Creating an Agile Organisation

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Exploring the Future of Work

• This presentation carries on from my May 2015 paper on how to survive and thrive in an increasingly hostile and chaotic environment.

• Organisations need to address:
  – agility
  – awareness
  – personalised service and
  – responsiveness
About David Williams
Creating an agile organisation is like building airplanes in the sky

https://www.youtube.com/watch?v=Y7XW-mewUm8

Courtesy of EDS
What is Agile?

The Agile Manifesto was expanded into 12 Principles:

1. Early and continuous delivery
2. Harness change for competitive advantage
3. Deliver working software frequently
4. Business and ICT working together
5. Build projects around motivated individuals.
6. Have face-to-face conversations
7. Working software is the primary measure of progress
8. Maintain a constant pace
9. Technical excellence
10. Simplicity
11. Self-organizing teams
12. Team reflection
What is an agile organisation?

1. Cross-Functional Teams
2. Empowered Team Members
4. Shared Accountability
5. Servant Leadership
6. Continuous Flow of Value
7. Value over Activity
8. Attention to Technical Excellence
9. Rapid Risk Reduction
10. Early Feedback and Adaptation
11. Total Openness and Transparency
12. Trust

Mike Cottmeyer (2011)
Radical Management SM

- Steve Denning (2012) describes his approach as “Radical ManagementSM”.
- “traditional 20th Century management has failed”.
- traditional management systematically kills off all of the creative parts of an organisation.
- to deal with a radically different marketplace and workplace, organisations must be change the way they think
- seek to create additional value to customers through continuous innovation.
- deliver it sooner to ‘delight the customer’.
- reflects the Agile/Scrum/Lean approach uses for software development and applies it to whole organisation.
The main principles of traditional management

- Make money for shareholders
- Managers control individuals
- Bureaucracy: rules, plans, reports
- Efficiency, cost cutting
- Top-down commands

The principles are self-reinforcing & interlocking

Steve Denning (2012)
The principles of radical management

1. Delight customers
2. Managers enable self-organizing teams
3. Dynamic linking
4. From value to values
5. Communications: conversation

The principles are self-reinforcing & interlocking

Steve Denning (2012)

1. Better product quality
2. Higher customer satisfaction
3. Higher team morale
4. Increased collaboration and ownership
5. Customized team structures
6. More relevant metrics
7. Improved performance visibility
8. Increased project control
9. Improved project predictability
10. Reduced risk

allows an organisation to operate in a complex or chaotic environment and achieve outcomes.
Disadvantages (Denning)

- Assumes that all people in an organisation are competent.
- Agile may not fit the organizational culture
- Agile is designed for smaller projects
- Agile requires co-location to work effectively
- Agile lacks or undermines project management processes
- Agile can subvert an organisation’s accountability systems
- There are other/better ideas than Agile such as JIT, Lean, Six Sigma, etc
- There is nothing really new in Agile as much of it is common sense
- It is not fair to compare Agile with other management approaches as agile is more a technique for projects or assignments.
Shifting an organisation

Denning claims that moving to an agile or radical management practice requires the following shifts:

1. A shift in the firm’s goal from producing outputs to delighting the customer
2. A shift in the role of the manager from a controller to an enabler of self-organizing teams
3. A shift in the way work is coordinated from bureaucracy to dynamic linking
4. A shift from the main values being efficiency & cost cutting to values such as transparency, improvement and sustainability
5. A shift from top-down commands to peer-to-peer collaboration.
Why is agile popular?

Zilberfeld (2015) claims that Agile is popular because the concepts around Agile all call to the objectives that executives crave for:

1. Reduced waste
2. Increased Speed to market
3. Improved Productivity
4. Improved Decision Making
5. Improved Confidence
6. Improved trust and safety
Other issues about Agile

• Does not happen without a significant change in governance
• Encourages autonomous groups
• Requires an increased appetite for risk.
• Projects can still fail and will still go over budget and schedule.
• Better chance of delivering a product that is useful
• Agile is considered ‘flavour of the month’

Collet (2009)
Where has Agile been successful?

The Secret Startup That Saved the Worst Website in America

How a team of young people, living in a repurposed McMansion in Maryland, helped rebuild Healthcare.gov

Case study

Lange Consulting & Software is one of Australia’s leading procurement and evaluation management consultants. We deliver services and solutions, as well as support to both the public and private sectors.

We provided services in the following streams:

1. Procurement and contract management
2. Training in commercial management areas
3. Systems development, hosting and support
What is the problem (or opportunity)

• The business model for Lange is no longer valid in a shrinking and more competitive market.
• The key customer (Federal Government) effectively closes down over summer.
• The problem is ‘achieving a positive cash flow from December to February’.
Symptoms

Some of the symptoms indicating this problem are:

1. A negative cash flow from December to March
2. The number of opportunities for consulting services have reduced
3. Rates have had to be reduced to win work
4. Success rates on tenders and quotations has dropped
5. New sales of software have dropped
Current situation

• The market has reduced in size
• The top 4 consulting firms have dropped their prices to compete for work
• A number of senior public servants have taken redundancies and are now contracting/consulting in direct competition
• We are being squeezed from both ends of the market
• Need to respond in the near term or risk becoming insolvent.
Desired future state

We seek to be a larger organisations that can:

• increase our ability to adapt to the market
• broaden the scope of our capacity to provide services
• improve our reputation
• complete with larger consulting firms
• Weather the storm of market gaps
Options

There are a number of options to address the current problem:

1. Move all staff onto a contract arrangement where they only get paid for billable hours to reduce costs
2. Look for alternative markets over the summer period or even beyond
3. Sell the business to an organisation that wishes to buy market share, entre the market, build capability or vertically integrate
4. Do nothing and hope the market with return
Other Opportunities/Issues

• The owner is seeking to retire and become less engaged with the business.
• Opportunity for investment
• Potential for change of ownership
• Potential for renewal that comes with that extent of change
Actions taken

• We adopted the five shifts in practice proposed by Denning
• We undertook a skills and experience stocktake of staff
  – Found that we had extensive expertise in the areas of managing intellectual capital, systems analysis and development and assessing performance
  – Experience in the areas of the construction industry, the environmental management area and the aged care industry, none of which we had traditionally operated in.
• Sought opportunities in these areas and updated our public profile to incorporate our capabilities in these areas.
• Reviewed and replaced our online presence to match our capabilities and align with the target industries
• Expanded our ability to design, develop, implement and support solutions to meet business challenges.
Actions taken – cont’d

• We expanded our scope of interactive training workshops to meet the growing demand
• We sought out Subject Matter Experts across number of fields
• Develop trusted relationships with associates
• Put flexible commercial arrangements in place
• Competed or work where the requirements were unusual.
• We increased our prices to provide additional contingency
Success criteria

We considered that we would be successful when:

1. The organisation did not lose money over the Christmas shutdown period
2. We would continue to add software licences without losing clients
3. We could provide modest bonuses to staff in reward for excellent effort
4. We increased the number of clients for consulting services
What happened?

Over the past 10 months, a more agile business model has resulted in:

• Increased market penetration
• Increased extent of business development
• Competing more broadly in the market
• Won more work against our larger competitors and in markets we would not normally compete.
• Increased cash flow
• Increased profitability
Cash Flow 2013-14

[Bar chart with months on the x-axis and cash flow values on the y-axis. The chart shows the cash flow for each month from July to June, with the values ranging from -40 to 30.]

Cash Flow with 2014/15
Staffing numbers

• We have been able to increase the number of staff/associates to meet the increased demand for services.
• Engagements have been done on contract arrangements
• We have integrated associates into the organisation with a corporate profile and branding.
Assignment completion

• Increased flexibility has provided more options for our clients and staff to modify our services and deliverables.
• This has resulted in far more of our assignments and projects running over time.
Percentage of Assignments completed on time

![Bar chart showing the percentage of assignments completed on time for each month from July 2013 to June 2015. The chart compares the data for two years: 2013/14 and 2014/15.](image-url)
Sick days

• Both permanent and associates, had an increase in unavailability to illness.
• We believe that this is related to the additional stress placed on staff due to the increase in tempo as well a cold that has been going around.
Sick days

![Bar chart showing sick days from July to June for two years (2013/14 and 2014/15). The chart shows that sick days increase significantly in April and May.]
Staff turnover

• Staff turnover has not been a problem to date
• We consider that it may be too early to tell
• The challenge is availability of contracted and permanent staff as they are engaged in multiple assignments
Working environment

• Agile is a preferred model for many of our ‘Baby Boomer’ staff.
• We moved to a working environment that provide far more flexibility and delegation of authority and process.
• The questions raised is: how sustainable this model may be.
Systems

We adopted SaaS tools such as:

- Dropbox for business – for document management
- Trello – for tracking changes to software
- Zendesk – for customer support
- Confluence – for Wiki based collaboration
- Smartsheet – for project scheduling
- Zoho CRM - For CRM
- Plaza – for contract management
Governance

• Executive management of the company was challenged with the change in operations
• Previously, we had an arrangement where all of the consultants copied in the executive and a peer to ensure that we have coverage
• With a more agile approach, we found that the executive would intervene on occasions without the full context of the changing assignment.
• This created some confusion with our clients and the exec have had to step back.
Old web page and brand
New web page and brand

Lange Consulting & Software

Our Commercial Services

Lange Consulting & Software has been providing the following procurement consulting services to all government tiers and the private sector since 1997:

- Procurement planning
- Development/facilitation of specifications and requirements
- Preparation of TEPs, ATMs, Draft Contracts and Deeds
- Industry Briefings
- Preparation of Addenda
- Conformance checking
- Tender evaluation
- Tender evaluation management/facilitation
- Training of Tender evaluation personnel
- Probity briefings
- Risk assessment
- Financial viability assessments

Managing Intellectual Capital

Lange Consulting & Software assist organisations to better manage their intellectual capital through contemporary Information and Knowledge Management strategies and techniques.

- Performance Review and Evaluation
- Human Centered Design
- Knowledge Management Systems
What we learned from the activity

- Agile works well in smaller organisations with competent and motivated people
- Agile reflects that way in which these types of people prefer to work
- Agile is just as attractive and relevant to baby boomers as it is to Millennials
What are we doing differently

• Becoming more selective but adventurous in our tendering for services
• Continuing to build our networks across different areas
• Constantly on the lookout for unique personnel that can provide high quality consulting services and the flexibility to adopt to our business model
• Trying to balance our workloads across individuals and provide more time for our assignments
• Gently excluding the executive from the day to day assignments to convince our executive to let go and trust the individuals and teams
Strategies for the Future

• Develop a more robust strategy for the future
• Determine what skills, knowledge and experience that we need for different markets
• Find really clever and available people
• Market our services more broadly
• Improve how we track performance
• Reinforce relationships with our clients
Running with the squirrels

We seek to be a larger organisations that can:

- Flatten our cash flow profile
- Increase our ability to adapt to the market
- Broaden our capacity to provide a range of services
- Complete with larger consulting firms
- Improve our reputation

https://www.youtube.com/watch?v=2Z2_kK Ae9y0

Courtesy EDS
Conclusion

To survive and thrive in an increasingly hostile and chaotic environment, organisations need to:

1. Listen for weak signals
2. Become a learning organisation
3. Protect intellectual assets and resources
4. Build the flexibility in technology, workplace and structure to be able to respond to changes in the market
5. Test the market for non-core activities
6. Worry less about structure and more about delivery
7. Keep talking to your clients (and your suppliers)
8. Become a global citizen
The Agile Organisation

A case study on creating a nimble organisation

About the author:
David Williams is a project manager in the construction industry and has experience in delivering large scale projects. He is passionate about the benefits of agile and is committed to improving project management and client satisfaction. He has a Bachelor of Engineering (Civil) from the University of New South Wales and has worked in the construction industry for over 10 years.

Abstract:
The Agile software development approach to software development is being adopted by many organisations as an alternative to traditional waterfall methodologies. This approach, often referred to as Agile software development, focuses on delivering value to the customer early and frequently, allowing for rapid adjustment to changing requirements. The Agile approach encourages collaboration, communication, and adaptability throughout the development process.

Introduction
In my position as a project manager, I have observed the benefits of Agile methodology in various projects. It has been my experience that Agile project management has led to improved client satisfaction and a more agile approach to project delivery. The Agile approach focuses on delivering value to the customer early and frequently, allowing for rapid adjustment to changing requirements. This has resulted in a more flexible and adaptable project delivery process.

If you would like a copy of the paper on this topic, please contact the author at:

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