

How To Make Your Organization Agile?



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Inspired by Steve Denning, Andrea Tomasini, Michael Sahota etc.

Agenda:

- Why Agile ?
- Agile is a different Mindset
- The Microsoft Story
- A few basic principles for agile transition

Why Agile -- The world changed

- Globalization
- Deregulation
- Knowledge work
- The Internet

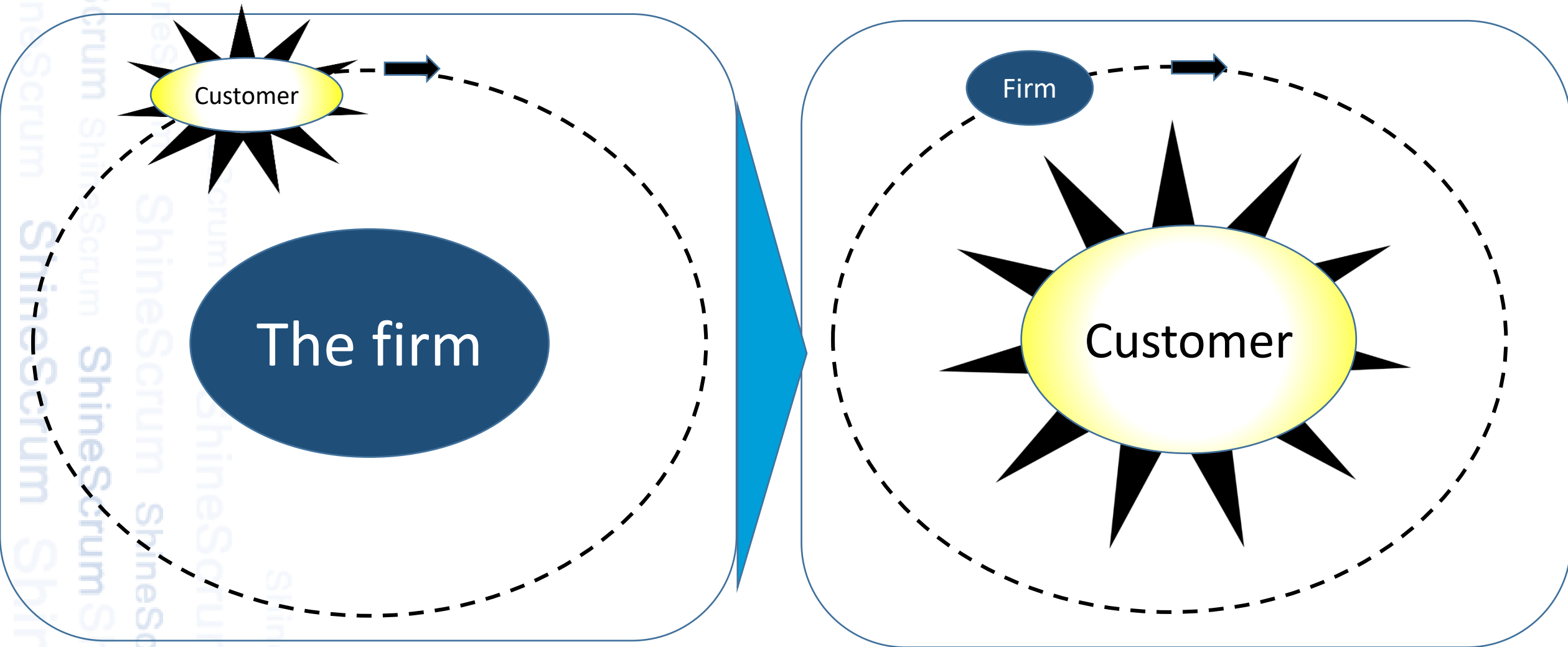
Greater competition

Faster pace

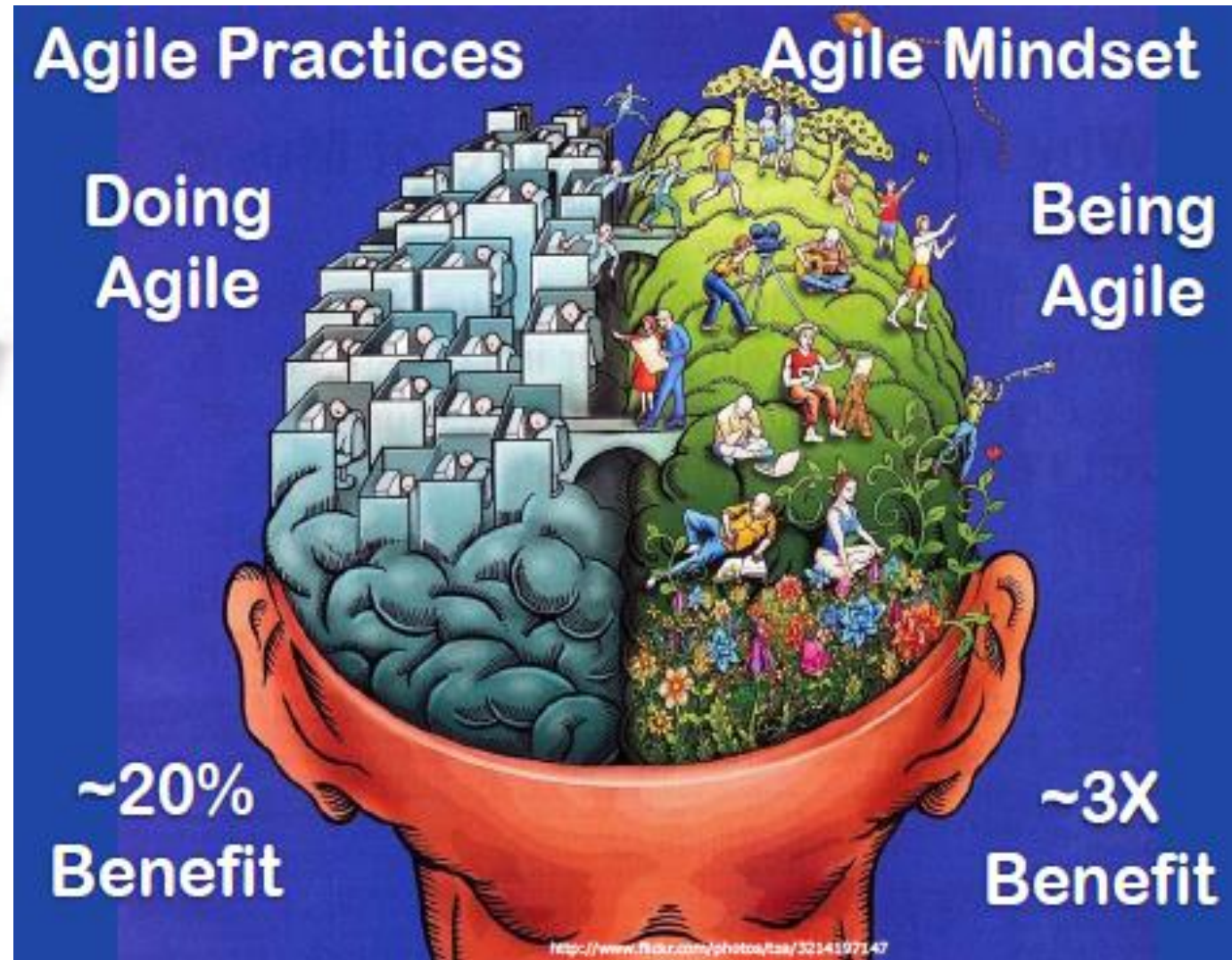
Digitalization of everything

The customer is the boss

The customer is the boss



Agile is a mindset not a cookbook



Question:

What is the most important value for enterprise from your view?

Write down on the sticky note and share with your pair as many as you can

5 mindsets shifts

Traditional Management

Goal

Make money for
shareholders

Role

Managers are
controllers
of individuals

Coordination

Bureaucracy:
rules, plans, reports

Top down
commands

Communications

Efficiency,
cost cutting

Values

Agile Mindsets

Goal

Delighting
customers

Role

From controller
to enabler

Communications

From command
to conversations

Transparency
Improvement
Sustainability

From value
to values

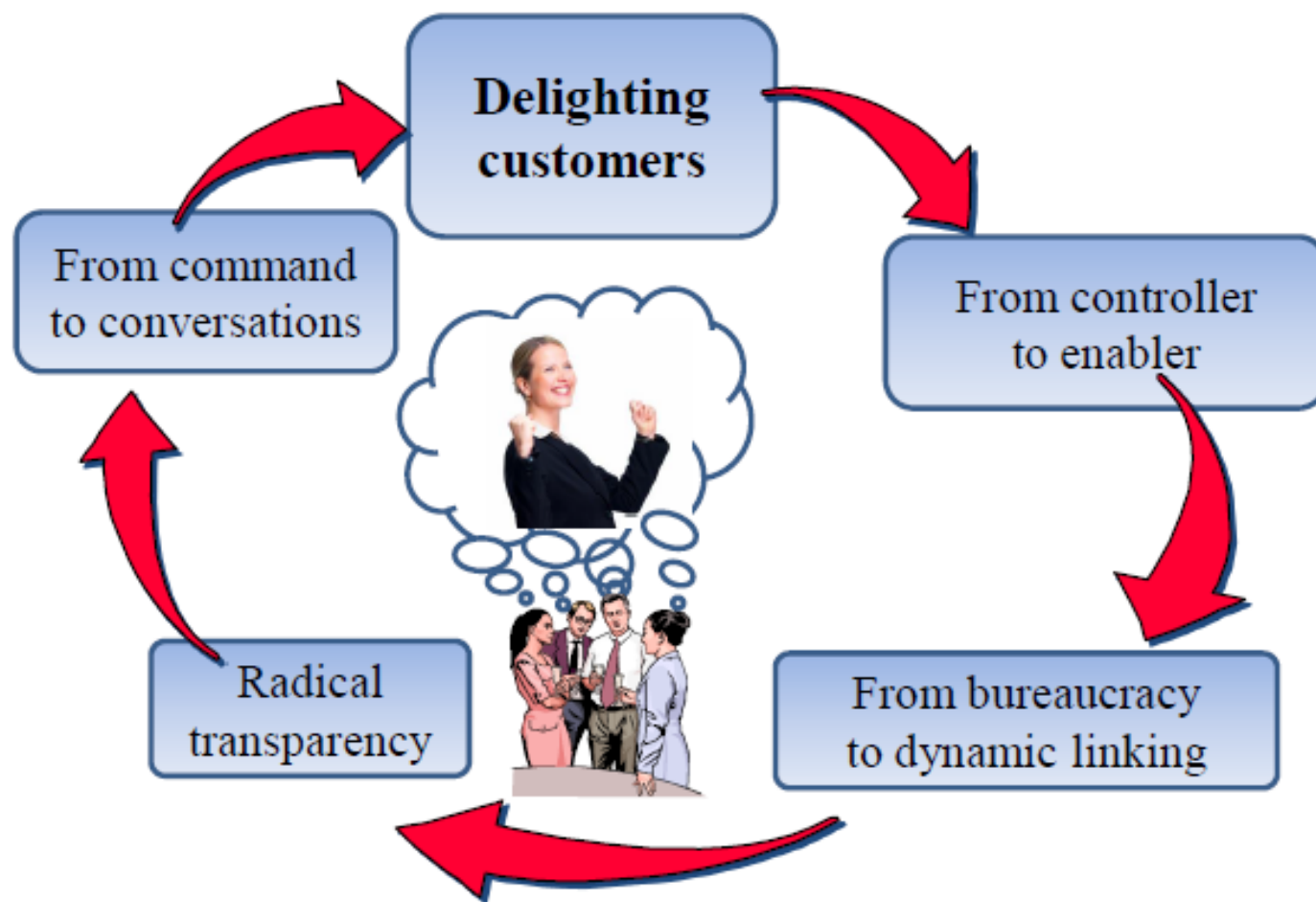
Values

From bureaucracy to
Agile, Scrum, Lean

Coordination

The elements are interlocking

Principal focus of Agile



Goal is a key

Goal

The purpose of a firm is to make money for its shareholders

“The dumbest idea in the world” – Jack Welch

Goal

The only valid purpose of a firm is to create a customer

Peter Drucker
1954

“Maximizing shareholder value”

Jack Welch former CEO of **GE** has called it “the dumbest idea in the world.”

“Providing a continuous stream of additional value to customers and delivering it sooner”

Alibaba CEO Jack Ma has said that “customers are number one; employees are number two and shareholders are number three.”

The Microsoft Story



- 2008: one team
- 2009: several teams
- 2010: Visual Studio group
- 2011: Developer Division
- 2013: reorganization
- 2014: firm-wide interest
- 2015: firm-wide mandate

The Microsoft Story

How did this...

Our image of Microsoft before the site visit



... become this?

Our image of Microsoft after the site visit



The Microsoft's Agile transformation

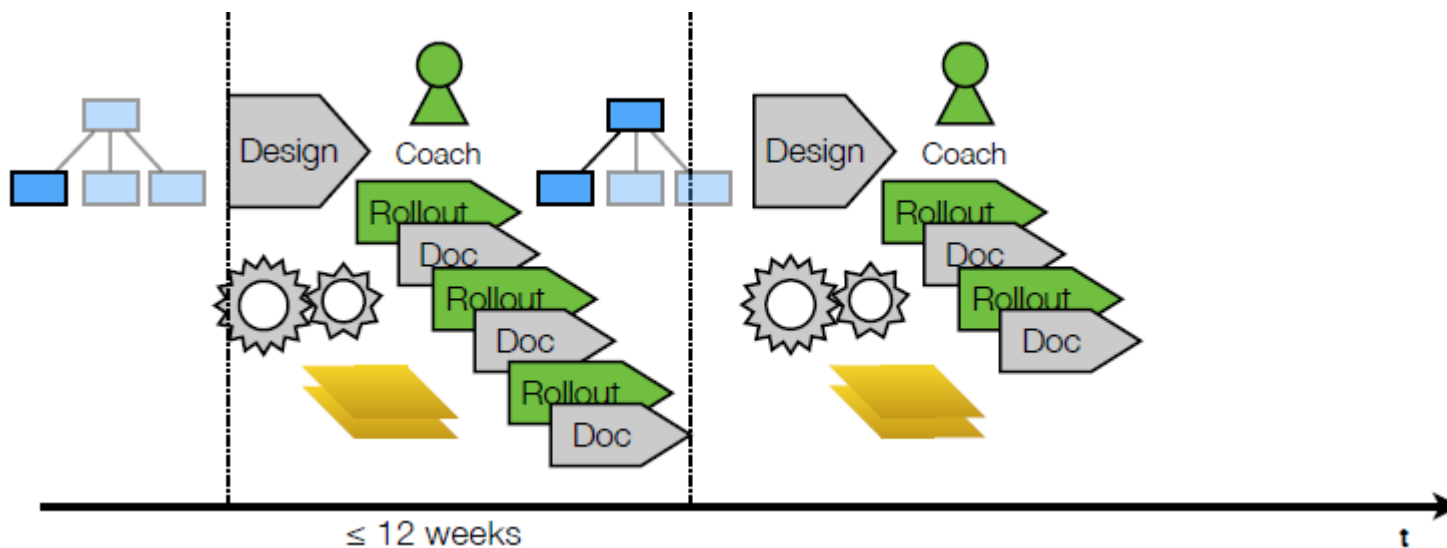
Key Takeaways:

1. Get good at the science of Agile and Scrum but don't be overly prescriptive
2. Don't copy others: learn from others
3. Build the culture you want ... and you'll get the behavior you're after
4. Stop trying to predict the future
5. Optimize around customer feedback

A few basic principles for a transition

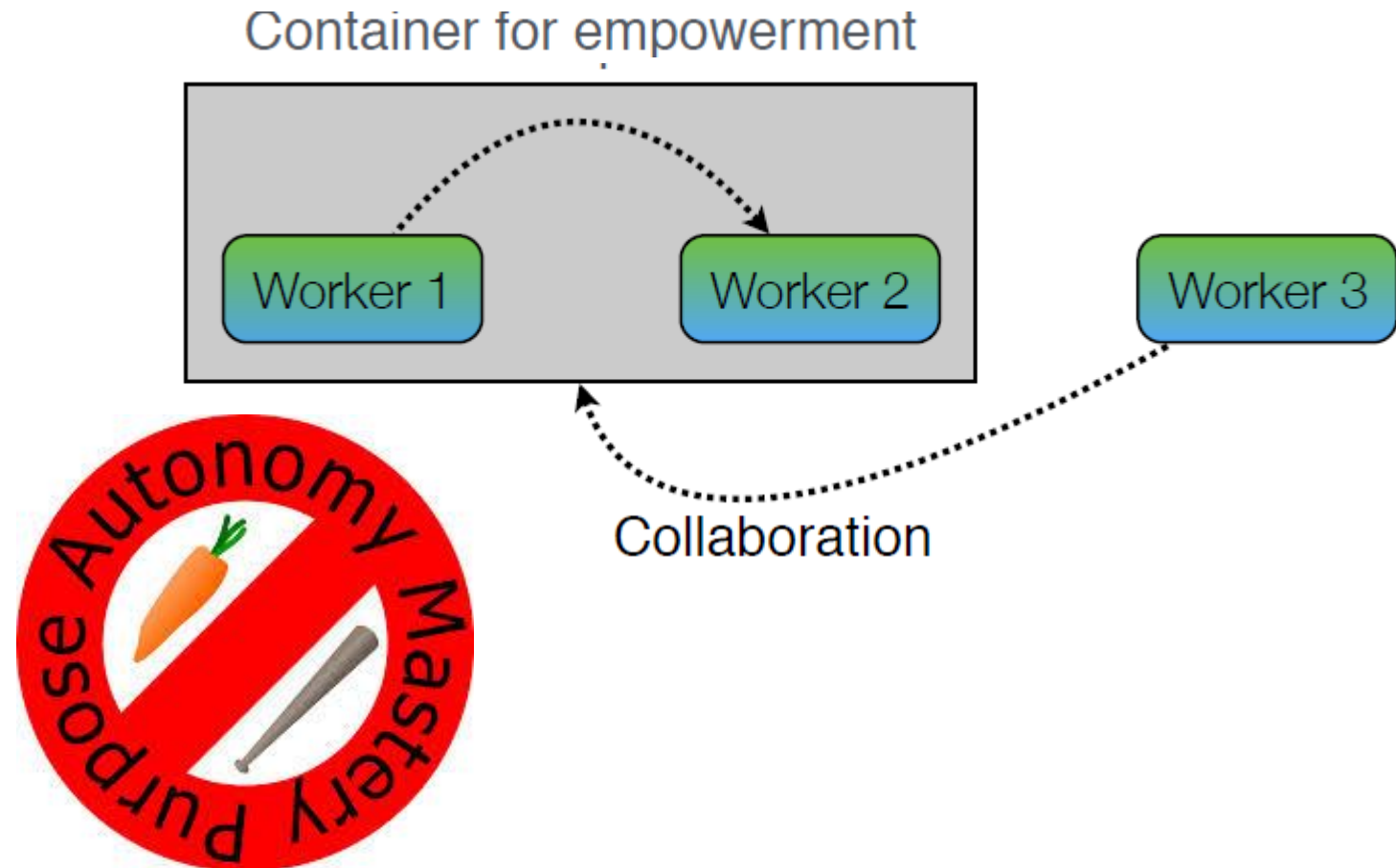
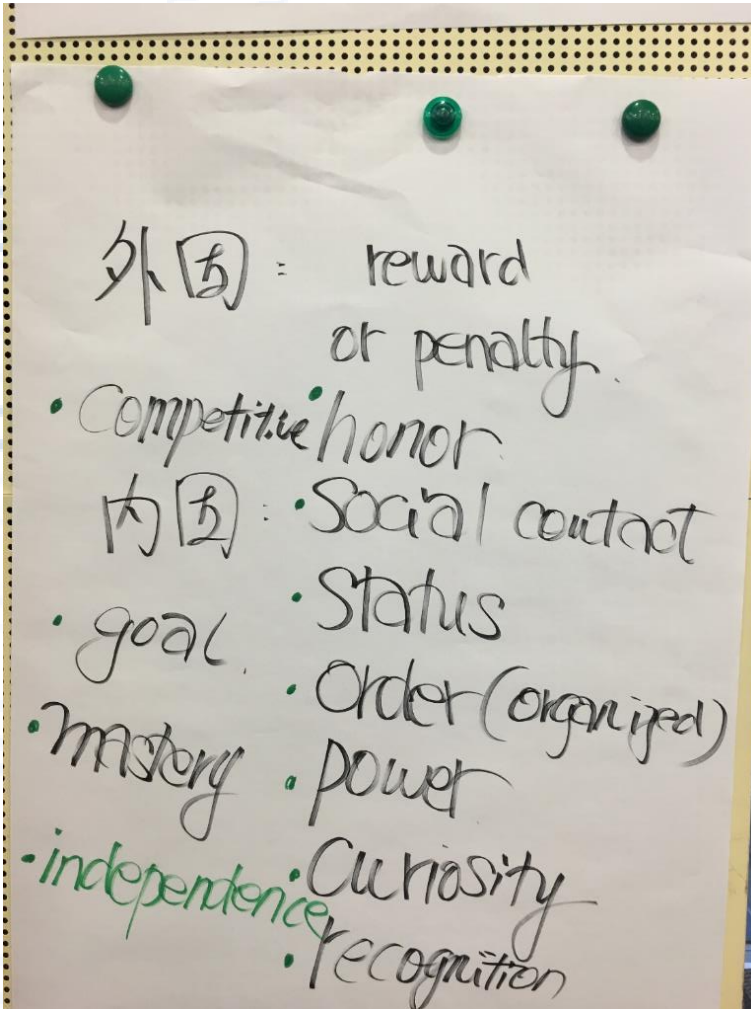
“One size fits all?” ... Not in practice... but in Principles!

1st Principle: focus on small incremental changes

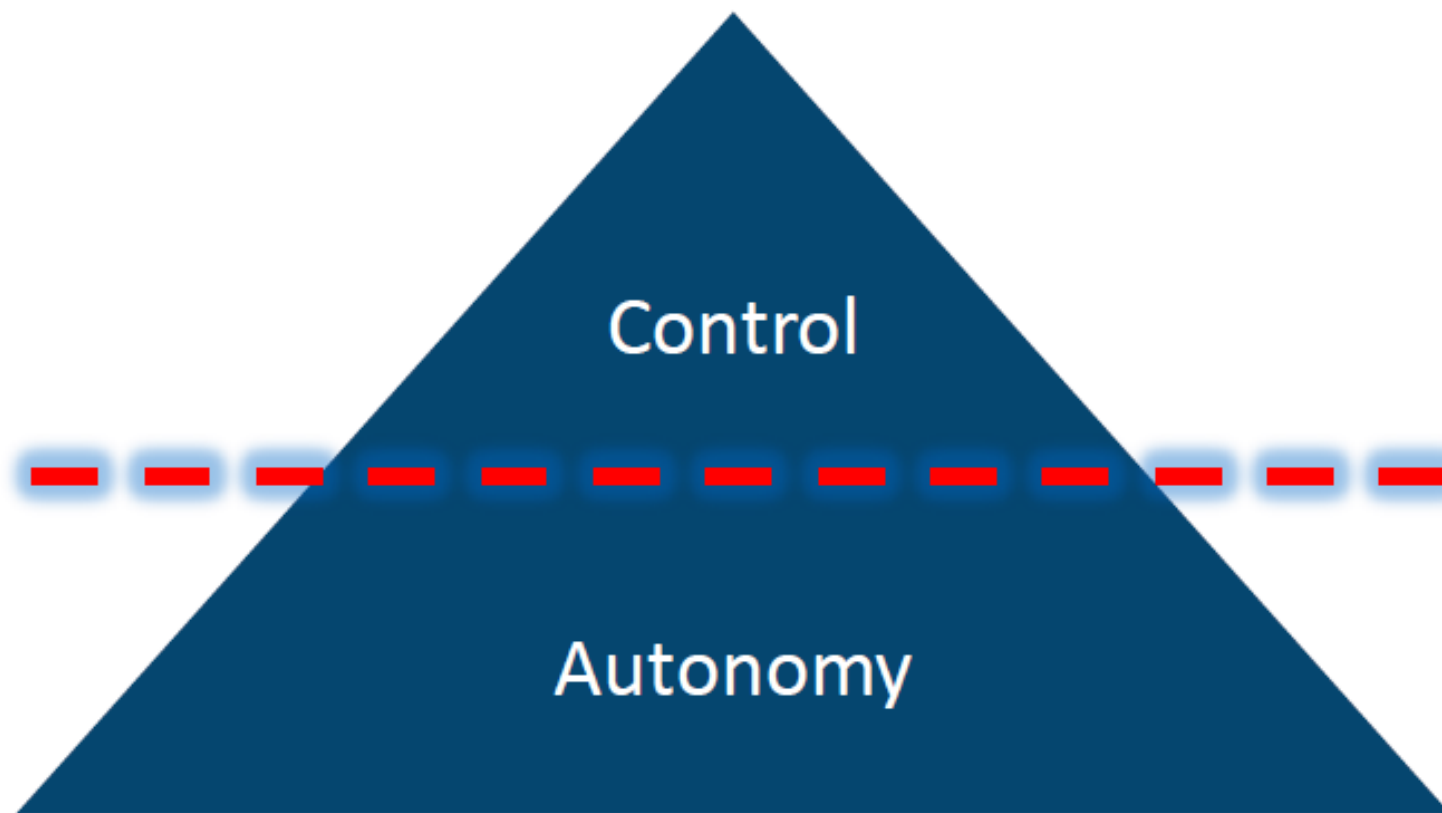


The agile approach to change management
focused on **stabilization** with emergent *standardization*

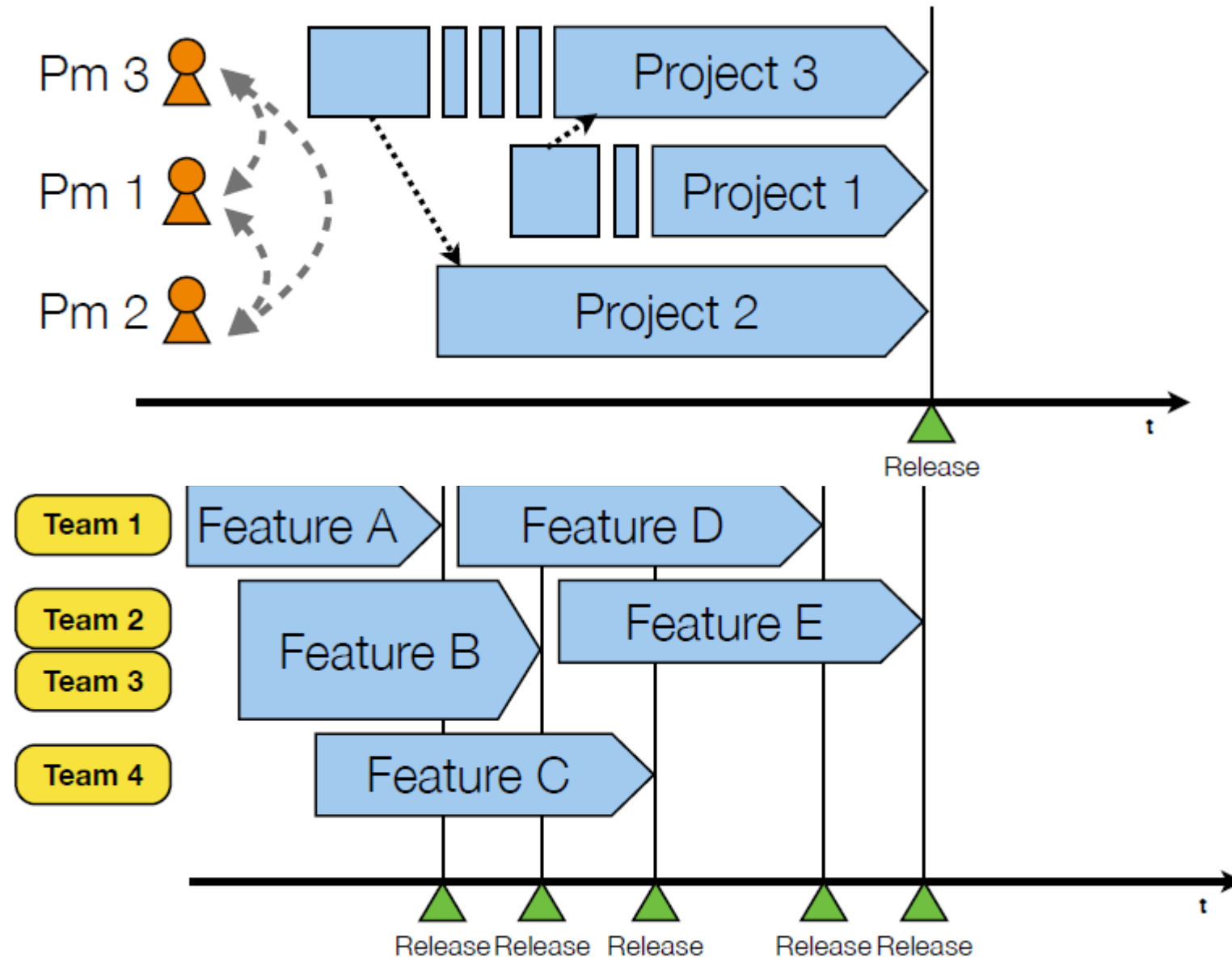
2nd Principle: engage people and decentralize control



It is all about balance



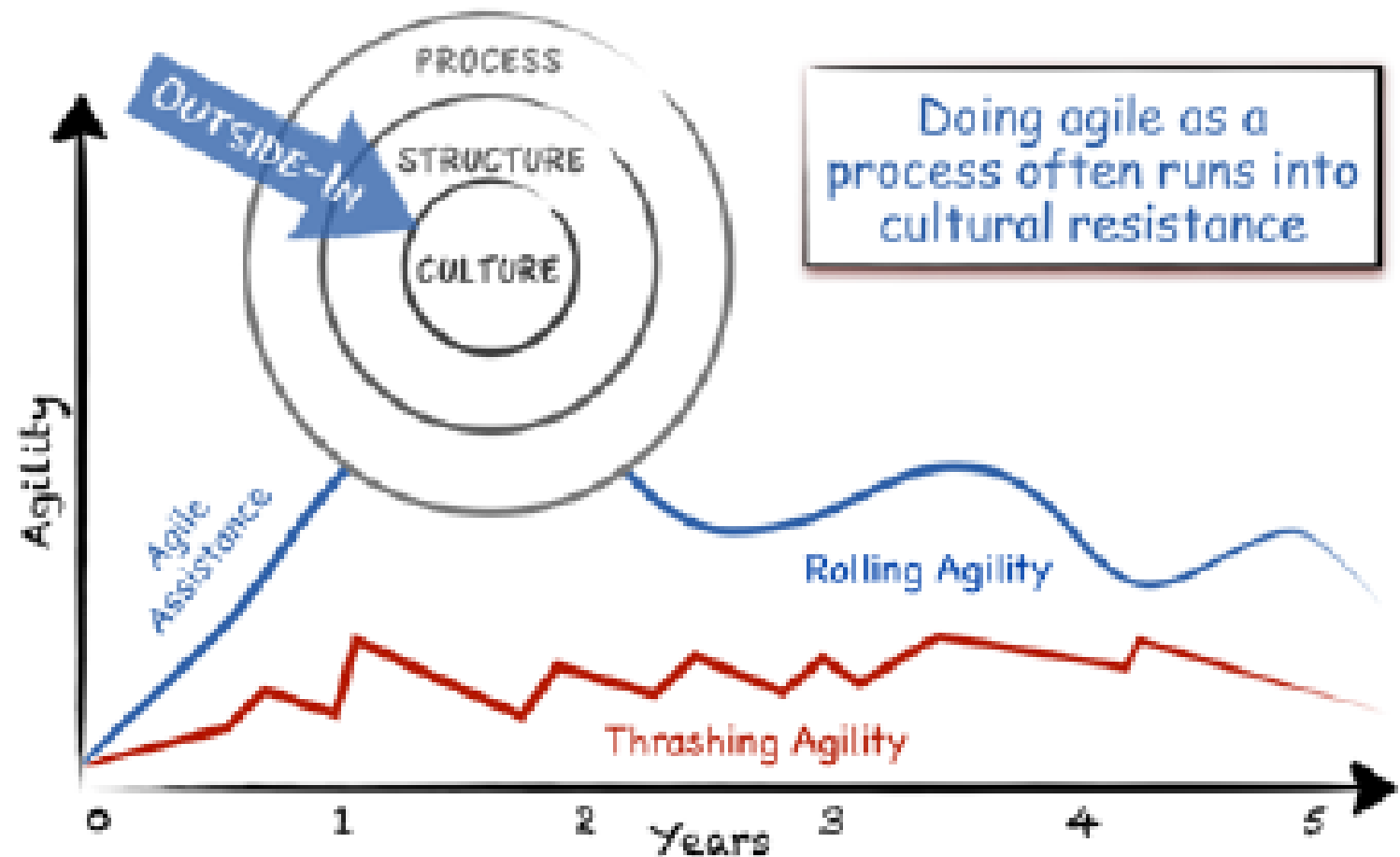
3rd Principle: de-synchronization of development teams



Enterprise Agile Adoption Patterns

Outside-In Adoption (Challenged Pattern)

Most agile initiatives are conducted from an *outside-in* approach. Starting with an agile approach (like Scrum), leaders focus on changing behaviors. Through this change, people and teams run into challenging structural and cultural impediments which leadership is unable or unwilling to “fix” - compromising the organization's ability to change and grow.

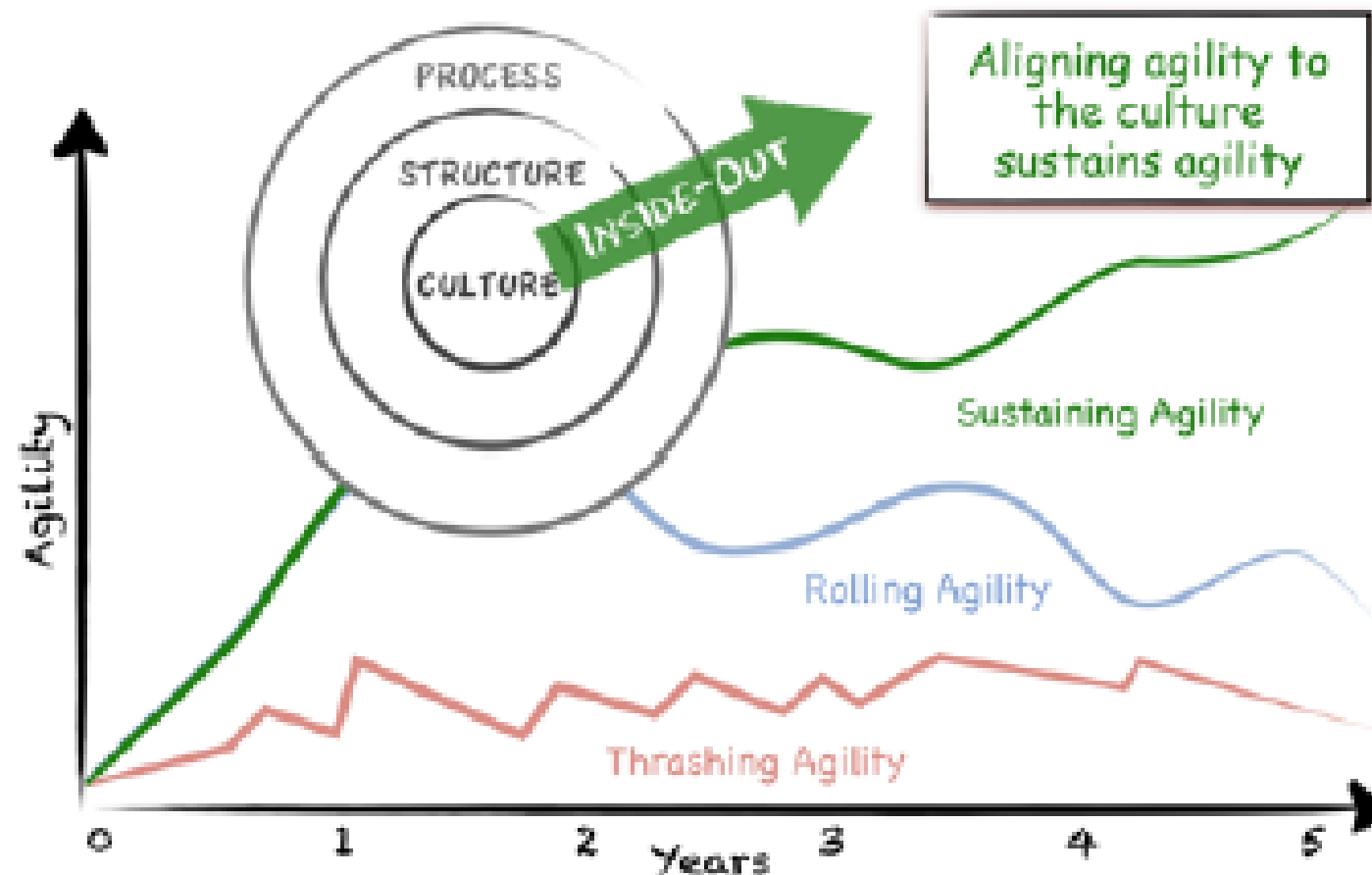


From Pete Behrens

Enterprise Agile Adoption Patterns

Inside-Out Adoption (Success Pattern)

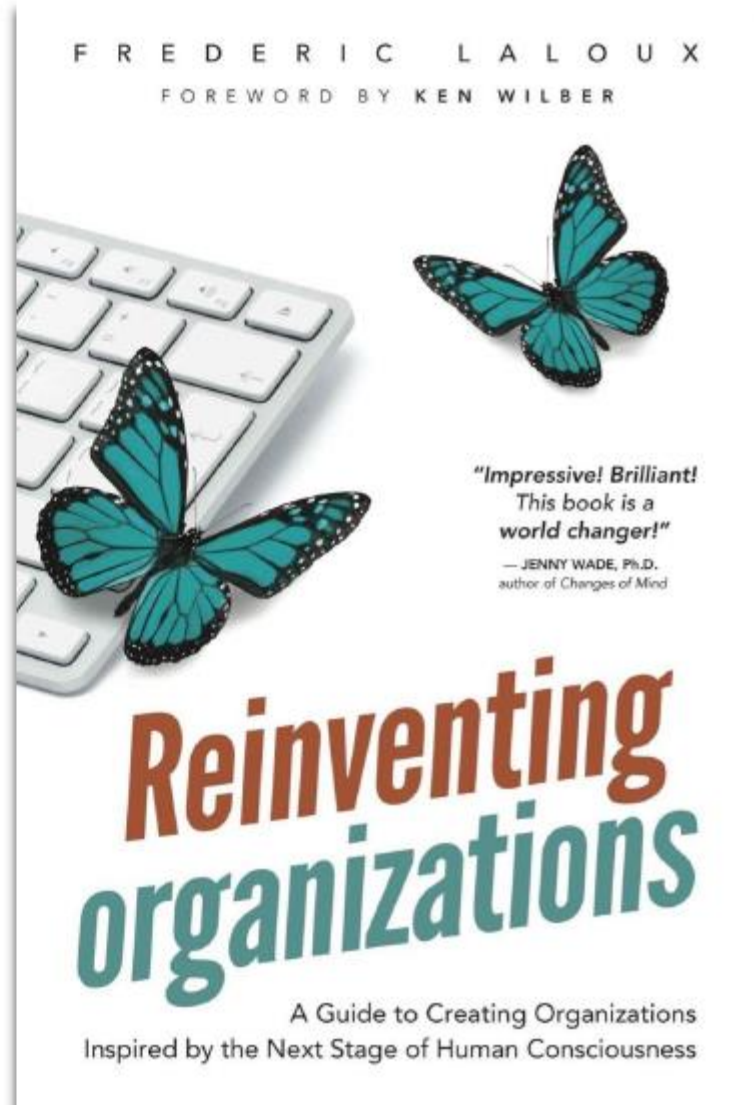
Developing organizational agility *inside-out* starts with the values of the organization and their alignment with agility. It focuses on agile values which align to its culture while, at the same time, influencing the culture towards a more agile value set. In this approach, leaders create an organizational structures to support, sustain and grown agility.



From Pete Behrens

Organization Structure is a tool to support value creation,

To fully Engage
People ...
you need to
change
Your
Organizational
System



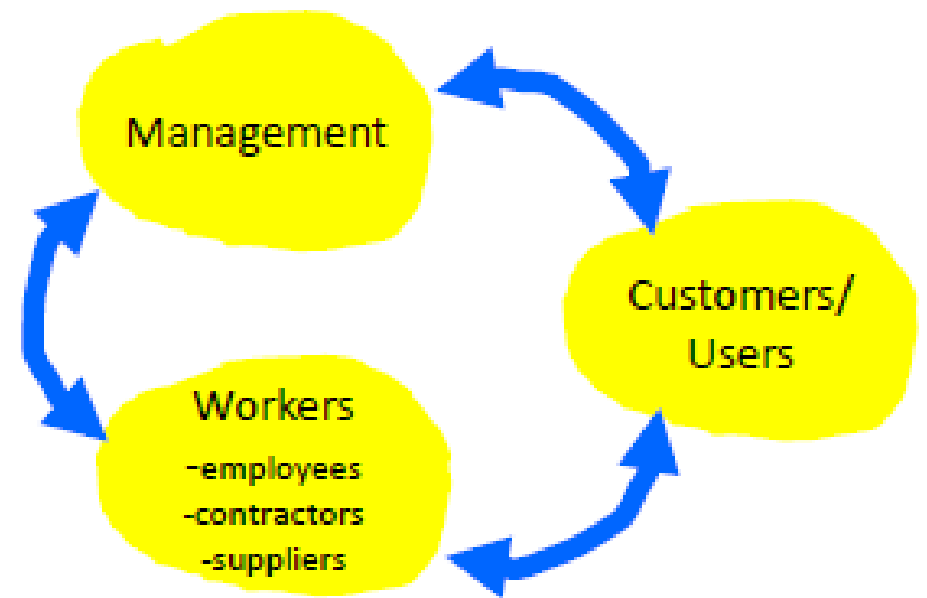
Question:

How many layers in an Agile organization?

Question:
How many layers?

Answer:

It doesn't matter

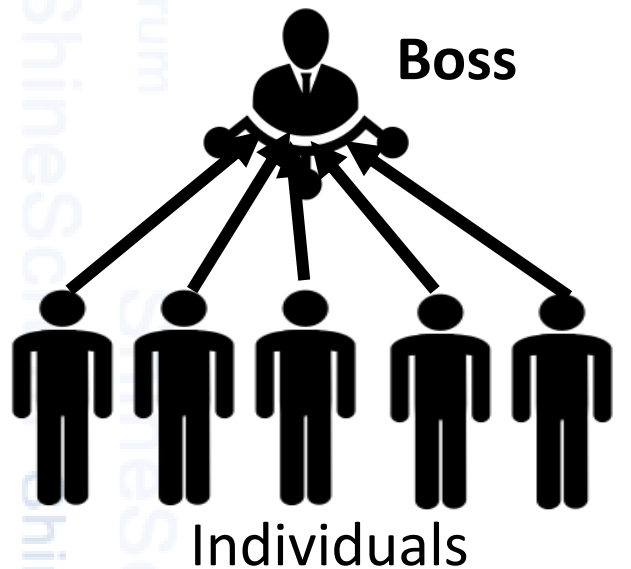


4th Principle: Scaling the delivery model won't make your org. agile and need to change the culture

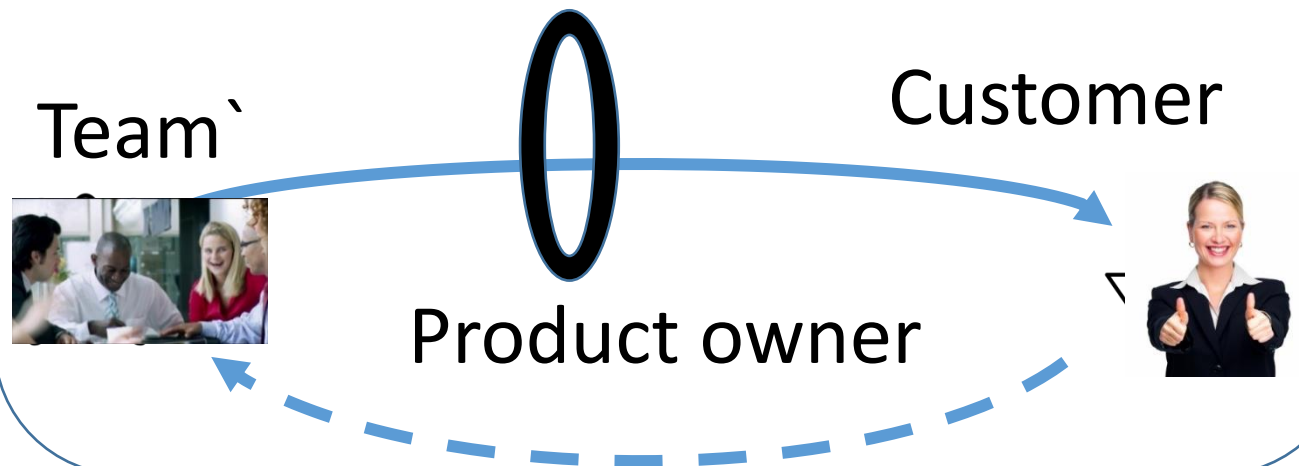
Culture is the set of
behaviors that have been
established and *accepted*
within an organization

The transition is under way at the team level

Bureaucracy

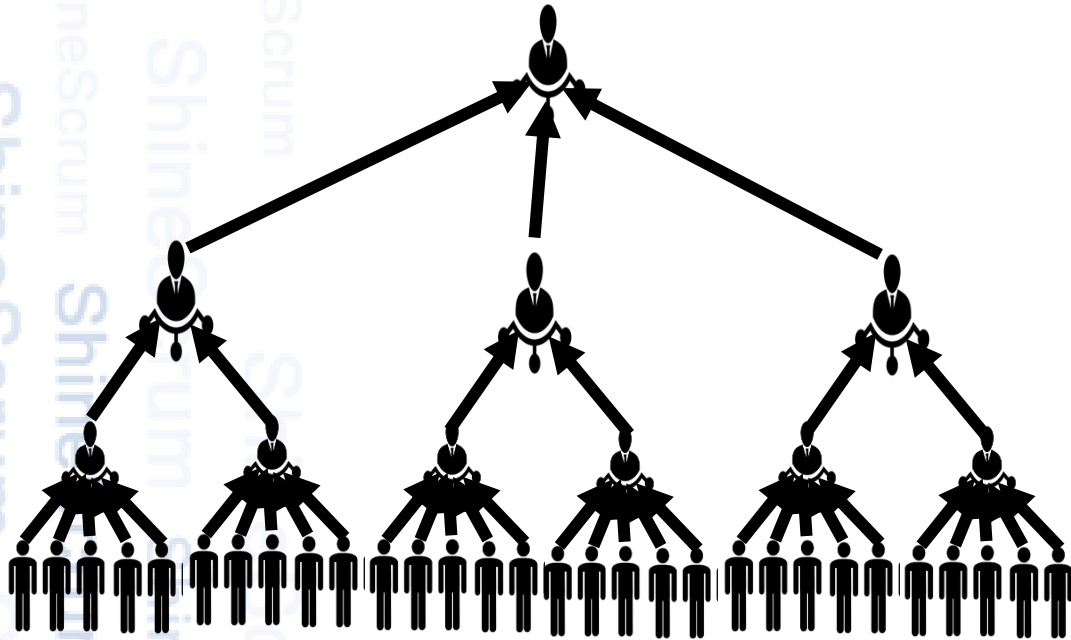


Heart of Scrum – a team sport as a cell

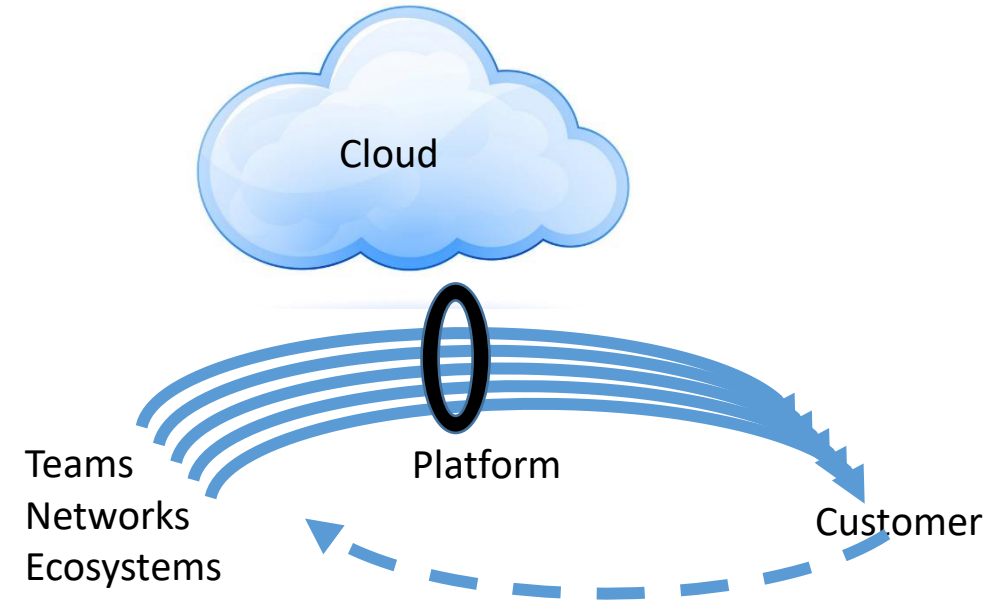


Scaling delivery model needs to culture change

Traditional economy



Creative economy



The Heart of an Agile Organization



Self-Organization
& Autonomy



Iterative &
Incremental
change to
reduce the
risk



Continuous
Improvement

All those changes Require Agile Leadership

“A mind is like
a parachute. It
doesn't work if
it's not open.”
—Frank Zappa

