

SMS Webinar 2010

Wednesday 3rd November

## Achieving Enterprise-Scale Agility with Lean

### Your Webinar Host



P. Grant Rule

[g.rule@smsexemplar.com](mailto:g.rule@smsexemplar.com)

Managing Director, SMS Exemplar Group,  
Specialists in Effective Systems Performance  
[www.smsexemplar.com](http://www.smsexemplar.com)

### Webinar Presenter




Alan Shalloway

[alshall@netobjectives.com](mailto:alshall@netobjectives.com)

CEO, Net Objectives

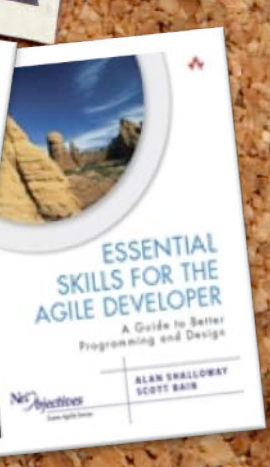
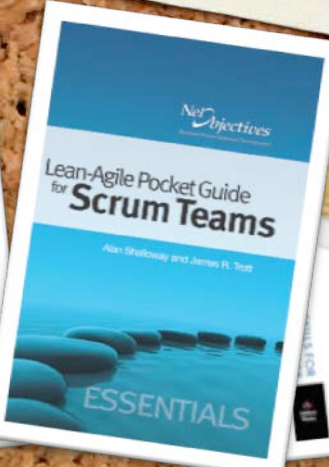
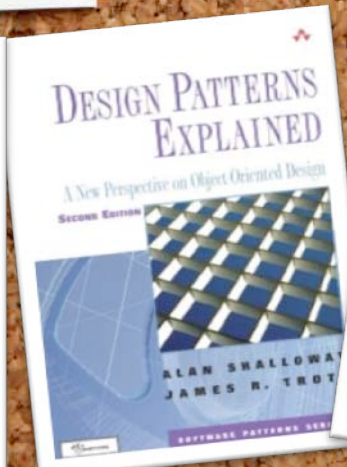
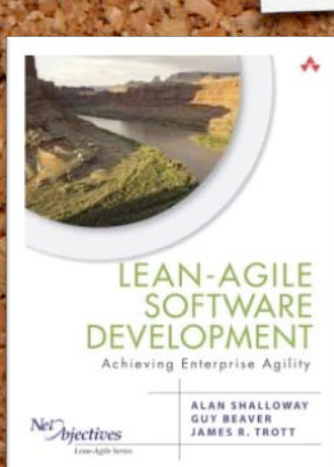
[www.netobjectives.com](http://www.netobjectives.com)



AI shall  
@NetObjectives.com  


@alshalloway

WELCOME



# Agenda

- Enterprise Agility
- Lean thinking
- The Big Picture
- Where to start
- Summary

# 1. Enterprise Agility

2. Lean thinking
3. The Big Picture
4. Where to start
5. Summary

- The business case for agility
- Product portfolio management

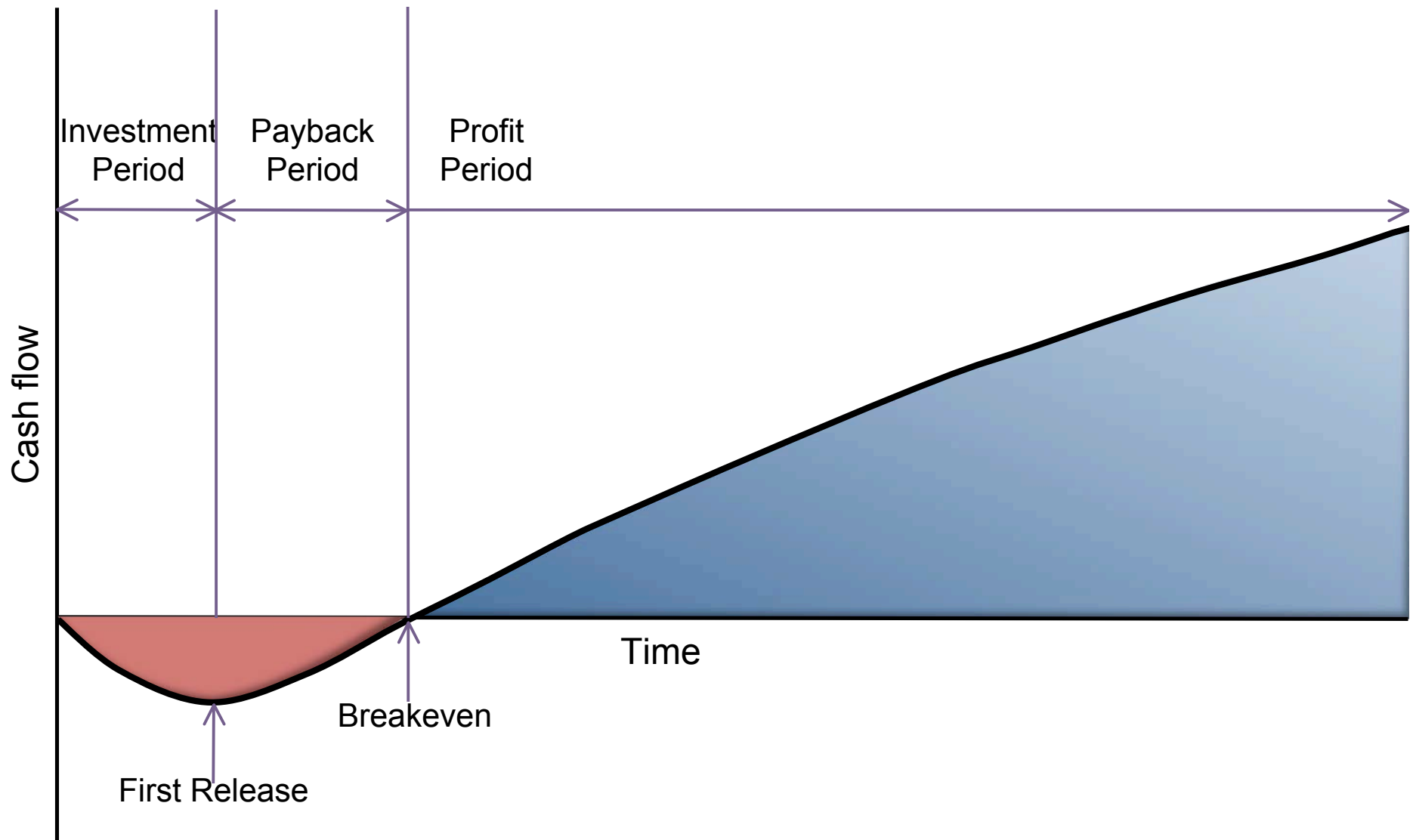
thinking  
points



## **Enterprise Agility**

- Agility of entire organizations
- Requires team agility

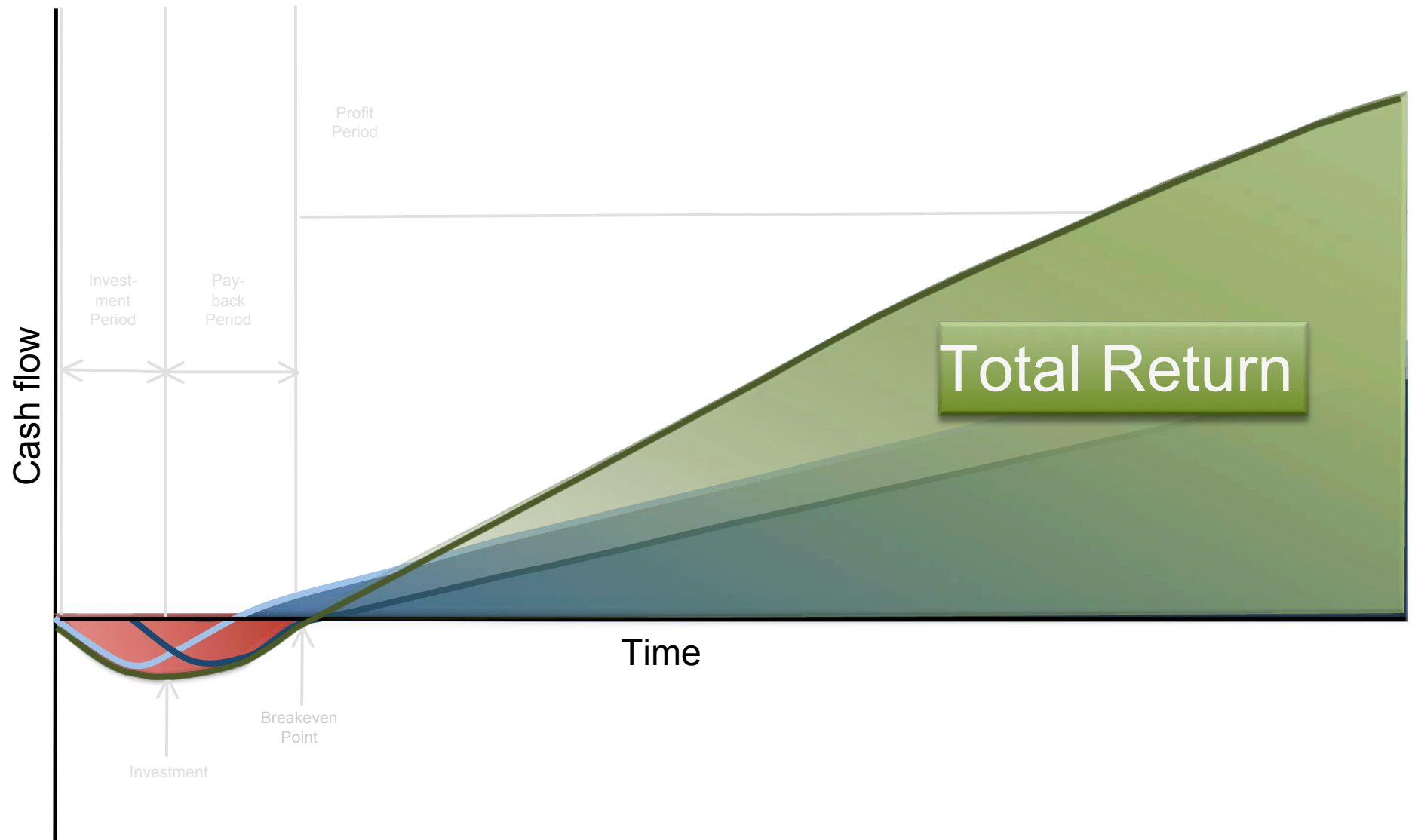
# Economics of Responsiveness



# Staged Releases

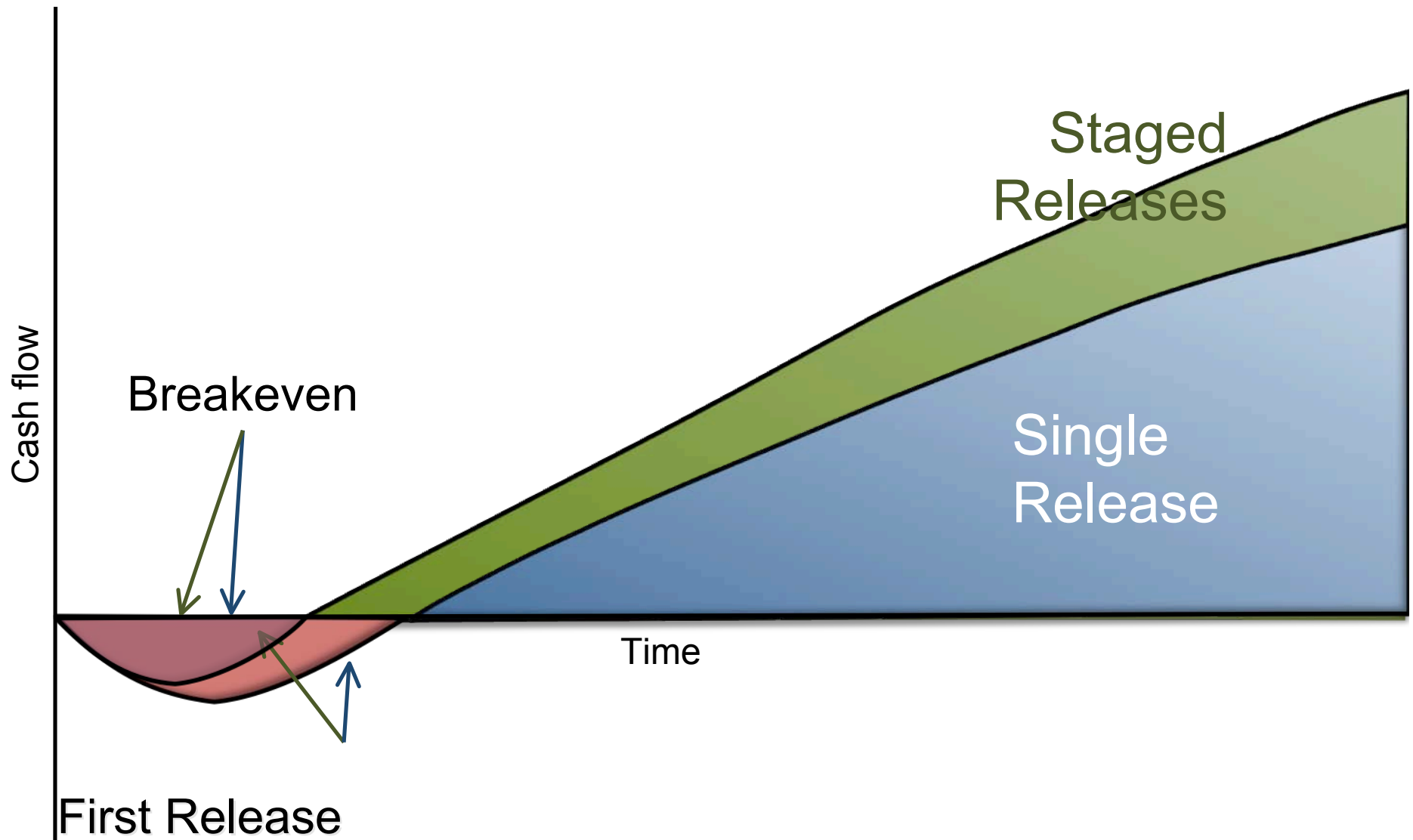


# Staged Releases





# Increased Profit



# CONSIDER

## **Minimal Marketable Features**

Can try out new ideas

Get revenue faster

Greater scheduling flexibility

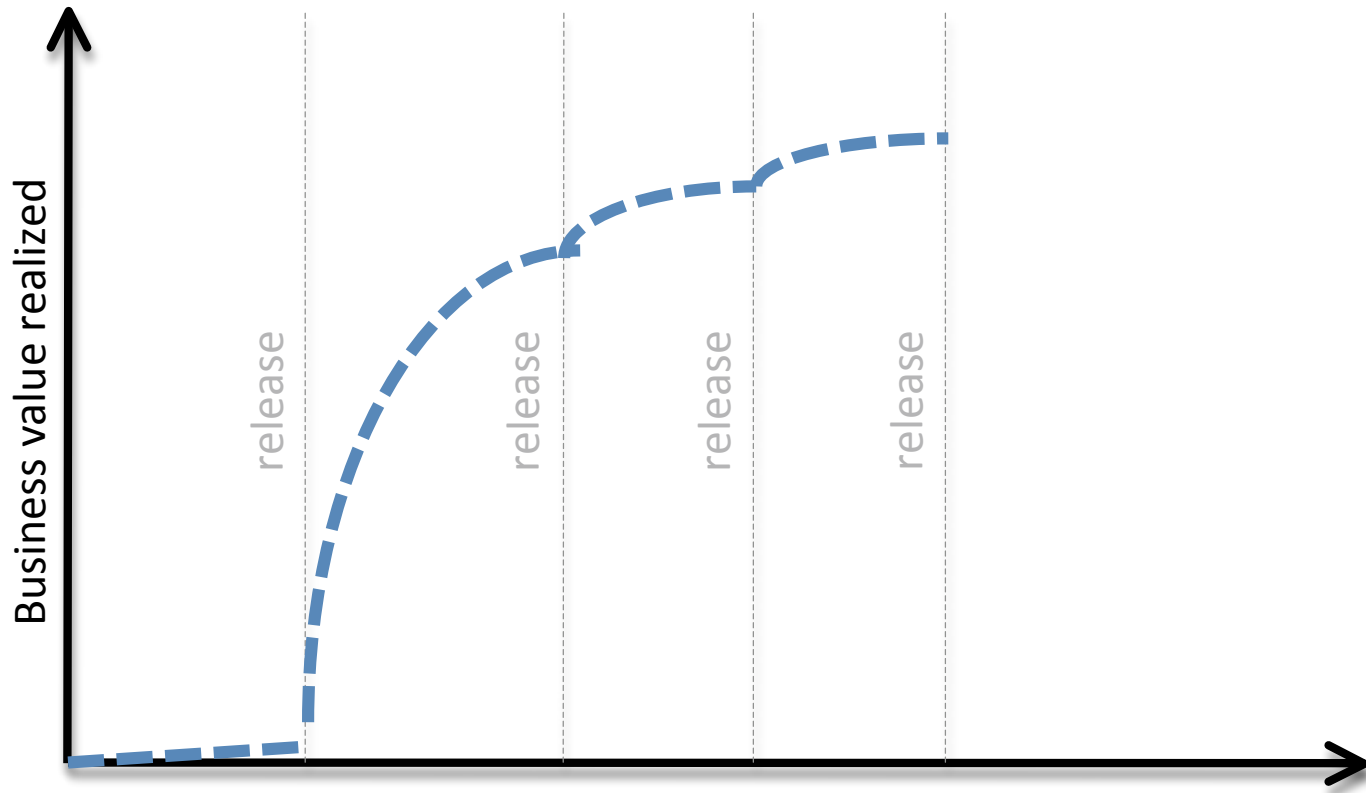
# Deliver in Stages **when possible**

**focusing on the known, valuable features**

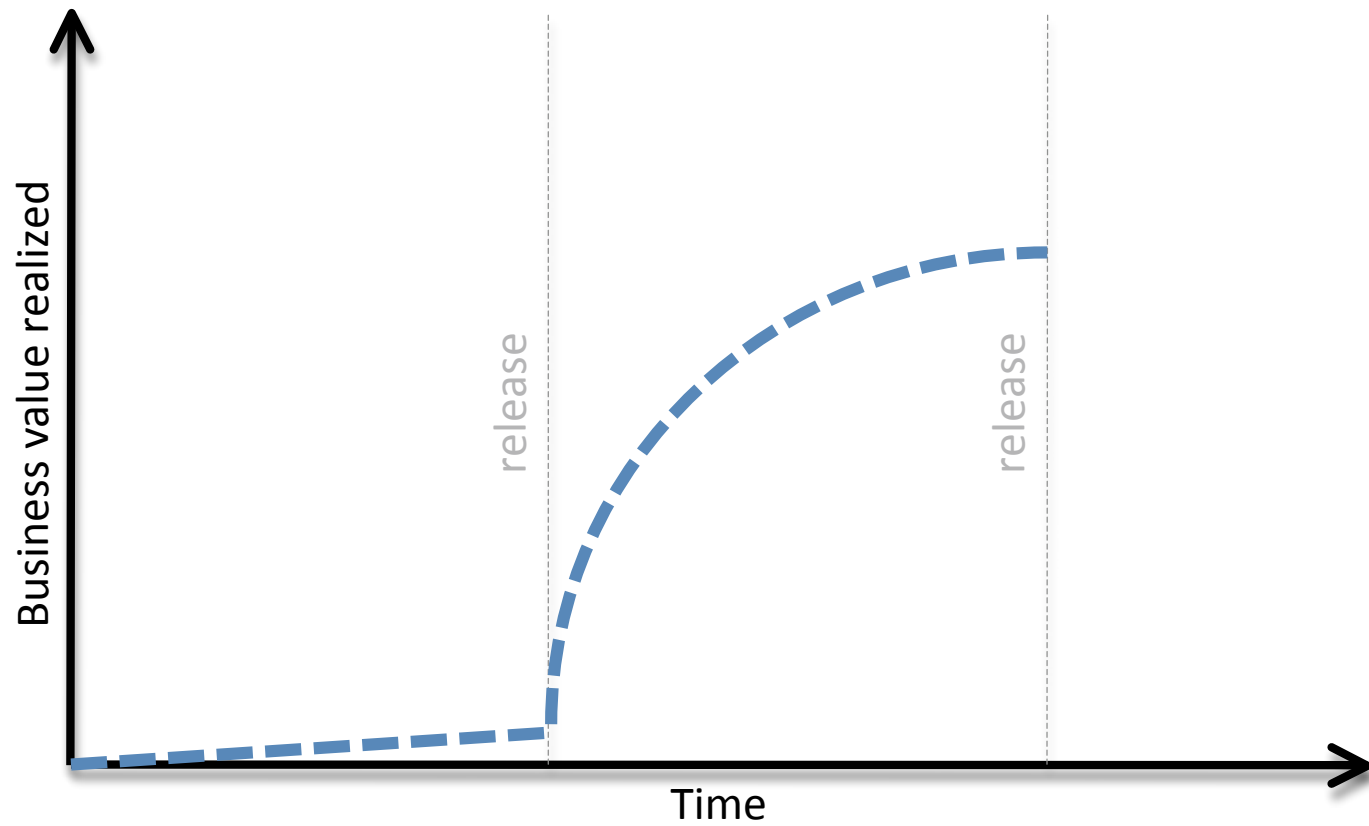
**gives** greater certainty

**produces** greater value

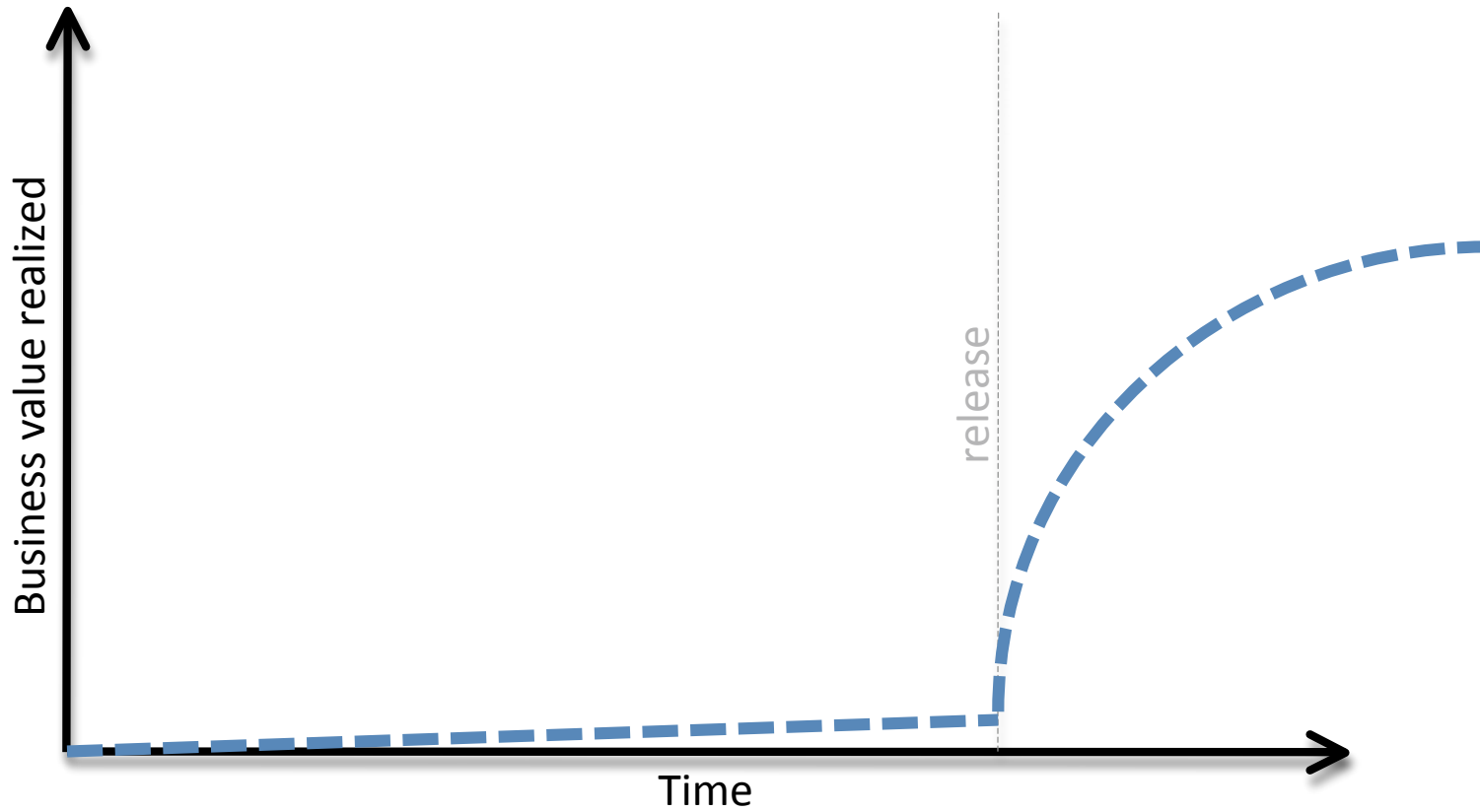
lowers risk **of mis-building and over-building**



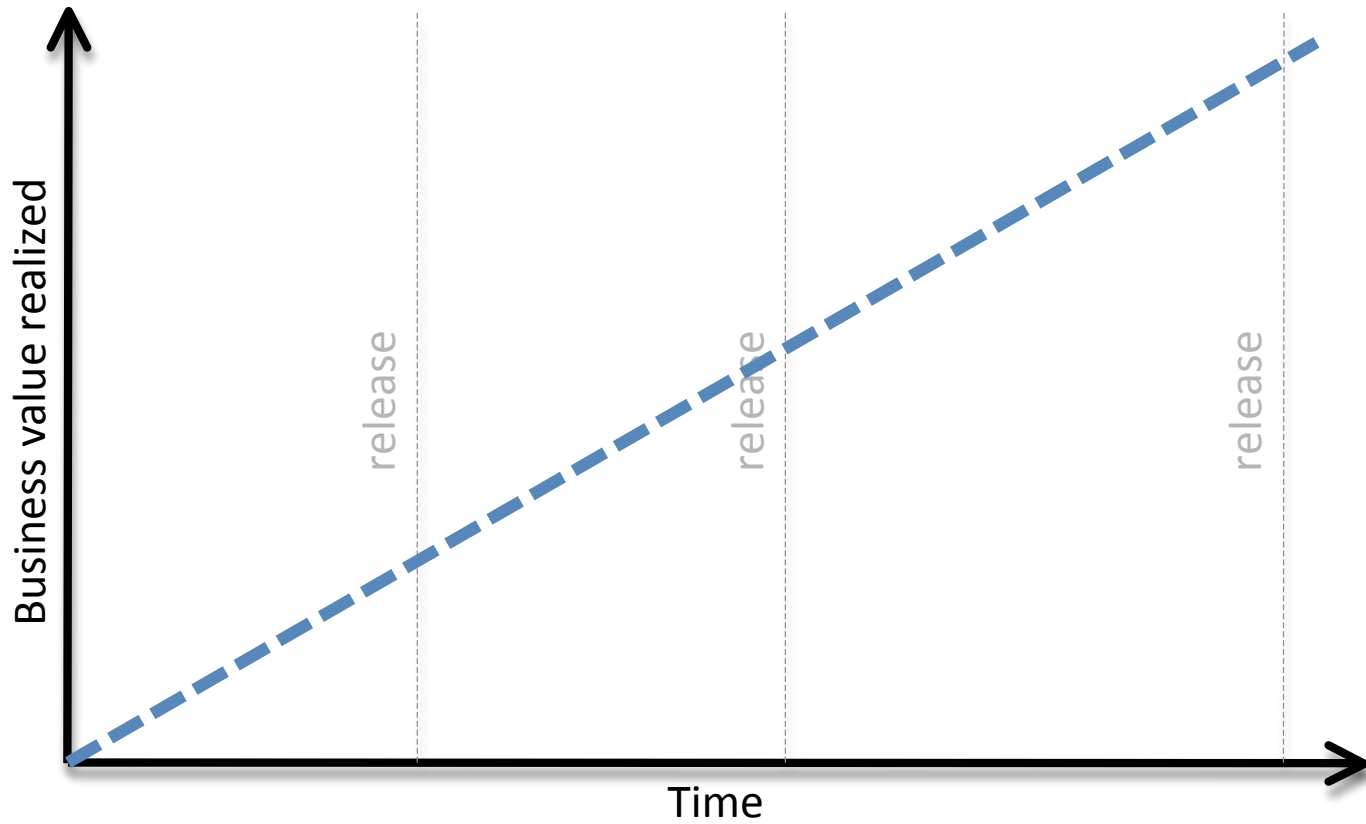
PARETO



# MINIMUM BUILD RELEASE



**WATERFALL?**



**BLEND**

1. Enterprise Agility

**2. Lean thinking**

3. The Big Picture

4. Where to start

5. Summary

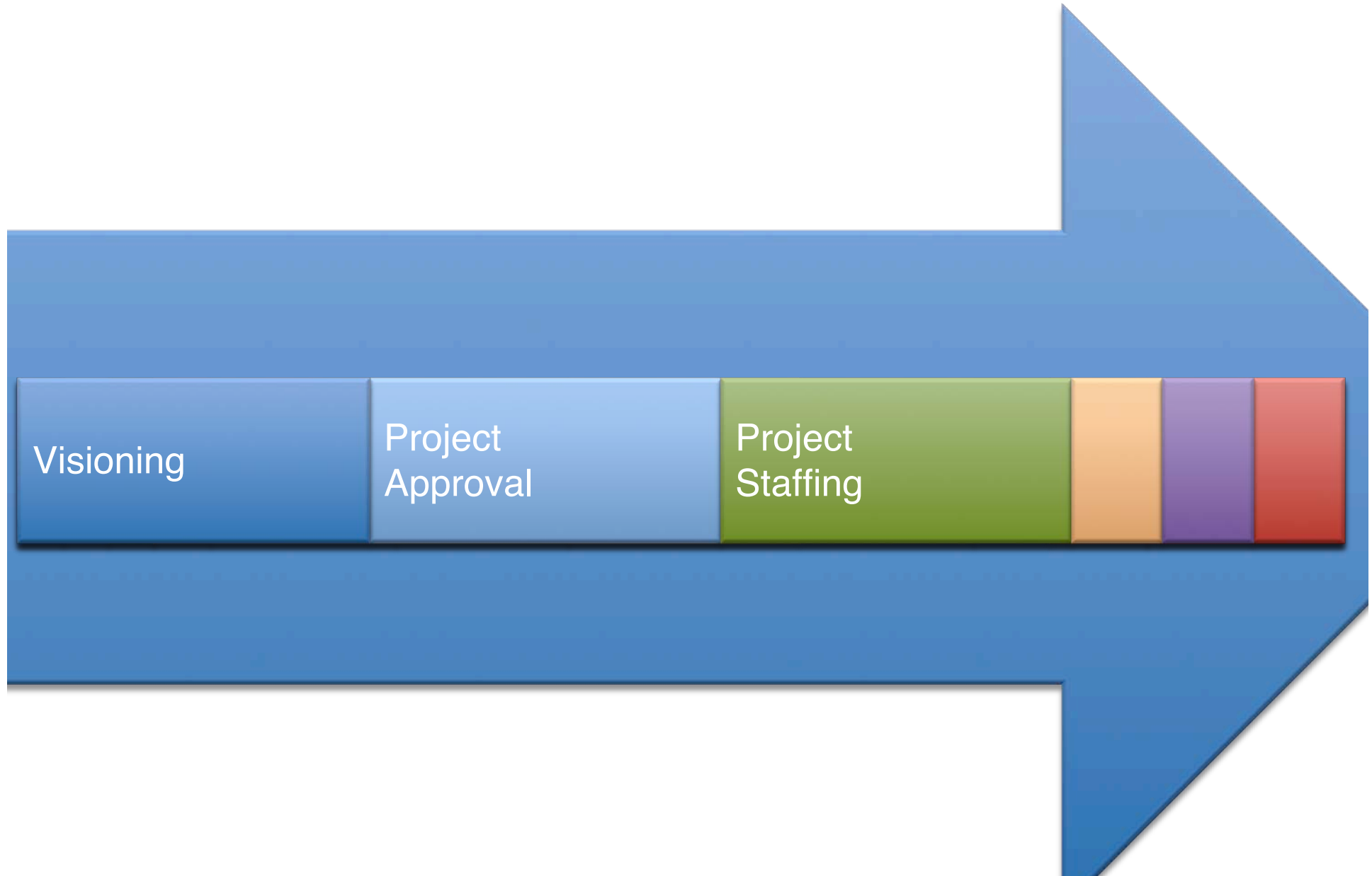
- Attending to time
- The Value Stream

thinking  
points



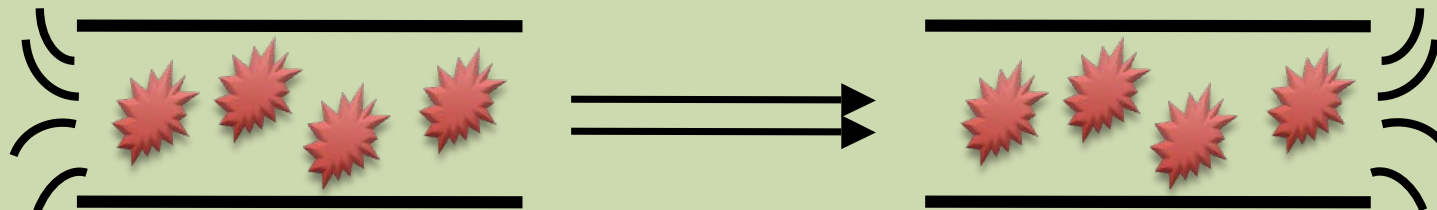
Lean Principle

# Opportunity Cost



*BUSINESS VALUE*

Give Feedback

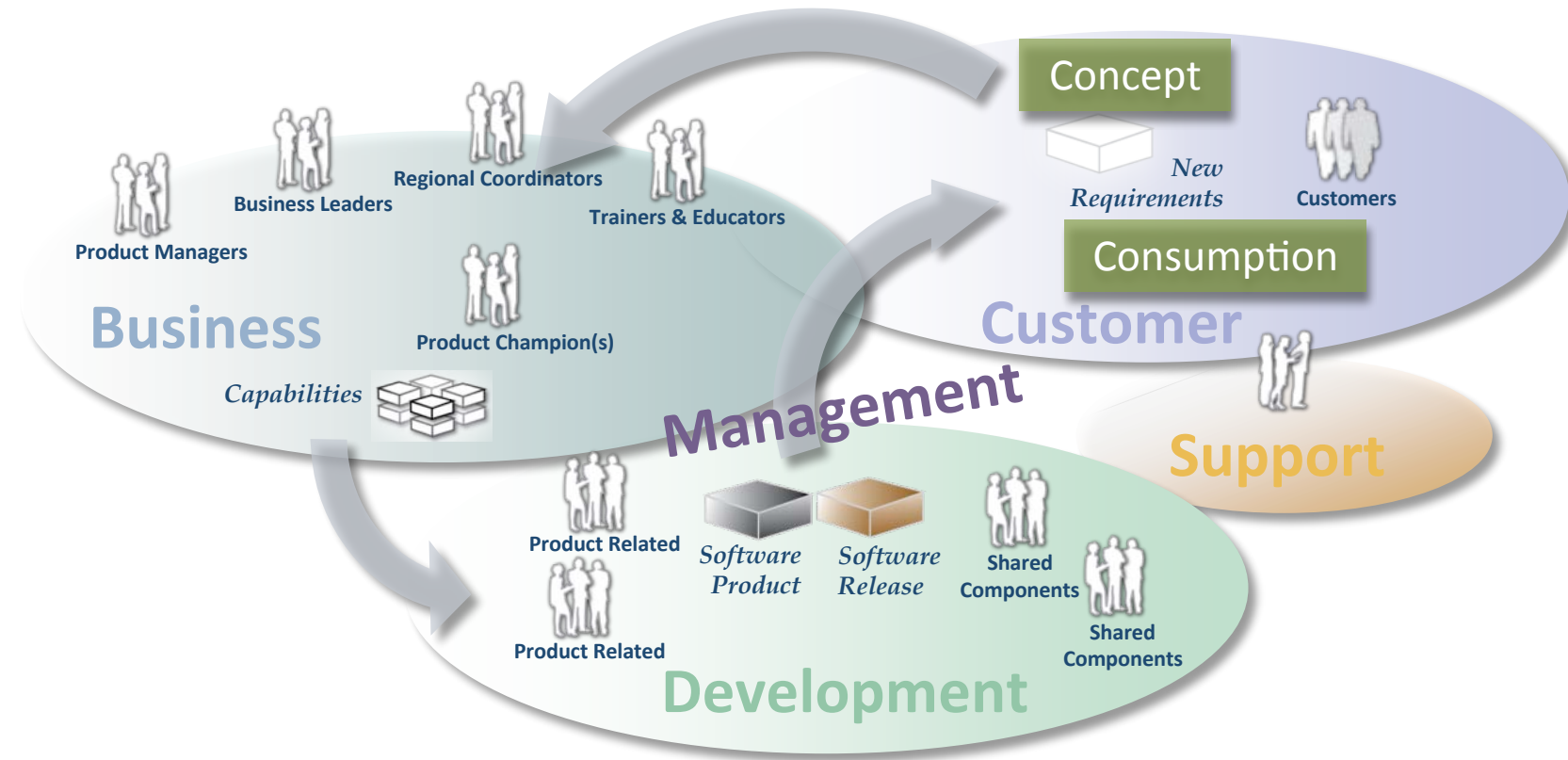


Selecting what to work on

Developing It

*PIPELINE*

# Value Stream



# Value Stream

Request

Approve

Reqs

Sign Off

Analysis

Design

Review

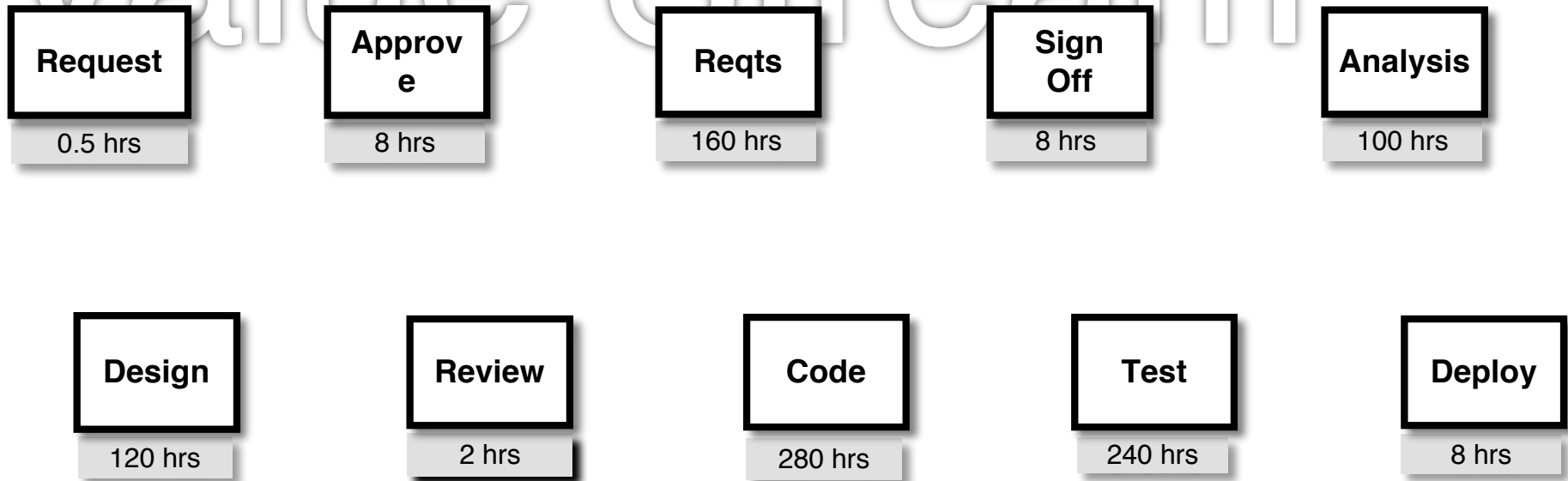
Code

Test

Deploy

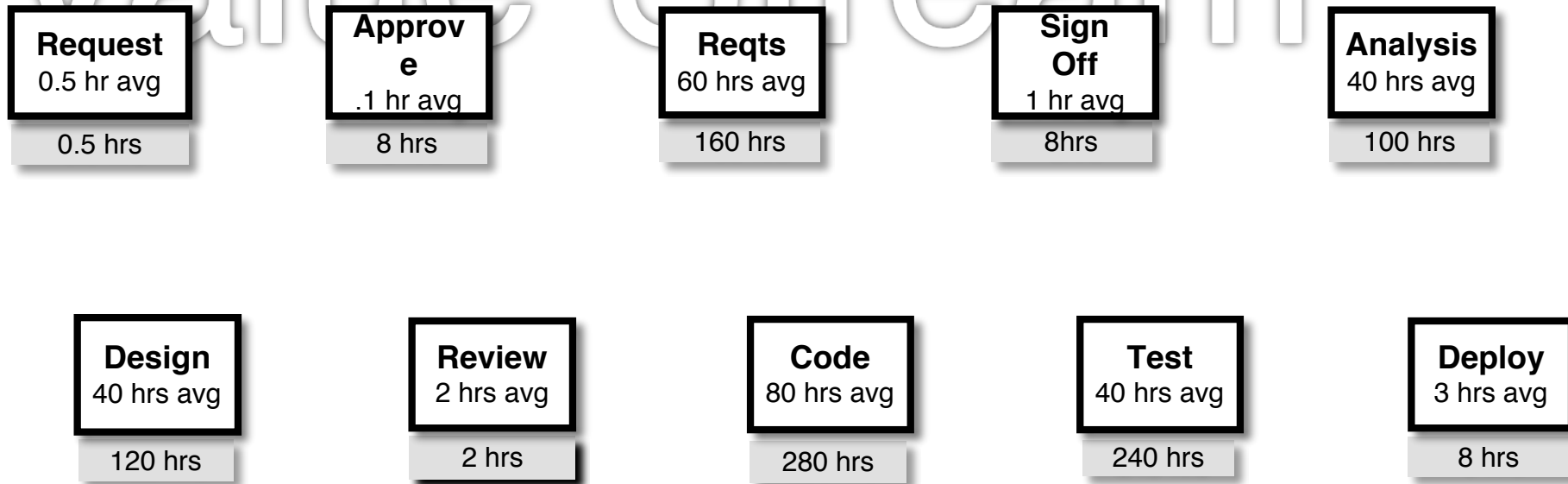
**1. Identify the actions taken in the value stream**

# Value Stream



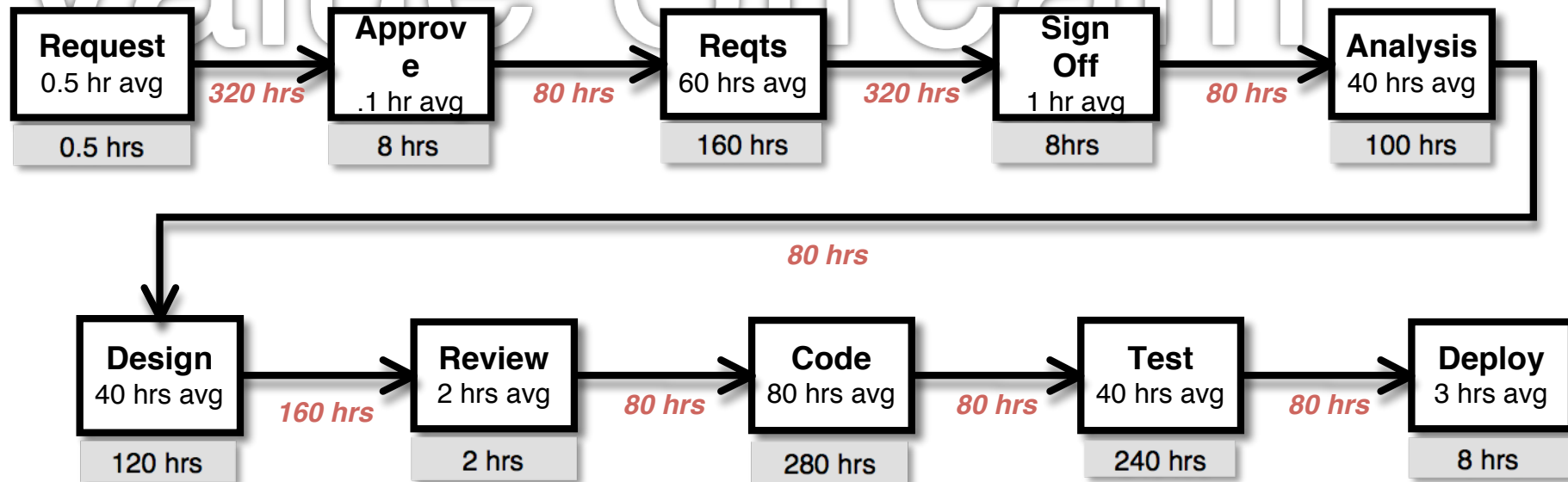
1. Identify the actions taken in the value stream
- 2. Calculate calendar time for each action**

# Value Stream



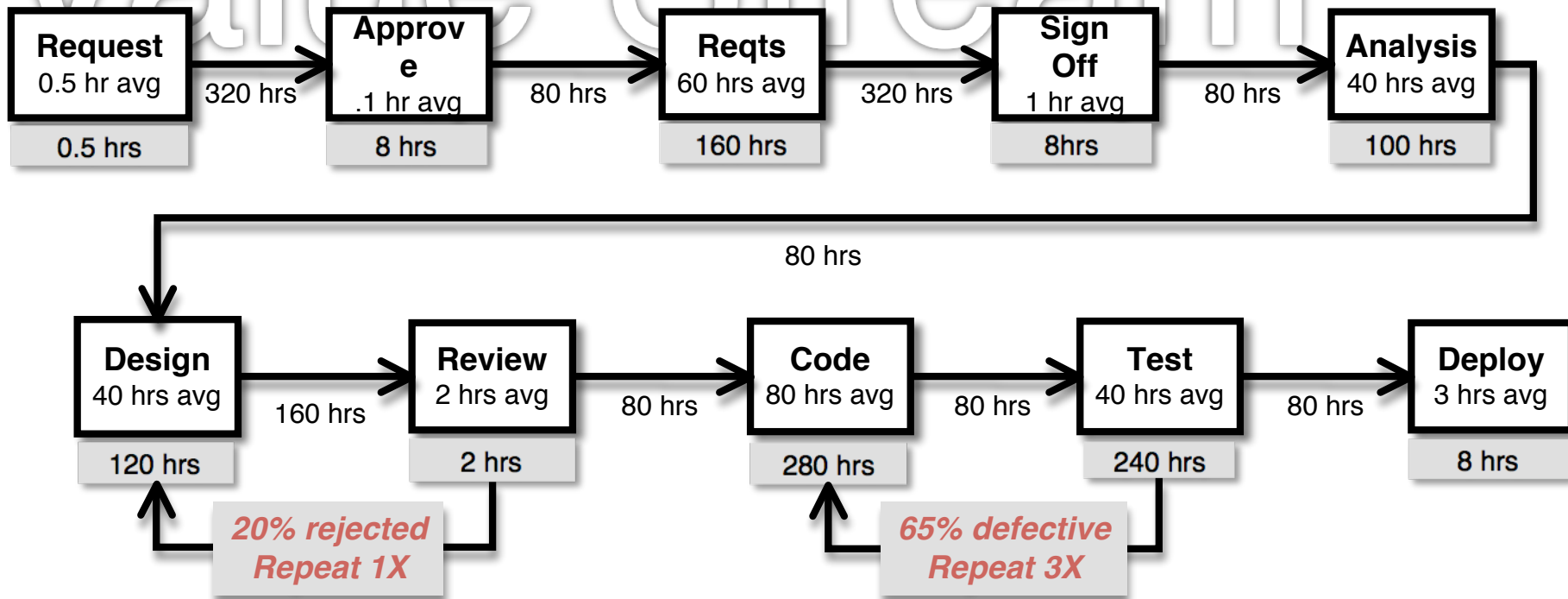
1. Identify the actions taken in the value stream
2. Calculate calendar time for each action
- 3. Calculate time actually worked on the action**

# Value Stream



1. Identify the actions taken in the value stream
2. Calculate calendar time for each action
3. Calculate time actually worked on the action
- 4. Identify time between actions**

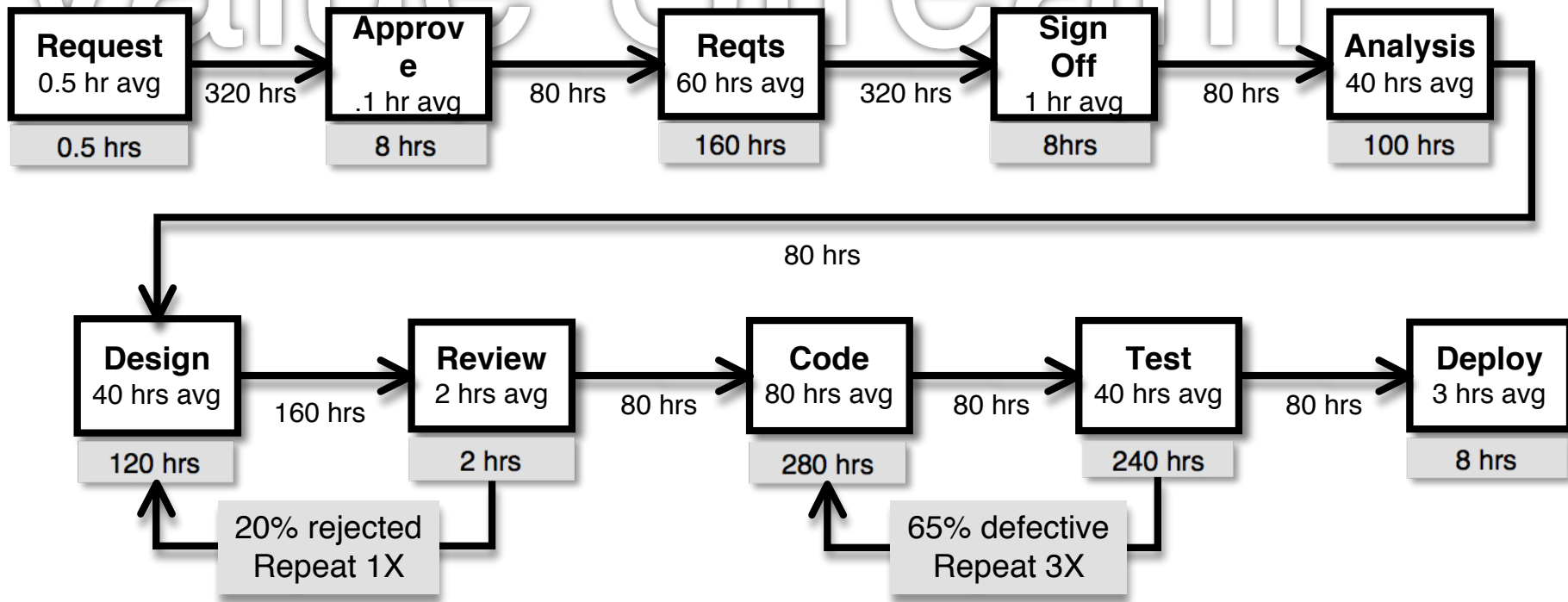
# Value Stream



1. Identify the actions taken in the value stream
2. Calculate calendar time for each action
3. Calculate time actually worked on the action
4. Identify time between actions
5. **Identify any loop backs required**



# Value Stream

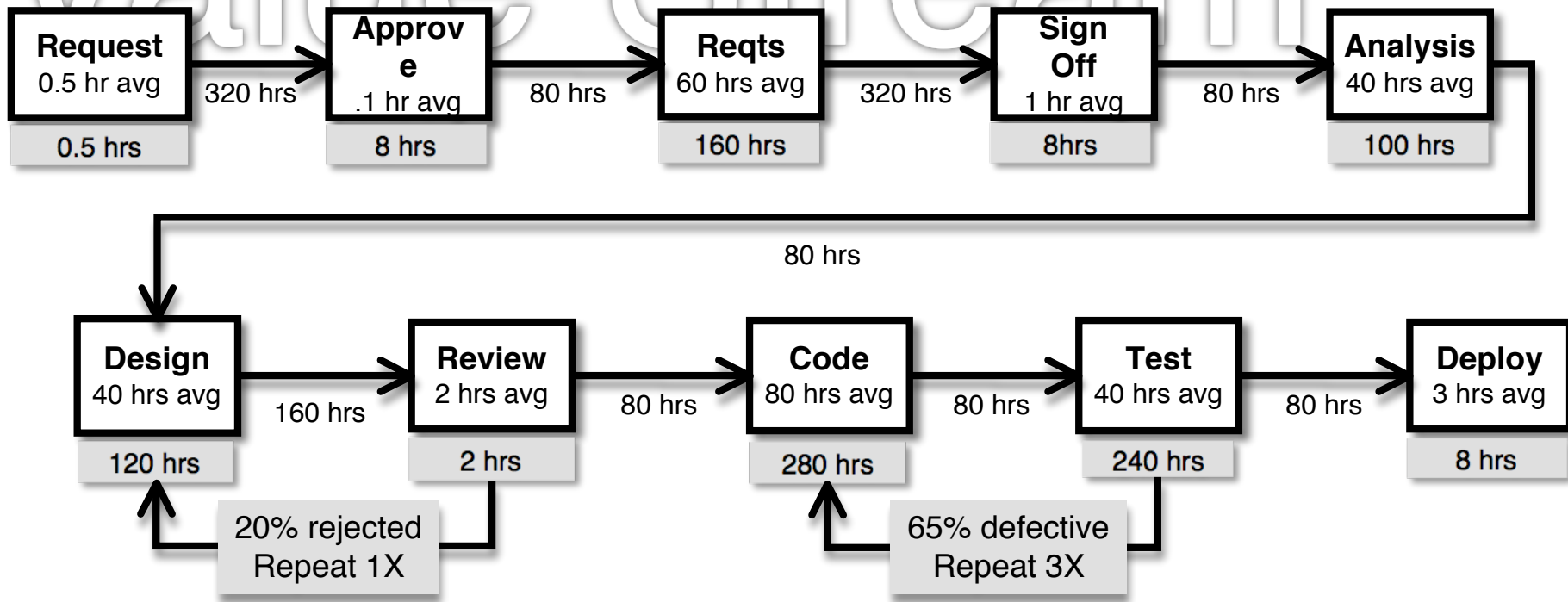


$$PCE = \frac{509 \text{ hrs}}{3433 \text{ hrs}} = 14.9\%$$

1. Identify the actions taken in the value stream
2. Calculate calendar time for each action
3. Calculate time actually worked on the action
4. Identify time between actions
5. Identify any loop backs required
6. Calculate Process Cycle Efficiency:

$$\frac{\text{Avg Time Worked}}{\text{Total Cycle Time}}$$

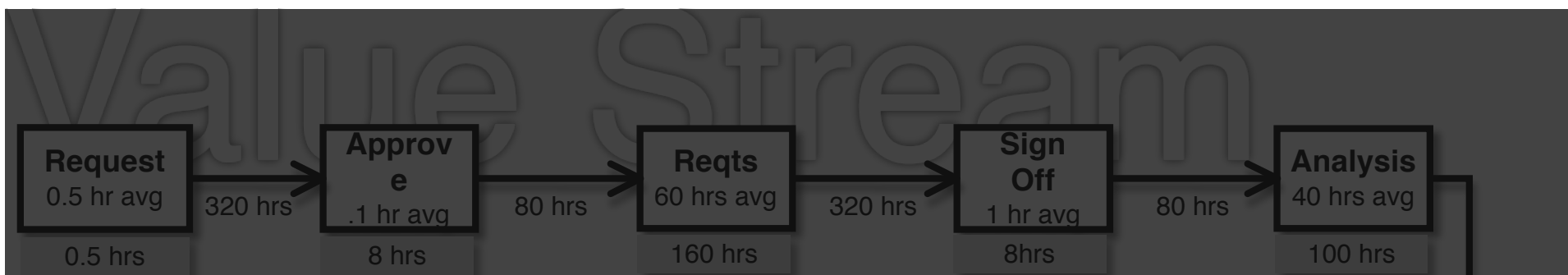
# Value Stream



$$PCE = \frac{509 \text{ hrs}}{3433 \text{ hrs}} = 14.9\%$$

1. Identify the actions taken in the value stream
2. Calculate calendar time for each action
3. Calculate time actually worked on the action
4. Identify time between actions
5. Identify any loop backs required
6. Calculate Process Cycle Efficiency:

$$\frac{\text{Avg Time Worked}}{\text{Total Cycle Time}}$$



# Time to Market

# The Core Lean

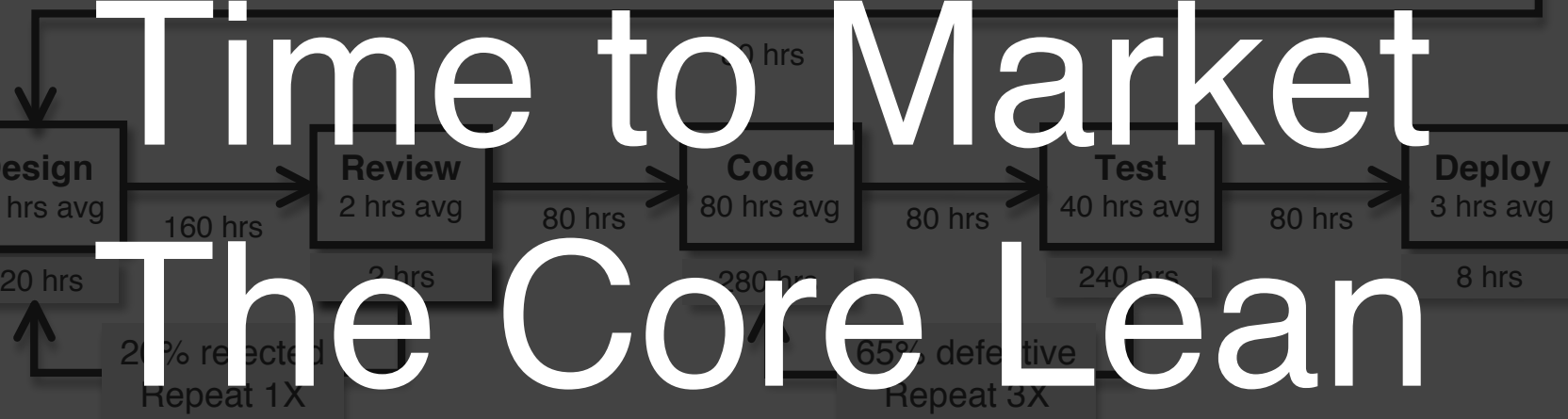
# Metric

$$PCE = \frac{509 \text{ hrs}}{3433 \text{ hrs}} = 14.9\%$$

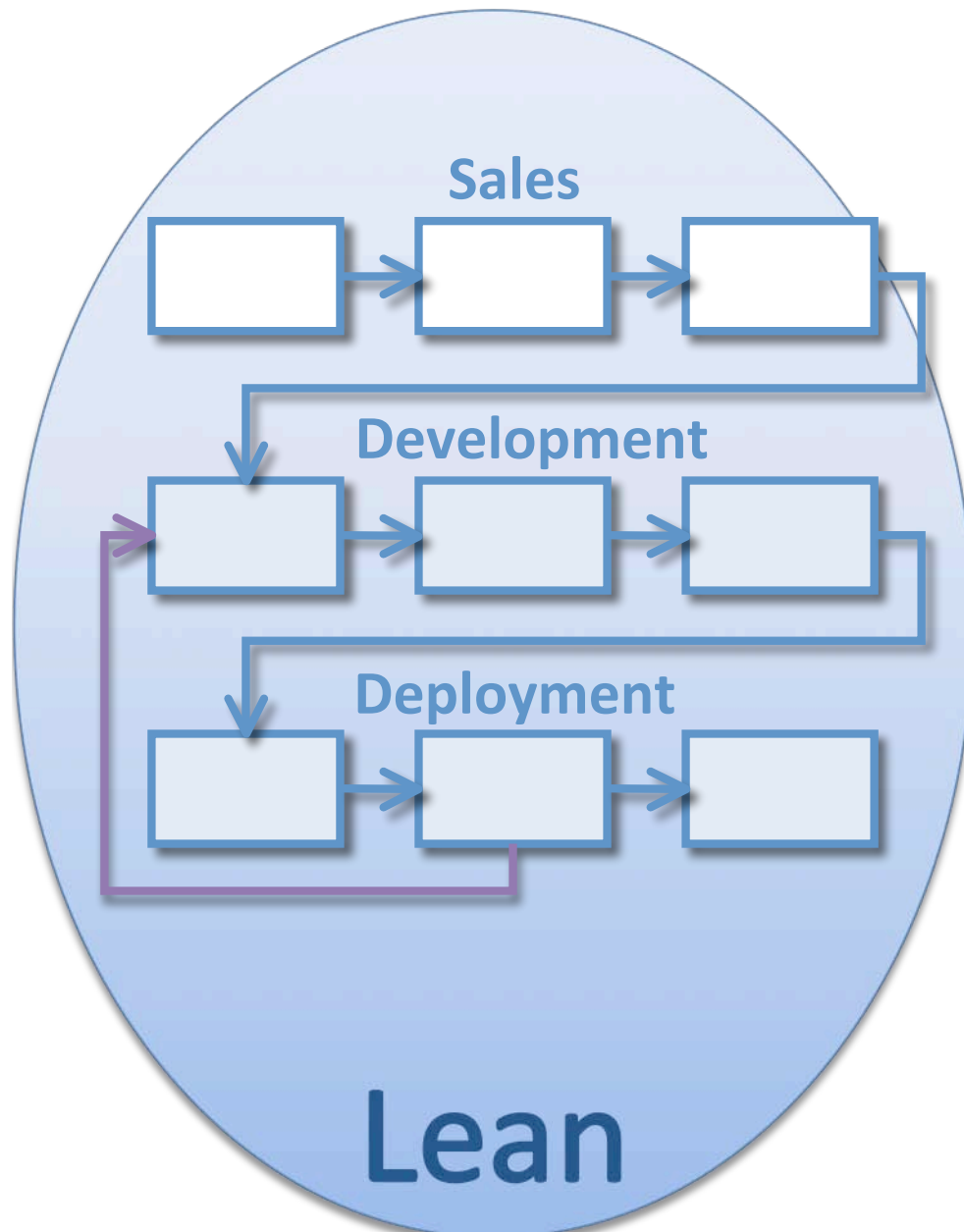
# “cycle time”

1. Identify the actions taken in the value stream
2. Calculate calendar time for each action
3. Calculate time actually worked in the action
4. Identify time between actions
5. Identify any loop backs required
6. Calculate Process Cycle Efficiency:

$$\frac{\text{Avg Time Worked}}{\text{Total Cycle Time}}$$



# The “Sales” Value Stream



## At start

Sales: Sell fast!

Devs: Deployment problems

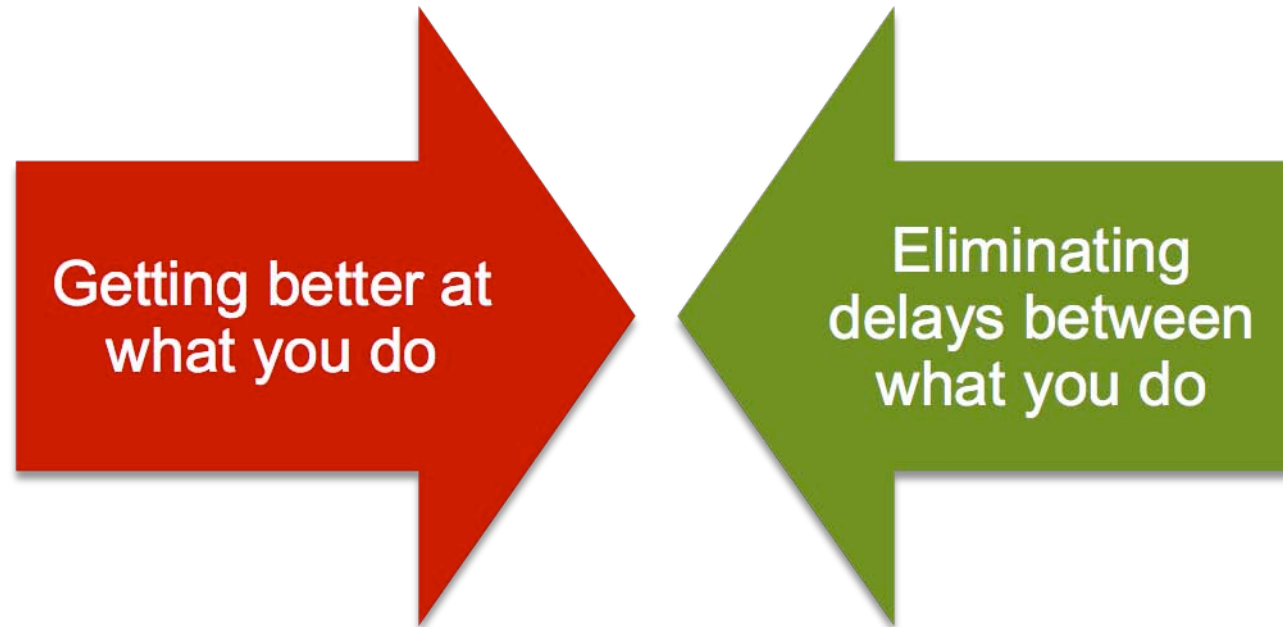
## Afterwards

Sales focus: # of successful deployments

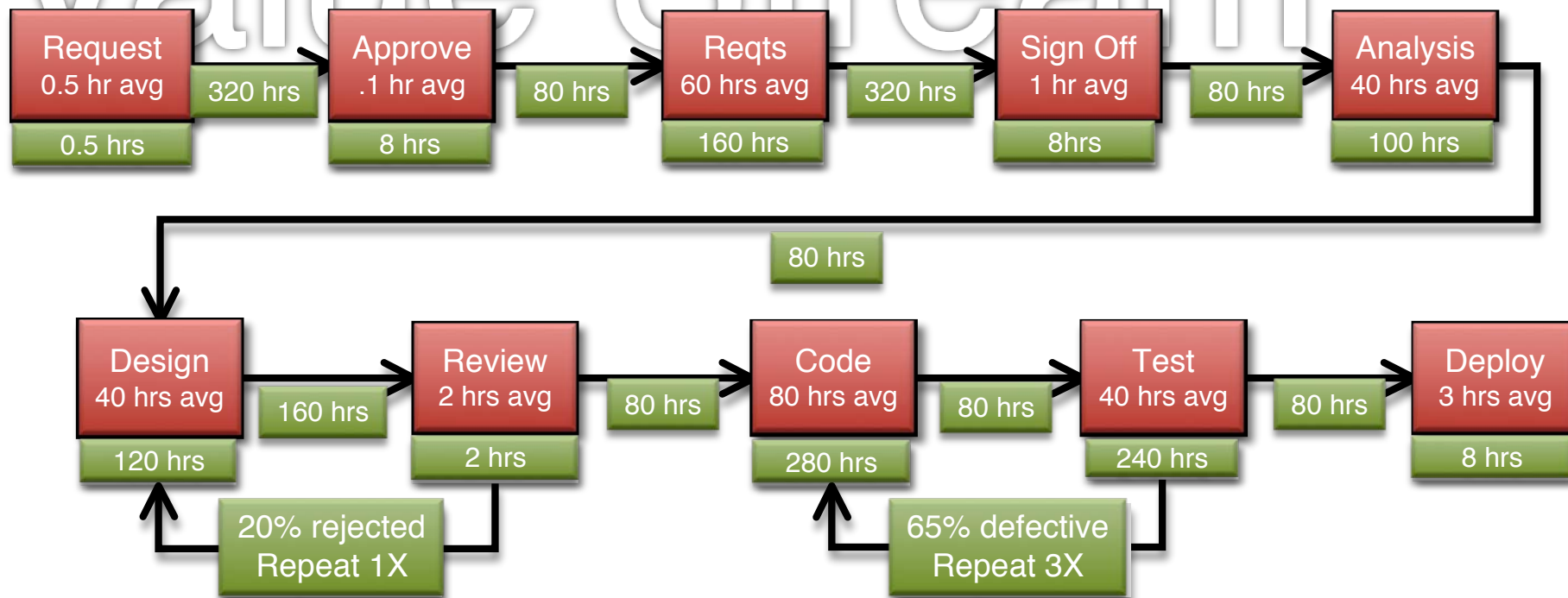
Customers happier

20% dev team improvement  
w/o touching dev teams

# Which gives a better return?



# Value Stream

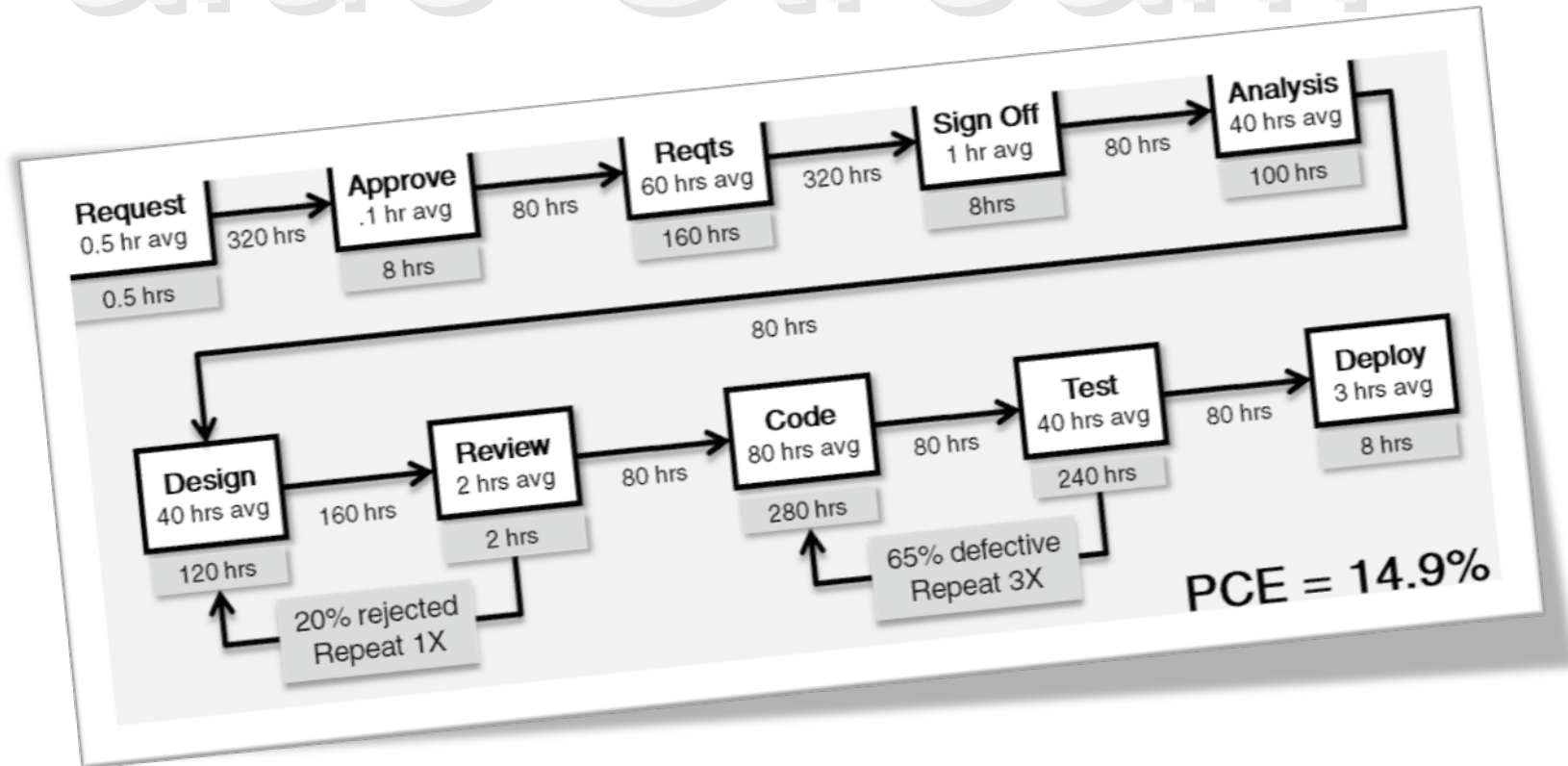


$$PCE = \frac{509 \text{ hrs}}{3433 \text{ hrs}} = 14.9\%$$

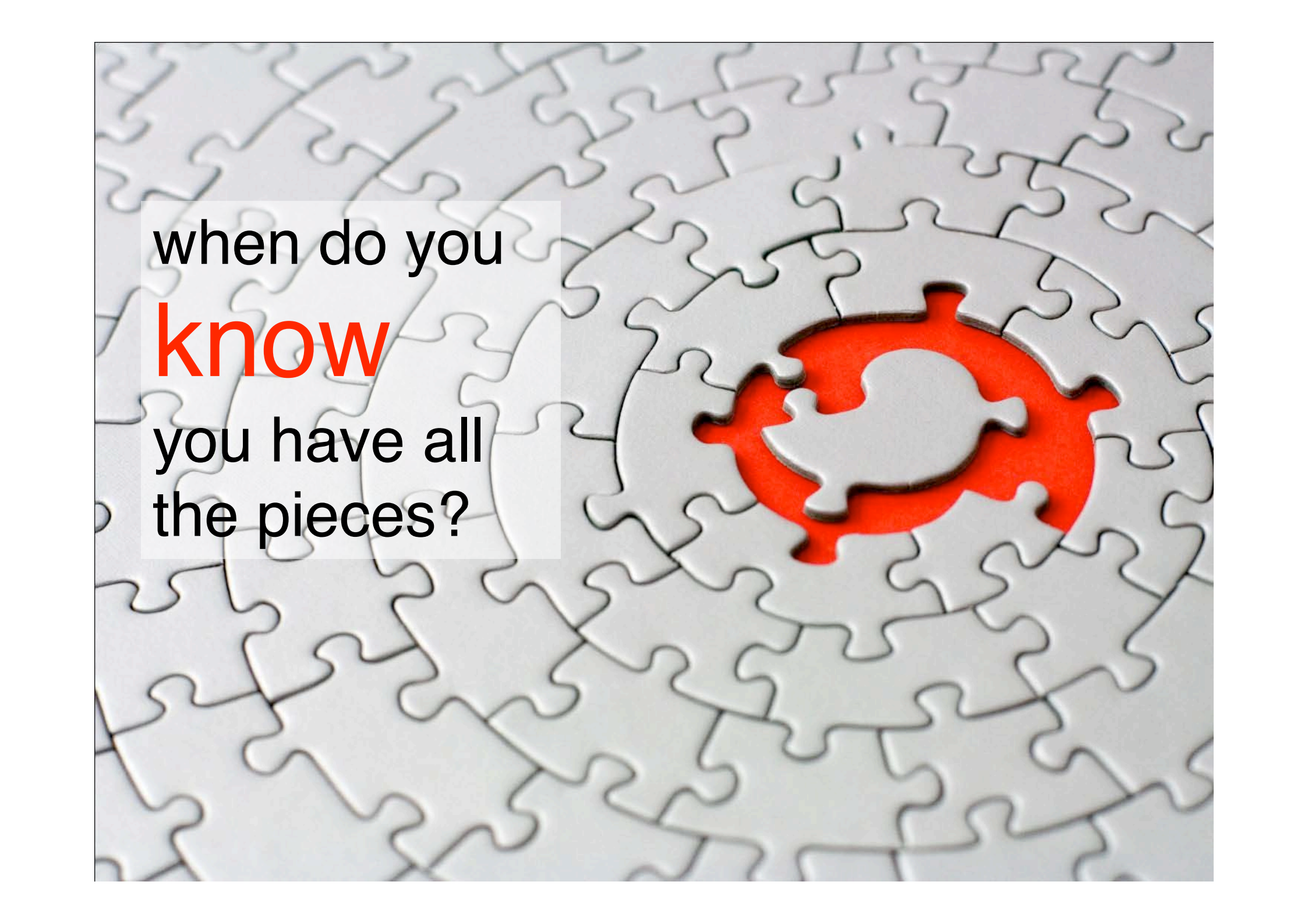
1. Identify the actions taken in the value stream
2. Calculate calendar time for each action
3. Calculate time actually worked on the action
4. Identify time between actions
5. Identify any loop backs required
6. Calculate Process Cycle Efficiency:

$$\frac{\text{Ava Time Worked}}{\text{Total Cycle Time}}$$

# Value Stream



## Now What?



when do you

**know**

you have all  
the pieces?



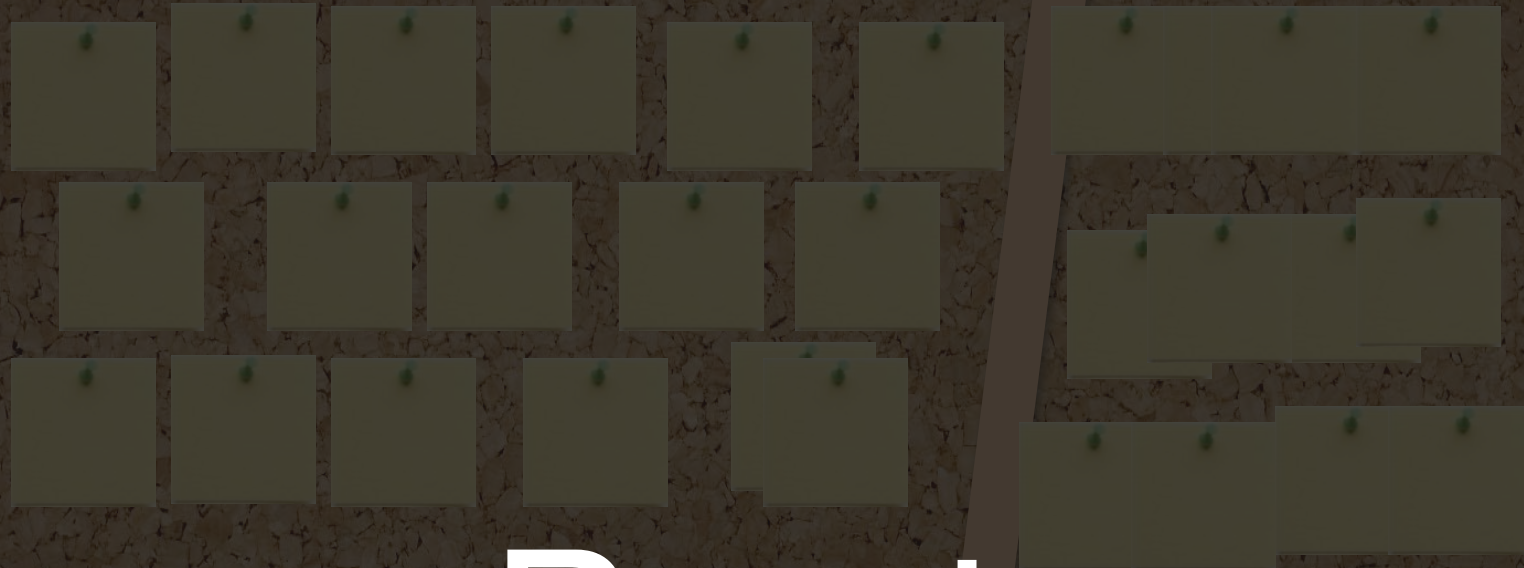
1. Enterprise Agility
2. Lean thinking
- 3. The Big Picture**
4. Where to start
5. Summary

- Team agility is only part of the picture
- Big picture thinking is possible in Agile
- Failure modes of team agile
- What to attend to

thinking  
points



10 Months



# Pareto vs Parkinson's

To Do

Must Do

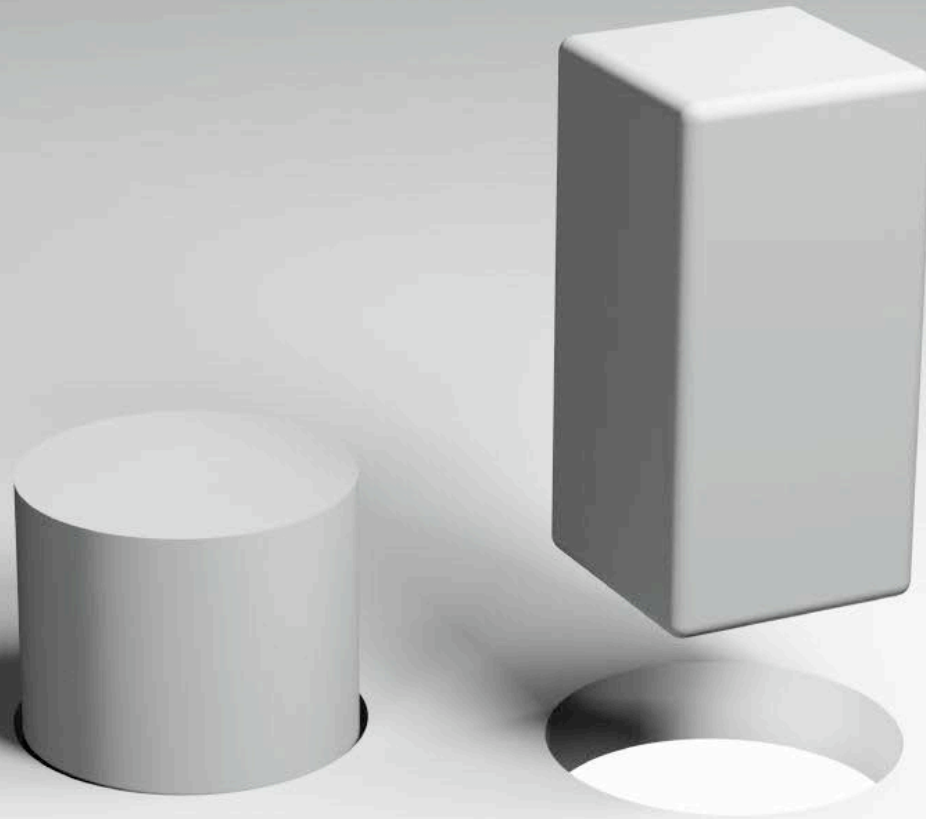
“**75%** of organizations using Scrum  
**will not succeed**  
in getting the benefits that they hope for  
from it.”

Ken Schwaber



WhY?

Maybe we've got the right **solution**



but the wrong **problem**

# Why Scaling Doesn't Work

- **Starts at team level**

May not be your problem.  
Providing customer and business value is #1.

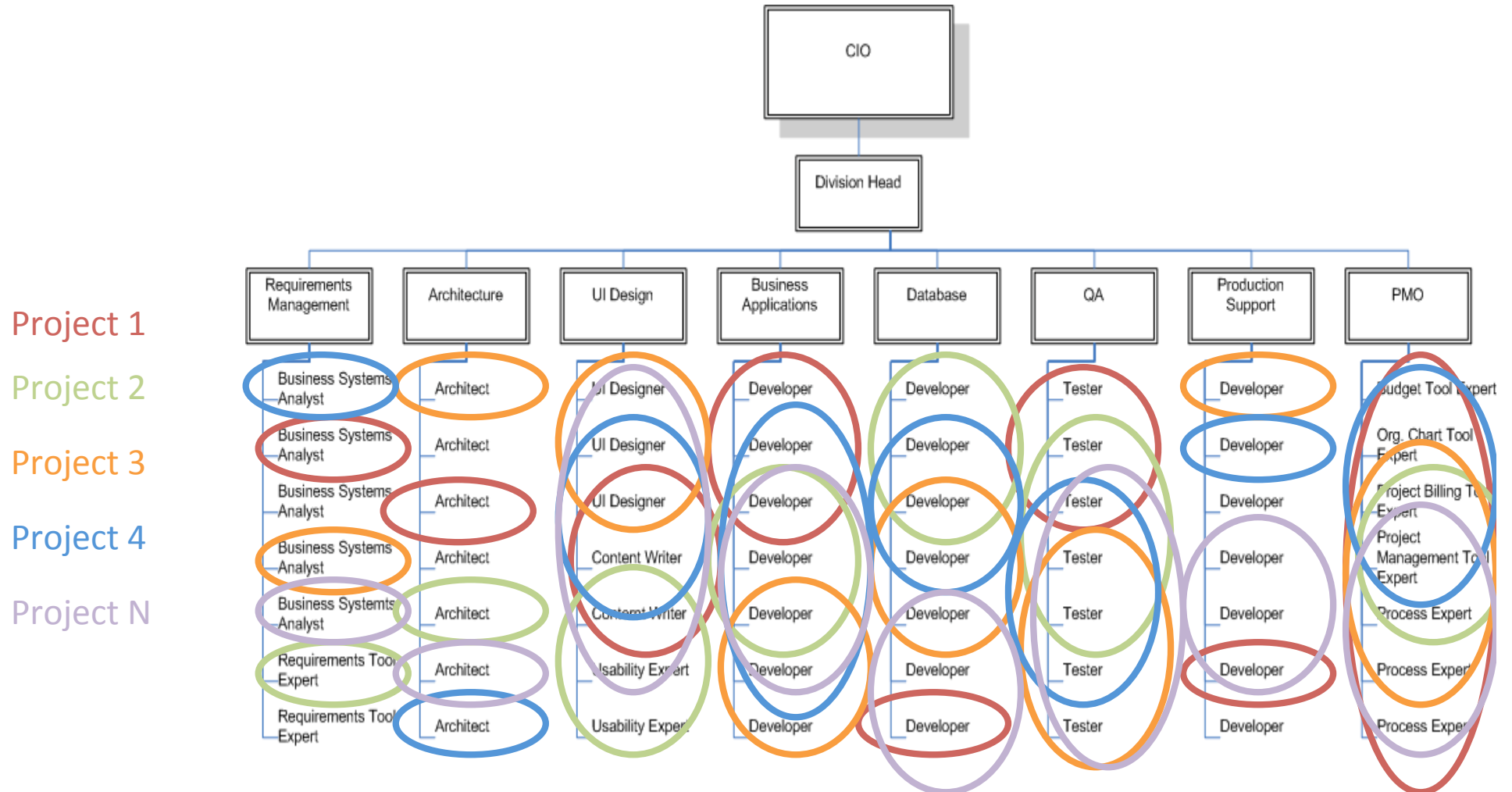
- **Incomplete focus**

What works at the team level is not what is needed at management and business level.

- **Lacks common vision**

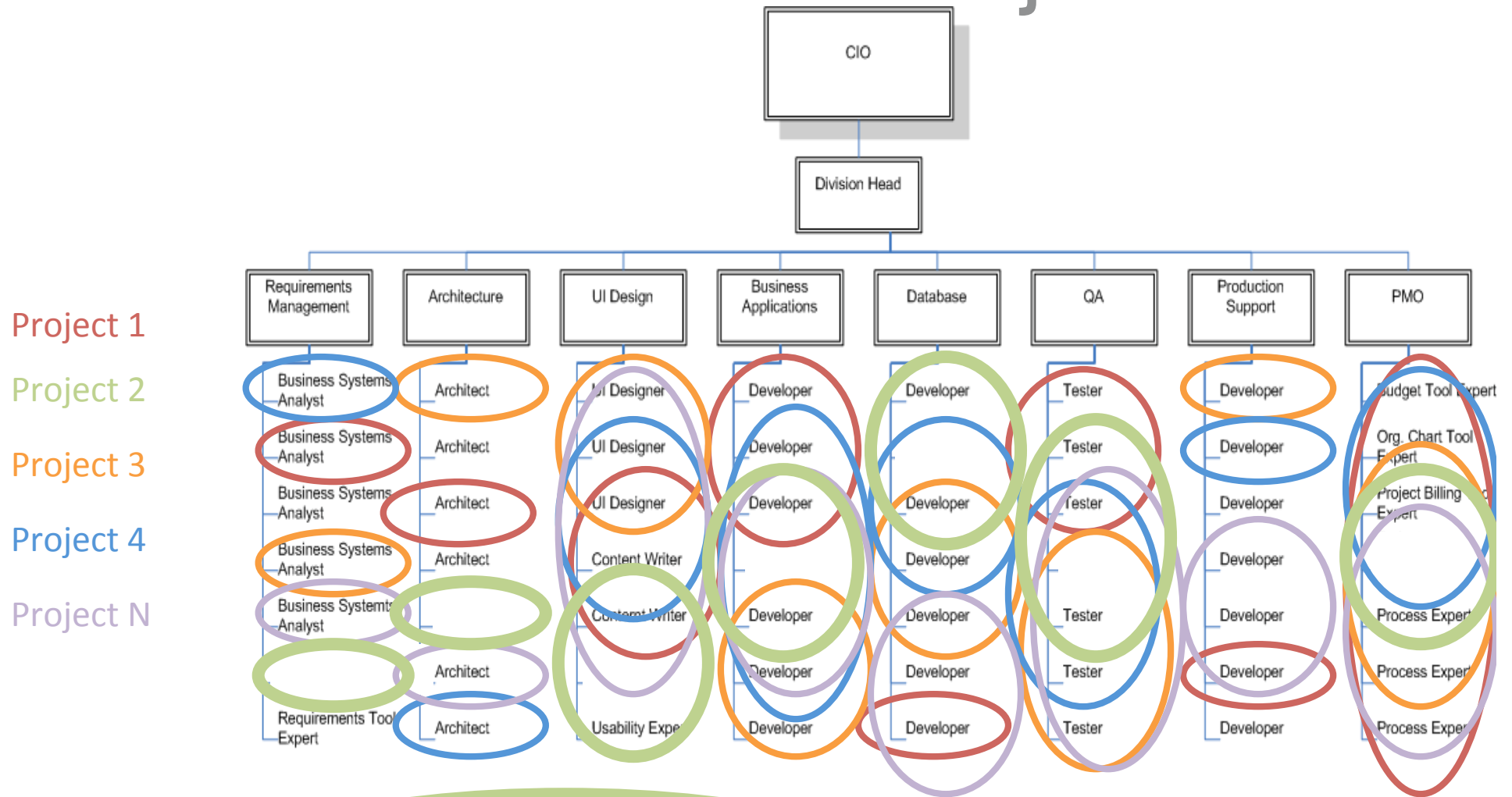
Need a common vision across the entire organization; development team's view does not provide this.

# Legacy Organization: Matrix Resources to Projects





# Let's Create a Pilot Project



Business Analyst, Architect, Usability Expert, Developer, Developer, Tester, Project Manager Expert

Experience has shown that if you create a cross-functional co-located team you will improve 3x without changing your process.



## What's Required

- Proper selection & sizing of projects
- Agile teams
- Coordination of teams
- Visibility

VALUE

Business

Lean  
Enterprise

Team

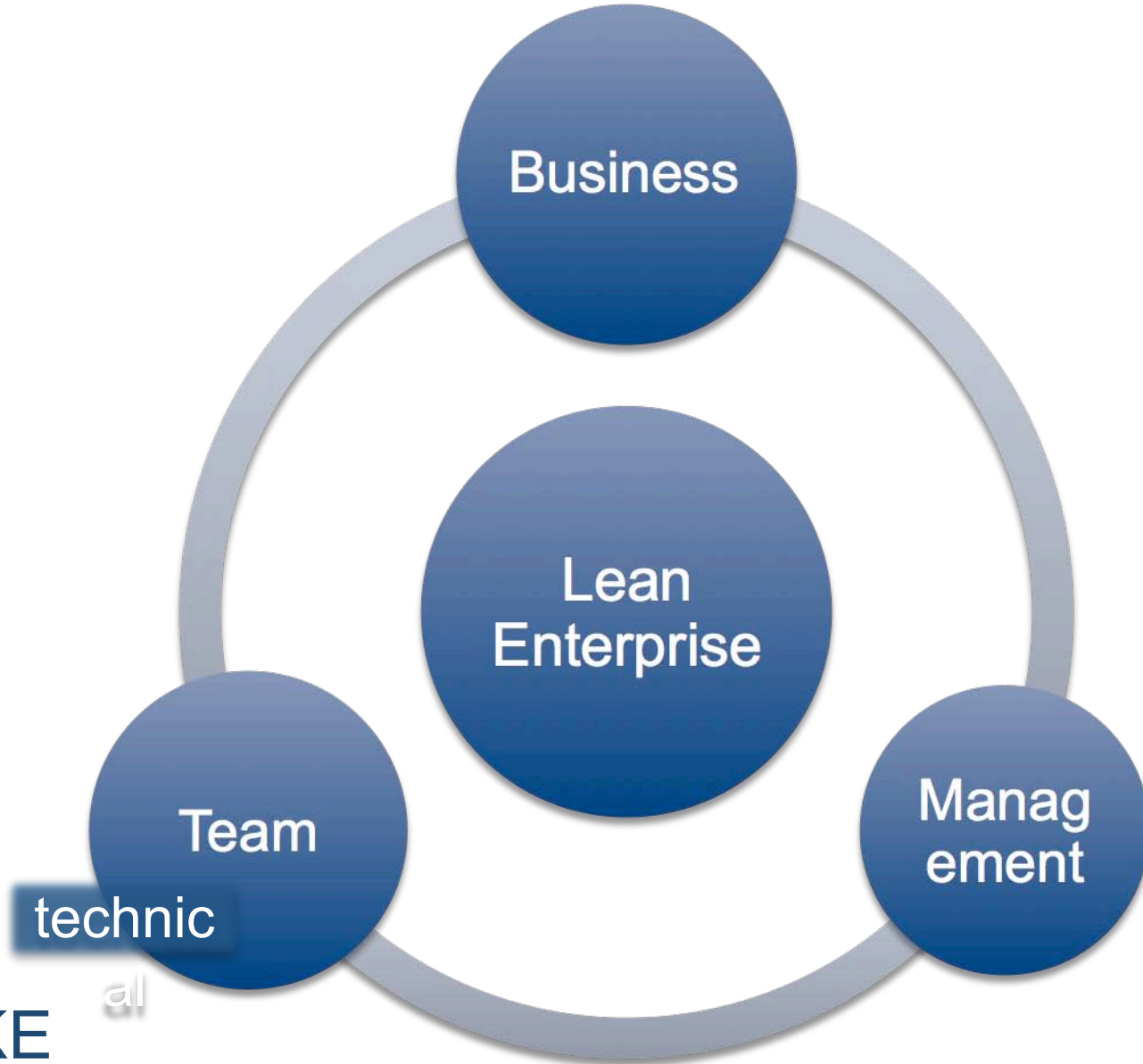
Manag  
ement

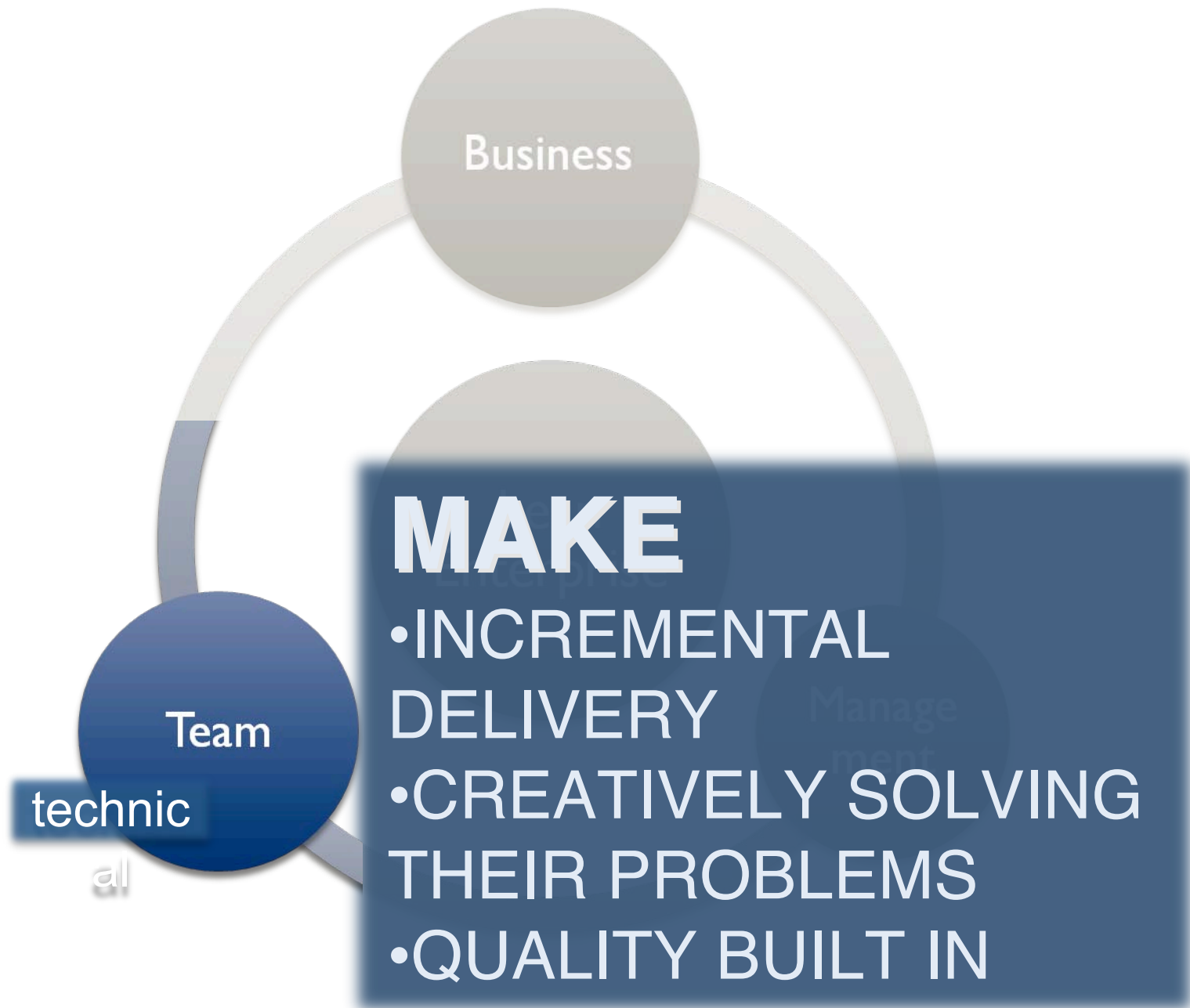
technic

MAKE

all

FLOW





Business

# VALUE

- PRIORITIZATION
- BUSINESS ITERATIONS
- RELEASE PLANNING

Management

technical

all

# FLOW

- VALUE STREAM VISUALIZATION
- IMPEDIMENT IMPACT
- WORKFLOW AS PROCESS

WITH

# ACCOUNTABILITY

- MANAGE (LIMIT) QUEUES
- VISUAL CONTROLS
- MANAGE FLOW

Management

1. Enterprise Agility
2. Lean Thinking
3. The Big Picture
- 4. Where to start**
5. Summary

- Look at the value stream to decide
- One part affects others

thinking  
points



Where Should  
You Start Your  
Transition to  
Agile?

It Depends





## What to Do

- See what your impediments are
- Address them
- Don't look just where the light is better



delay

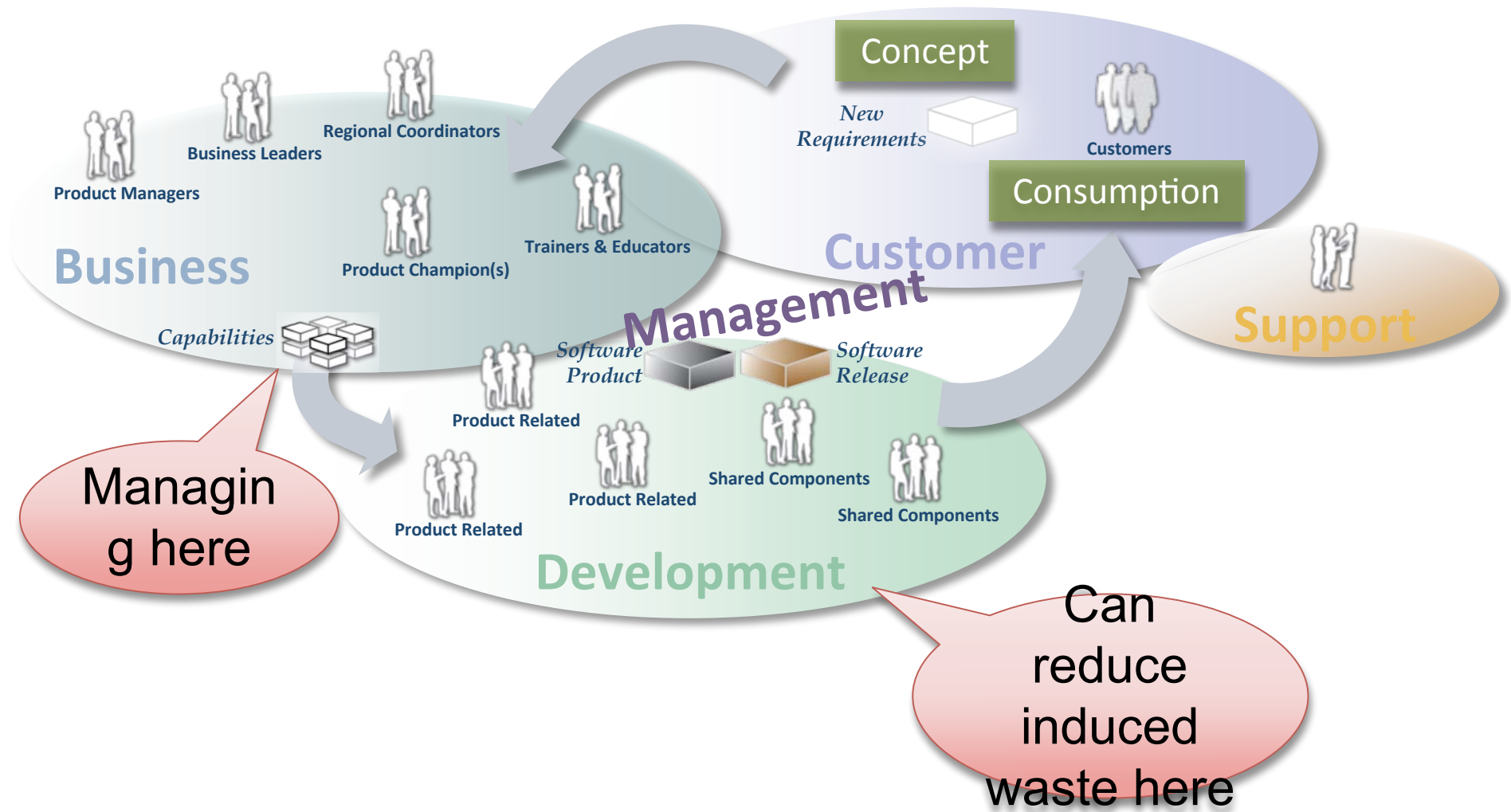
s

thrashing

defects




too many projects

exceeding capacity



# Product Portfolio Management

1. Enterprise Agility
2. Lean thinking
3. The Big Picture
4. Where to Start
- 5. Summary**

- Speed to Market 
- Metrics 
- Visibility 
- Predictability

thinking  
points



## **Predictability**

- Improve your pre-cognitive abilities
- Lower the variation in your efficiency

# Thank You & Questions!

Register at [www.netobjectives.com/register](http://www.netobjectives.com/register)

Contact me at [alshall@netobjectives.com](mailto:alshall@netobjectives.com)

Twitter tag @alshalloway

Download the recording from the webinar archive at:

[www.smsexemplar.com/library/webinars](http://www.smsexemplar.com/library/webinars)



# Events



NetObjectives Lean-Agile Project Management

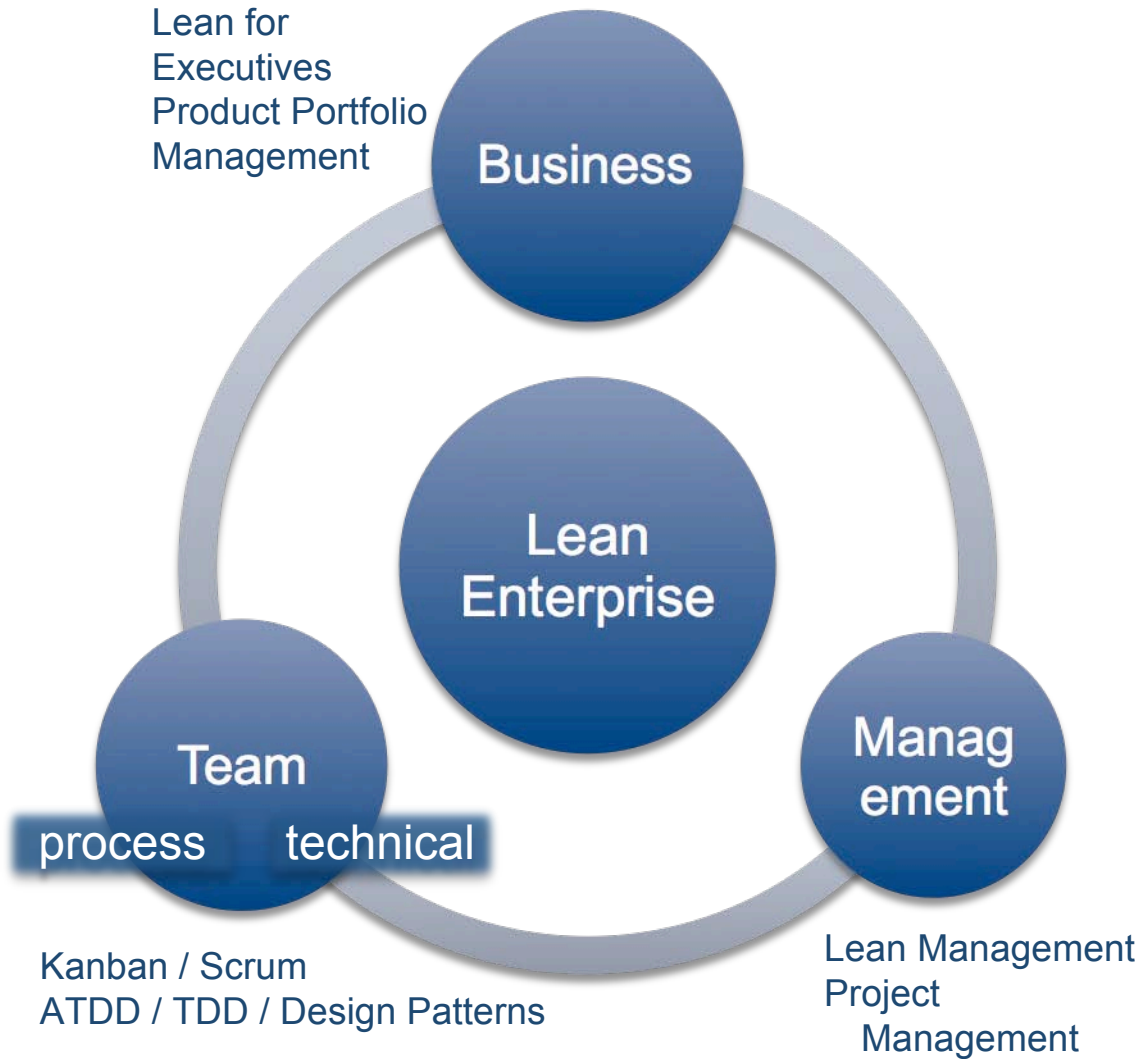
3-day course, London

23rd-25th March 2011

Info: [Training@smsexemplar.com](mailto:Training@smsexemplar.com)

[www.smsexemplar.com](http://www.smsexemplar.com)

- 6th Dec: Making the Business Case for Change, 1-day workshop, London
- 9th Dec: Demystifying Lean, Agile & Kanban, 1-day seminar, London
- Tbc Jan: SMS Web-based training: Basics of Agile Project Management



ASSESSMENTS  
CONSULTING  
TRAINING  
COACHING

*Net Objectives*

