Agile, Lean, and the 21st Century Virtual Corporation

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Wipro Consulting Services
Area of specialization & Brief Profile

Agile Practice Lead for the US geography within Process Excellence: Application Lifecycle Management. Role includes building the Agile practice in the US geography, providing Agile Transformation consulting services, fostering external and internal collaborative partnerships, and helping to establish WCS as a committed and integral part of the Agile community. Have been involved in the Agile community through speaking and writing, and participating and leading Agile events.

Experience includes 18 years in Information Technology, participating in all phases of the IT delivery process from QA to Developer to Business Analyst to Project and Program management. I have several years of Agile experience mostly around Scrum and XP providing Agile adoption and transformation. I have worked as a Scrum Master and Agile Consultant for development teams, PMO’s, and other business organizations. I have an Masters in Business Administration (MBA), a BS degree in Project Management, am a certified Project Management Professional (PMP), Agile Scrum Practitioner (CSP), and Scrum Master (CSM).
Rules of Engagement

**The Opener**
Story of a changing landscape. We can adapt, move, or die. We can either let chance have it’s way with us, or we can choose to chart a course with purpose and seize the day.

**The Message**
The world is changing at a record pace, if we are to survive we must adapt. An Agile/Lean approach provides the legs we need to survive and thrive.

**The Purpose**
Understand the key building blocks necessary for thriving in a new global and changing environment, and how an Agile/Lean approach operationally facilitates them.

**Our Roles**
Me: Help you Succeed
You: Change Agent, Facilitator of a New Order, Revolutionary

**Logistics**
- Talk to the Hand
- 3 Sprints
- Anchors and Balloons
- Wall of Ideas
- Your Forum
- Talk to us

**Resources**
- Presentation
- Ref Card
- Whitepapers
- Booth
Emerging Market Demand

Global & Integrative Connectivity

Increased Regulation & Government Change

Unrest in Energy & Fuel Impacts Supply Chain

Economic Uncertainty

Hyper Change

Increased Regulation & Government Change
New Environments Demand New Thinking

When the economic recovery takes hold, CFO’s expect to:

- **88%**
  - Return to Normal
- **Operate in a New Environment**

**2/3** of CEO’s are implementing extensive innovation in their business model.***

...driving the need for TECHNOLOGY & BUSINESS MODEL changes

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* Recent CFO magazine survey of 400 senior executives  
** Recent KPMG International study of CEOs  
*** Recent study of 1000 CIOs
The Current System is a Barrier to Growth

INTERNAL LIMITATIONS

OBSTRUCT

OPPORTUNITIES FOR GROWTH

NO FOCUS

NO CAPACITY

NO AGILITY

NO GROWTH STRATEGY

In a stagnant system, yesterday’s solutions are today’s restrictions.

* The Economist Intelligence Unit in partnership with Wipro Technologies
Growth Demands a New Approach

Traditional Performance Controls…

• Full Time Employee reduction
• Limitations on traditional capital
• Divestiture of operations
• Increase in outsourcing

…are not enough by themselves to regain performance of the past

Change is being Driven by Challenging existing Operating Models*

• Detailed look at core and non-core processes
• Lean process optimization to drive sustainable productivity improvement
• Optimization of technology to enable innovation
• Leveraging “partners” vs contractors in a whole new way

“Transitioning to a revenue growth agenda means being proactive in addressing your value streams.” – Chris Rooney

BUSINESSES MUST CREATE GROWTH ENABLING VALUE CHAINS
21st Century Virtual Corporation Model (21CVCM)

Focus on Core through Lean Process Optimization

Technology Innovation: Cloud, Social Media, Mobility

Asset Evaluation & Optimization thru Agile

4th Generation Partnering
21CVC Building Blocks – Business Focus

Core/Non Core Analysis LEAN Process Optimization

What are the processes that are critical to my business? Which are necessary but not critical? Are all of my processes optimized?

Technology Innovation: Cloud, Social Media, Mobility

What are leading companies doing with technology to optimize productivity, collaboration and globalization?

Asset Evaluation & Optimization

Am I getting optimal return on my Human Capital investment? Am I getting a return on Invested Capital that is greater than my cost of capital?

4th Generation Partnering

How do I get my partners aligned with the key performance measures of my business vs. traditional outsourcing? Do I have 4th generation flexible agreements in place?
## 21CVC Building Blocks – Agile Focus

<table>
<thead>
<tr>
<th>Focus on Core through Lean Process Optimization</th>
<th>Lean/Agile process optimization focused on customer value, removing waste, and continually improving.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology Innovation: Cloud, Social Media, Mobility</td>
<td>Innovations in function require innovations in capability – requiring learning, inspect &amp; adapt, frequent delivery, and effective partnership.</td>
</tr>
<tr>
<td>Asset Evaluation &amp; Optimization thru Agile</td>
<td>Enabling teams by giving them meaningful work, authority to innovate, and accountability to deliver increases quality and value, and decreases cost.</td>
</tr>
<tr>
<td>4th Generation Partnering</td>
<td>Prefer Collaboration over Contract Negotiation &amp; provide a framework to ensure mutual transparency &amp; ensuring all partner interests are heard.</td>
</tr>
</tbody>
</table>
Today’s Workshop has 3 Sections…

1. Deliver Value through focus on Core Capabilities & Lean

2. Flexible operating model that embraces a changing environment and customer

3. Partnership based approach
Talk to the Hand

**Purpose:** Helps others see from your perspective and speak to it. Helps include everyone in the conversation.

**Instructions:**
- Draw a line around your hand on a blank sheet of paper
- Fill out the hand as per the drawing to the right.
- Turn the hand around and put it in the center of the table so the others at the table can read it.
- Don’t worry if you don’t fill it up all the way, add as you go.
- “Use” a finger for each comment you have, giving opportunity to others before exceeding your 5.
Anchors & Balloons

- What anchors are holding back your team? What Opportunities do you need to hold onto? What balance should you have?
- Anchors = Impediments, Detractors, Forces
- Balloons = Capabilities, Opportunities, Strategies
- No order, all public.
- Make context visible, not solutions

Adaptation of Luke Holman’s Speed Boat Game
Enable the Value Stream
- Start w/Customers
- Core Competencies
- Optimize the System
- Align Business & IT
- Transparent Collaboration

Remove Waste
- Does customer buy?
- Value of each step
- Dependencies
- Boundaries & Interfaces
- Decision making

Continuously Improve
- Disciplined Quality
- Earlier Involvement
- Iterative Review
- Supportive Environment
- Framework & CoE

Core Competencies
- Start w/Customers
- Optimize the System
- Align Business & IT
- Transparent Collaboration

Does customer buy?
- Value of each step
- Dependencies
- Boundaries & Interfaces
- Decision making

Iterate
- DSM/DMM
- Collective Ownership
- Deliver Frequently
- Focus on Team

Develop Value Stream
- SIPOC & Value
- Design of Experiments
- Kano Analysis
- Systems Thinking
Lean Agile Value Stream

**LEAN**

Lean uses special principles & tools to map the value stream, optimize flow, and remove waste.

Any system is only as efficient and capable as the largest constraint, at any given time, will allow.

**AGILE**

Agile uses special roles and enforces collaboration with the business. Includes continuous improvement mechanisms.
## Remove Waste with Lean Agile

<table>
<thead>
<tr>
<th>Lean Concept</th>
<th>Application to SW</th>
<th>How Scrum/XP Resolves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>Partially Done Work</td>
<td>Shorter iteration cycles. Smaller inventory of detailed requirements – Product backlog. Only build per customer pull.</td>
</tr>
<tr>
<td>Extra Processing</td>
<td>Unnecessary docs</td>
<td>Focus on the end product and less documentation</td>
</tr>
<tr>
<td>Over Production</td>
<td>Extra Features</td>
<td>Prioritization of product backlog helps to do away with nice to have features</td>
</tr>
<tr>
<td>Transportation</td>
<td>Building the wrong thing</td>
<td>Clear actionable User Stories which have been prioritized, Customer/PO involvement, Demos,</td>
</tr>
<tr>
<td>Waiting</td>
<td>Waiting for info, Handoffs</td>
<td>Product owner engaged daily, cross functional teams with everyone included to deliver the Sprint, Pair programming</td>
</tr>
<tr>
<td>Motion</td>
<td>Task Switching</td>
<td>Slicing, Swarming, Use of DSM, Co-Located (or using W-GAME),</td>
</tr>
<tr>
<td>Defects</td>
<td>Defects</td>
<td>Definition of Done, TDD, Test first, Defects must be fixed during sprint</td>
</tr>
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</table>
Continuous Improvement

Roles
- Product Owner - Requirements
- Team Member - Delivery
- ScrumMaster - Process

1. User Story
2. User Story
3. User Story
4. User Story
5. User Story

Sprint Backlog

Sprint Planning

Daily Scrum

Requirements Discovery

Review (Demo)

Retrospective

Release Planning

Potentially Shippable Software

done

feedback

SPRINT
(iteration)
Workshop Activity

Do the “Talk to the Hand” exercise and go around the table very briefly and tell the group the items you’ve written on the palm of your hand. (see appendix for instructions).

As a Team, discuss and capture 3 or more aspects of Lean Agile that addresses EACH of the following areas:

- Enable the Value Stream
- Remove Waste
- Continuously Improve

Do the Anchors & Balloons activity around the main topic “Deliver Value through focus on Core Capabilities & Lean Agile”

- What anchors hold you back from focusing on your core and delivering value?
- What balloons can you put up to propel you forward?

Take 3 key learnings and post them on the **Wall of Ideas** to share with others.

Review learnings from others.
Flexible Operating Model that Embraces Change

Organizational
Sense & Respond

Right Value & Time
Align Org & People
Increase Capability
Red. TTM, Inc. ROIC
Leverage Tech

Iterative and
Incremental

Frequent Delivery
Empowered, X-Func
Simple Approach
Evolving Features
Red. Risk, Inc. Learn

Disciplined
Delivery

Collective Owners
Cont. Int. & TDD
Automation
Emergent Design
Distributed Dev.

COLLABORATE
QUALITY FUNCTION DEPLOYMENT
CROSS FUNCTIONAL TEAMS
BUILD & TEST AUTOMATION
TEST DRIVEN DEVELOPMENT
RETROSPECT
DAILY STANDUPS & INTERACTIONS
SCRUM & XP
CONTINUOUS INTEGRATION
MINIMAL MAKETABLE FEATURES
DEFINITION OF DONE
FREQUENT DEPLOYMENT
REFACTORING
EMPOWERED TEAMS
Organizational Sense & Respond

Agile Way

Governance

Organization

DEMAND

GOVERNANCE

MEASUREMENT

ALIGNMENT

WORKFLOW

TOOLS

DISTRIBUTION

CULTURE
Iterative and Incremental

- PLAN
- DO
- CHECK
- ACT
- RETRO
- DEMO
- COLLABORATE
Disciplined Delivery

Test First Development

- START
- WRITE A FAILING TEST
- WRITE CODE TO MAKE TEST PASS
- REFACTOR
- CAN'T THINK OF MORE TESTS
- STOP

Continuous Integration

- Developer
- Source Code
- Source Code Control System
- Continuous Integration Service
- Build & Test
- Build failure
- Build success
- define Definition of Done
- TEAM Ownership
- Build Quality In
- Slicing & Swarming
- Collaboration & Retrospecting

Automation

- Collective Ownership
- Commitment & Accountability
- Simplicity in Design
- Definition of Done
- Build Quality In
- Slicing & Swarming
- Collaboration & Retrospecting
Optimized Capability Drives Innovation

- Business Intelligence & Analytics
- Mobility
- Virtualization
- Cloud Computing
- Social Media
- Business Process Management

* Recent IBM CIO Survey & Wipro Research
Workshop Activity

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As a Team, discuss and capture 3 or more aspects of Lean Agile that addresses EACH of the following areas:

- Organizational Sense and Respond
- Iterative and Incremental
- Disciplined Delivery

Do the Anchors & Balloons activity around the main topic “Flexible Operating Model that Embraces Change”

- What anchors hold you back from a flexible operating model?
- What balloons can you put up to propel you forward?

Take 3 key learnings and post them on the Wall of Ideas to share with others.

Review learnings from others.
Partnership Based Approach

Collaboration Over Contract
- Knowledge Sharing
- Flexible Agreements
- Virtualized Value Chain
- Partner for non-core
- Internal & External

Outcome Based
- Inter-firm Trust
- Customer Focused
- Clear Measurements
- Lean Workflow
- Flex with Need

Ownership & Commitment
- Vested Co-Creators
- Shared Goals
- Limited # Partners
- Financial

PRODUCT OWNER
SCRAM MASTER
DAILY STANDUPS
INVOLVE THE CUSTOMER
DESIGN SHOP
DEFINITION OF DONE
BURNDOWNS & BURNUPS
EMPOWERED TEAM
MANAGE WIP
VISUAL CONTROL
TRANSPARENT REPORTING
FOCUS ON TEAM

INCREASE FEEDBACK
DELIVER FREQUENTLY
FOCUS ON TEAM

EMPOWERED TEAM
FLEX WITH NEED
LIMITED # PARTNERS
STRATEGIC & OP.

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Madagascar 2: A Chain Alone Does Not Guarantee Value

Alex the Lion:
Tell them, no!
Pull up! They'll kill us! There's got to be another way! Pass it on.

Mason the Monkey:
They said, 'Don't pull up. Kill us. There is no other way. Basset Hound.'
Collaboration Over Contract

“…multiple entities working together, as one value stream, to create superior customer centricity, flexibility and financial performance.”
– Kirk Strawser

Core Operations

United Kingdom

Value Supplier

United States
External Partner

Value Supplier

India
Internal Division

FLEXIBLE AGREEMENTS

KNOWLEDGE
Fit the Chain to the Value – Enable the System
Outcome Based Partnership

- RESULTS
- CREATE
- TRUST

INDIVIDUALS
- TEAMS & GROUPS
- BUSINESS UNITS
- VENDOR PARTNERS

CLEAR MEASUREMENT

FLEXIBLE CUSTOMER FOCUSED AGREEMENTS
Ownership & Commitment
Workshop Activity

Do the “Talk to the Hand” exercise and go around the table very briefly and tell the group the items you’ve written on the palm of your hand. (see appendix for instructions).

As a Team, discuss and capture 3 or more aspects of Lean Agile that addresses EACH of the following areas:
- Collaboration over Contract
- Outcome Based
- Ownership and Commitment

Do the Anchors & Balloons activity around the main topic “Partnership Based Approach”
- What anchors hold you back from having a partnership based approach?
- What balloons can you put up to propel you forward?

Take 3 key learnings and post them on the Wall of Ideas to share with others.

Review learnings from others.
21\textsuperscript{st} Century Virtual Corporation Model (21CVCM)

- **Core & Process Optimization through Lean**
- **Technology Innovation:** Cloud, Social Media, Mobility
- **Asset Evaluation & Optimization**
- **4th Generation Partnering**
Today’s Workshop has 3 Sections…

1. Deliver Value through focus on Core Capabilities & Lean

2. Flexible operating model that embraces a changing environment and customer

3. Partnership based approach
As the results from our survey with The Economist Intelligence Unit showed, companies that design for growth will find that performance improves substantially and growth is sustainable over time, enabled by a business model that can flex and adapt to changing market demands. – Chris Rooney

Design for Growth with a Flexible Business & Operational Model
Thank You!
LEARN, AGILE & THE 21ST CENTURY ORGANIZATION

New Century Business Environment
- Global & Emerging Markets
- Worldwide instant Connectivity
- Increased Regulation
- Economic Uncertainty
- Hyper-change
- Socio-Political Instability

21st Century Operating Model
1. Core optimization thru Lean
2. Technology Innovation
3. Asset Evaluation & Optimization with Agile
4. 4th Generation Partnering

Agile/Lean Enterprise Framework

- Focus on Value Stream & System Opt.
- Adjustable & Flexible Framework
- Remove Waste & increase effectiveness
- Continuous Improvement, Inc. Quality

- Leverage Tech for value, cost avoidance
- Generate alternate revenue streams
- I.T. as Valued Partner; Biz & IT Align

- Build right thing & time, Reduce Cost
- Increase Efficiency & Capability
- Increase ROI & TTM; ROIC > COC
- Reduce Risk, Increase Transparency
- Empowered, x-functional Teams

- Virtualization of Value Chain
- Vested Co-Creators & Co-Owners
- Distributed partner Integration
- Outcome based Collaboration

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