



POST-EVENT REPORT

Transition to Agile IT – Capita Dinner Post-Event Summary

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Jennifer Thomson
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AGILE ADOPTION: HOW FAR ARE WE? WHAT ARE THE CHALLENGES, ISSUES, AND LESSONS LEARNT?

Adoption of Agile – Where Are We Today?

There were differing levels of experience in the use of agile. On the one hand, there were a number of organizations at the beginning of the agile journey that had completed a proof of concept, or were just initiating or finalizing their first sprint. Then there were those organizations that have been practicing agile – or let's say experimenting with agile – practices across a number of projects for longer than a 12-month period with varying degrees of success. Many of the latter group also experienced failure (of some kind) and did not reap the benefits anticipated or deliver in a true agile fashion. For instance, they may have initiated a project utilizing agile techniques but then ended in waterfall mode.

However, overall there was the perception that agile is the right way forward if organizations are to stay competitive and successfully support the move from legacy and slow/rigid ways of working to the new digital world that demands speed, flexibility, and iterative/continuous development.

Agile Adoption – Key Drivers

The following were identified as the key drivers to agile:

- **Faster time to market.** There is increased demand from the business for faster access to higher quality business solutions that better meet business and customer requirements. Overall, organizations are looking to stay competitive and provide better customer and business experience.
- **Structured development.** Some organizations are in a situation where they have a multitude of projects but a general lack of process and lack of prioritization, hence they do not know where they should start. So there is a need to put some kind of structure to development to assist in "chaos control."
- **Strategic change, to stay on par with the competition.** Many organizations (particularly in the finance sector) must face transition and fundamentally change the way the business is run or be left behind by the competition (Internet startups/pure plays/more nimble players). Many such organizations have deep heritage and history, and can be over 100 years old, so typically still have really clunky systems in place (outdated legacy systems). Agile is being embraced as organizations seek to support fundamental strategic change.

The Approach to Agile

Overall there is a mixture of projects at every organization:

- Type 1 – pure agile (around 20% of projects)
- Type 2 – hybrid (where agile has been initiated IDC finds that the majority of projects in reality are "hybrid," using a mixture of both agile and waterfall methodologies)
- Type 3 – traditional project

When exploring how projects are being done, the following observations were made:

- In most cases the agile project team is in the same location, same time zone, and same room – this allows true sharing, collaboration, knowledge capture, and learning. However, there was some examples of how geographically diverse projects can work:
 - Development conducted onshore and the test is conducted offshore. There has been some success in using offshore teams – the initial approach involves co-location with the service provider and there needs to be careful evaluation of tasks for offshore resources.
 - Development is offshore, the business analyst is onshore, and the testing is split between onshore and offshore. For this particular company this was where the company has seen the most successful projects.
- There is a focus on bringing in "user centered design" and increased number of user stories (continuous feedback) – this causes certain trust issues about who does what and requires strong change management practices. Essentially it requires early developer and designer involvement. If there is true integration this allows the team to have complete visibility of the stuff that comes out of the sprints, which allows the creation of additional user stories.
- High propensity to opt for "scrum" – in the first instances of agile practice adoption.
- A number of organizations stated the planned move to DSDM (dynamic systems development method) as they look to increasingly embrace principles related to continuous user/customer involvement, as well as taking advantage of the feasibility/planning stage.

Agile Skill Acquisition

There was overall consensus on the importance of having or acquiring the right skill sets for agile, with emphasis on both skill acquisition and internal staff retraining. Acquiring talented individuals and strong agile project managers was recognized as a challenge and overall it would seem that there is no cohesive approach to acquiring the right level of skills. There is a general lack of company mandates or management directives to bring in people with adequate agile skills (this suggests a lack of "agile" understanding at management level). To overcome challenges in skill acquisition, a couple of organizations underlined strategies that targeted recruitment from small technology companies, while others opted to retrain existing employees – typically those that had not been entrenched in legacy for too long and were more open minded to "collaborative/unstructured" ways of working. Additionally, there was an overall consensus that strong project management is critical. The following observations were made in terms of skills:

- In practice project management can sit anywhere in agile, but must be strong – strong leadership is a prerequisite for success.

- Require a qualified scrum master that sets up delivery.
- Some organizations benefitted from the fact that the product owner was a business change consultant who acts as a buffer between the business and IT. There was a suggestion that in certain circumstances it would be beneficial to have people from the business taking on this role to get a better understanding of the pain that IT goes through.

Challenges/Issues Identified in Agile Adoption

As with the adoption of any new process/methodology organizations need to allow time for agile to manifest itself into company working practices. Agile adoption is not an overnight process and requires more than just the right tools to make it successful. As this is a new approach for many organizations a number of challenges and issues were identified:

- Code quality. At some organizations there were circumstances when the overall quality of code was poor, which of course meant that extra work was being carried over into successive sprints. With agile software development, there are typically the following metrics: time scale, scope, resources, and quality. But when the pressure is on, one of these metrics may get sacrificed. In many cases (at least in the early stages of agile adoption) it is typically the quality that can get squeezed, as developers deliver late and the deadline cannot be moved.
- One of the biggest challenges identified is the ability to keep everybody busy. Certain organizations described situations where there were sprints with nothing to test – it is about having enough to test.
- Too "aspirational" with unachievable dates, so development work gets backed up.
- It can be challenging working out when to involve UAT and compliance.
- Cultural change has been a big challenge when implementing agile – the shift in mindset from rigid and linear work practices to collaborative and iterative processes. A number of organizations highlighted that it can be hard for teams to let go of past working habits and shift to self-organizing teams. The emphasis is now on stakeholder management rather than hands on with Prince 2.
- Resources, in terms of allocation and business involvement. Those most challenged have relatively small IT teams. Other challenges are the varying length of sprints and the need to ring fence the team (resources) within an agile project team, therefore rendering them unavailable for other work. In these situations the business becomes a key resource, so ensuring buy-in and top management support is critical, as participation from the business will be required throughout the project.
- Complexity points are an issue as there is the inability to translate them from project to project and you can't compare sprint to sprint. Therefore knowledge sharing/knowledge capture becomes an issue – and this is made more challenging if there are contractors working on the project teams.
- Getting the management board on board: the transition to agile ways of working needs to be driven top down from executive level as there is huge cultural change required, but it can sometimes be very challenging getting the management team to understand agile and its benefits.
- Varying degrees of agile acceptance across global teams/locations/regions. Certain organizations are in a situation where the company headquarters are non-agile, so reporting templates are still very waterfall – this causes friction as management wants reports on project status. In the world of agile, when asked what people are doing the response is more often than not "stuff" – this doesn't go down well and does not lend itself

to adequately filling in templates that are still waterfall. Therefore there is still a lot of adjusting that is being done – adding time and complexity to projects.

Advice/Lessons Learnt

What stood out from the evening was the importance of learning lessons from one project to another. Agile is a new way of working for most organizations, therefore it requires time, understanding, and patience for concrete benefits to be seen. Key advice and lessons learnt include:

- Contingency in sprints is important. You build confidence through the sprints but you still need to be realistic. Agile gives confidence in some deliveries as they benefit earlier and therefore this helps to manage costs. But project teams should draw a line in the sand and be realistic about what can be delivered. If something moves above the line something has to go below.
- Behavior of the business requires that there are gates in place. There needs to be a sensible approach – not everything can be agile and this requires educating those in the business that want to be the cool kids in the playground.
- Everybody has a different view of agile BUT you need consensus across the organization for agile to work and be accepted.
- Agile does not mean "no documentation." The adoption of agile is not about throwing governance out of the window.
- Size matters. The size of what you are doing dictates if you can test in the sprint.
- Agile is a mind shift. There is a need to look at and change the metrics of project success.

Key Takeaways

- **Organizational culture and willingness to change.** Agile adoption is not an overnight process and requires more than just the right tools to make it work – it fundamentally requires the right "level" of project management. There can sometimes be too much project management (that can be adversarial to agile practices) versus too little and a more hands off approach – which ultimately sets the team up for failure as there is uncoordinated team work. Agile requires strong rather than picky project management. Additionally, adoption has to be driven top down from executive level. For many organizations, the transition to agile can be a big cultural shift – that needs the appropriate management support. For success, and critical stakeholder buy-in, everyone needs to be dedicated to the initiative.
- **Business needs and understanding the business.** Emphasis should be on what needs to change and on getting the right buy-in; "stakeholder management" and "expectation management" are critical. The consensus was that within agile teams it is extremely important to have a central focus on "user experience" – in other words ensuring engagement with the users of the end product as well as the stakeholders in the business. The focus needs to be on what the user wants and not what the business thinks the user wants.
- **Evaluating what makes sense.** Knowing about where to start and which projects are right for agile, the resources, and the people. There needs to be a sensible approach as not everything can be agile.
- **Understand the options available.** Understand all the options around agile – "scrum" is not the only option.

- **Evaluate what's working.** Although Agile works well when in the same geographical locations, experience is beginning to show that geographically dispersed agile team teams work in the following situation: development is located offshore, business analysts are located onshore, and test is carried out in between the two. In this situation project management can theoretically sit anywhere but must be strong, otherwise agile practices will not work.
- **Identify and underline the business value of agile.** For successful stakeholder buy-in and business support there needs to be an onus on demonstrating the business value of agile. In every organization there will be those that are resistant to change, and see no real benefit in changing the approach. Therefore from the outset it is about demonstrating the "so what" of agile: what is the business value in agile adoption (customer and business centricity, faster time to market, delivery of working deployable software on an incremental basis, ability to innovate, etc.)? Why and how is agile different?

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IDC U.K.

Chiswick Tower
389 Chiswick High Road
London W4 4AE, United Kingdom
44.208.987.7100
Twitter: @IDC
idc-insights-community.com
www.idc.com

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