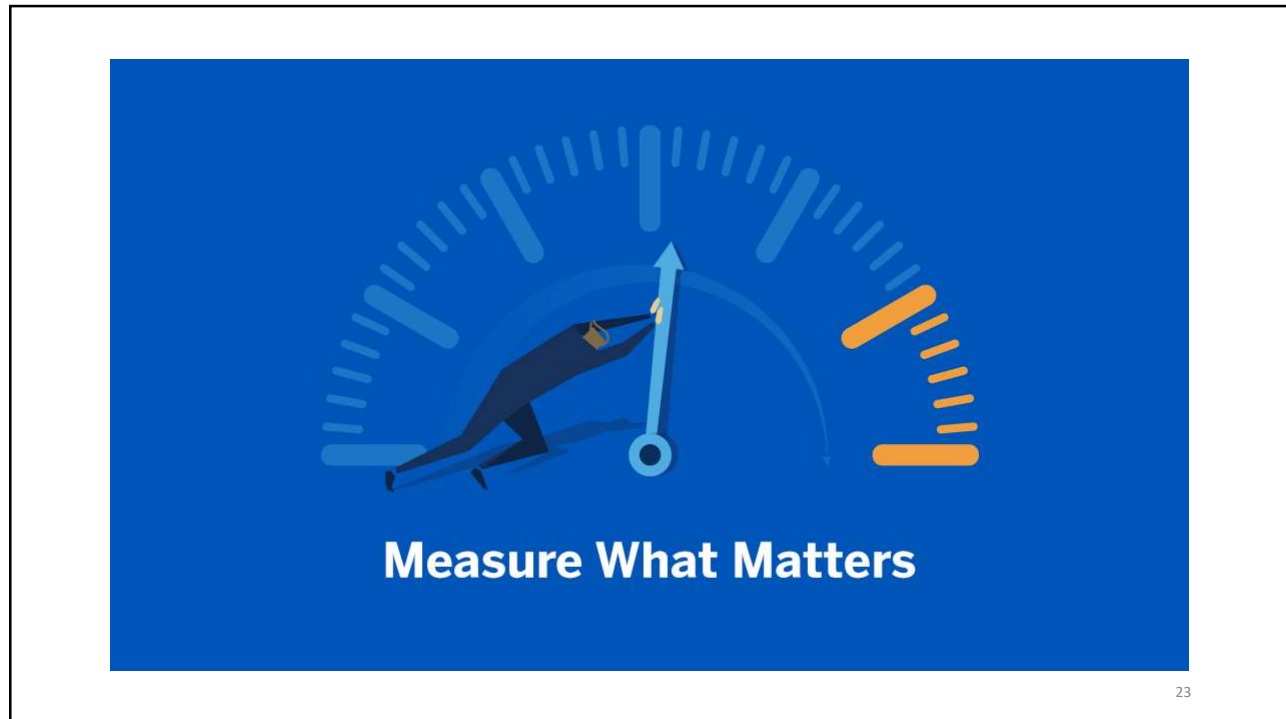
- UAT in Sprint (including Spanish translations)
- Zero defects in completed work (Test Exit Reports).
- Any questions as to what should be delivered was quickly resolved through team collaboration.
- Few production defects.

Challenge:

- Test Automation (lack there of).



22

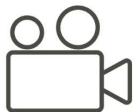


23

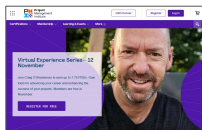
Measure Outcomes, Not Outputs



- It's not the number of burgers produced, it's the customer satisfaction and profits produced.



- It's not the number of pages of dialog shot, it's the ratings of the episodes aired (show's P&L).



- It's not the number of backlog items completed, it's the delivery (into production) of a working tested solution, customer satisfaction, team satisfaction, quality (external and internal), minimize lead time.

24

Metrics: Beware of Goodhart's Law

Goodhart's law is an adage named after economist Charles Goodhart, which has been phrased by Marilyn Strathern as:

"When a **measure becomes** the **target**, it ceases to be a **good measure.**"

Eight is Great!

25

Business Metrics/Feedback for IVR Team



Passive: Containment Rate (calls completed in IVR)
IVR Data (hang-ups, abandons, "operator")
Recordings

Active: Net Promotor Score Survey

**Do you have a readily accessible
Business metric & Customer metric?**

26

Rinse and Repeat



- Release once a month (most of the time)
- Observe change in customer's behavior
 - Did the release make the experience better?
 - Study what might be changed next
- Decide what will be in the next release based on key **outcome** metrics; update and publish the Roadmap
 - IVR Team identified feature, from 0% to 30% containment; implemented in 10 days!

27

IVR 2017 Results



- Overall containment increased 3.4%.
 - 1% IVR Containment = \$2.4 million annual savings
- Exceed planned benefits for first year by 30%.
- NPS up slightly (expected to be flat/down).
- Goal posts moved! Total containment target increased, pulled in 1 year. Team's budget also doubled!
- PO Promoted!

28

Agile Coach



Why were these Team Successful?

- Customer Focused
- Rapid Incremental Delivery
- Outcome Metrics
- Tactical Pivots
- Quality
- Engineering Excellence
- Sustainable Pace
- Celebrated Successes!

29

Agile Coach



Why were these Team Successful?

- Small, relatively isolated team;
 - They were largely in control of their circumstances.
 - Largely dedicated to their effort.
- Business and IT Management more interested in outcomes than preserving empires.
- Minimal interference from external forces (PQA).

30

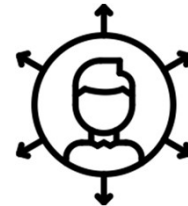
Hard Skills/Leadership



- Domain expert; know what's valuable to both the business and the customer
 - Identify the opportunity, prioritize, deliver!
- Easy to understand vision (Product Goal); evangelize it
- Utilize fast feedback and outcome metrics in your decision making
- Write thinly sliced customer centric user stories
 - Decompose deliverables to fit within a sprint
- Balance **demand** to **capacity** by working highest impact item first
 - Speed **with** Quality and a Sustainable Pace
 - These are equally important: value creation, system maintenance, process improvement, tech debt reduction, skills grown

31

Soft Skills/Leadership



- Recognize you are a leader and role model
 - Model trust and respect; intolerant of poor behaviors
- Positive attitude to change and challenges
 - Open minded; rethink everything you do
 - Okay with occasional slips into next sprint
- You are a member of the team (not your team)
 - Respect all team members and their contribution
- Communicate per the organizational norms
- Show appreciation; brag to leadership; celebrate

32



33

<https://www.slideshare.net/UTMcCombs/14-characteristics-of-an-effective-leader>

Let's Get Rid of Management

United Tech. Managers Ads

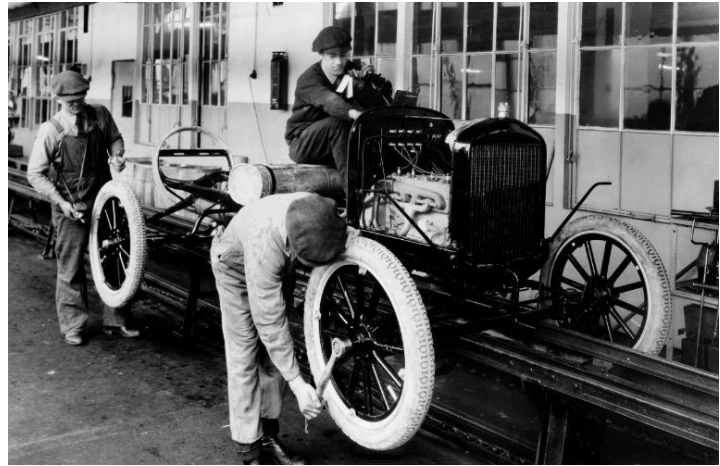
People don't want to be managed. They want to be led. Whoever heard of a world manager? World leader, yes. Educational leader. Political leader. Religious leader. Scout leader. Community leader. Labor leader. Business leader. They lead. They don't manage. The carrot always wins over the stick. Ask your horse. You can lead your horse to water, but you can't manage him to drink. If you want to manage somebody, manage yourself. Do that well and you'll be ready to stop managing. And start leading.

34

Invert Your Mental Model

**They work for
the customer...**

I work for them!



35

What about Other Roles in the Organization?

- **Lead people**, manage the environment.
- Make it easier for the team to deliver value.
- “What’s getting in your way?”
“How can I help you?”
“Does our environment allow you to do to your best work?”
“Would you recommend...”
- Define “technical excellence” and empower the team to achieve it (e.g. allocate capacity to reduce tech debt and improve skill sets)
- *How do I know what they are doing?*
Ask PO for Roadmap; attend Sprint Reviews.



36

Given a meaningful purpose, people are naturally motivated... the leader's job is to remove demotivators.

The actions leaders must take are to reinforce and amplify the individuals and team's autonomy and mastery.

People closest to the work know best how to do it.

37

Andon Cord

- Workers are encouraged to speak up (by pulling the cord) when they even suspect a problem
- Somebody comes to help right away
- The team leader is helping, not yelling
- The line stops if the problem can't be resolved



<https://www.leanblog.org/2014/08/why-toyota-is-eliminating-the-andon-cord-from-its-factories/>

38

Deming's 85/15 rule: 85% of faults lie with systems, processes, structures and practices in an organization and only 15% is down to operator skill and it is the responsibility of management to fix this.

CCO – Public Domain

39

Behaviors of Agile Leaders

- **Be the change you want in their organization.**
- Focusing on customer satisfaction through value delivery at a sustainable pace with technical excellence.
- View the team as a whole.
- Your tools: facilitating, mentoring and coaching.
- Being invested in continual people/team growth and improvement.
- Asking powerful questions to help teams find answers (don't give direction to a solution).
- Seeing the best in team members. Be of the mind that people are naturally motivated; leaders identify and remove demotivators.

40

William "Red" Davidson

PMP PMI-ACP CSM
CSPO ICP-ACC ICP-ATF
SAFe-SA DASSM

[reddavidson@yahoo.com](mailto:red davidson@yahoo.com)
www.linkedin.com/in/reddavidson

