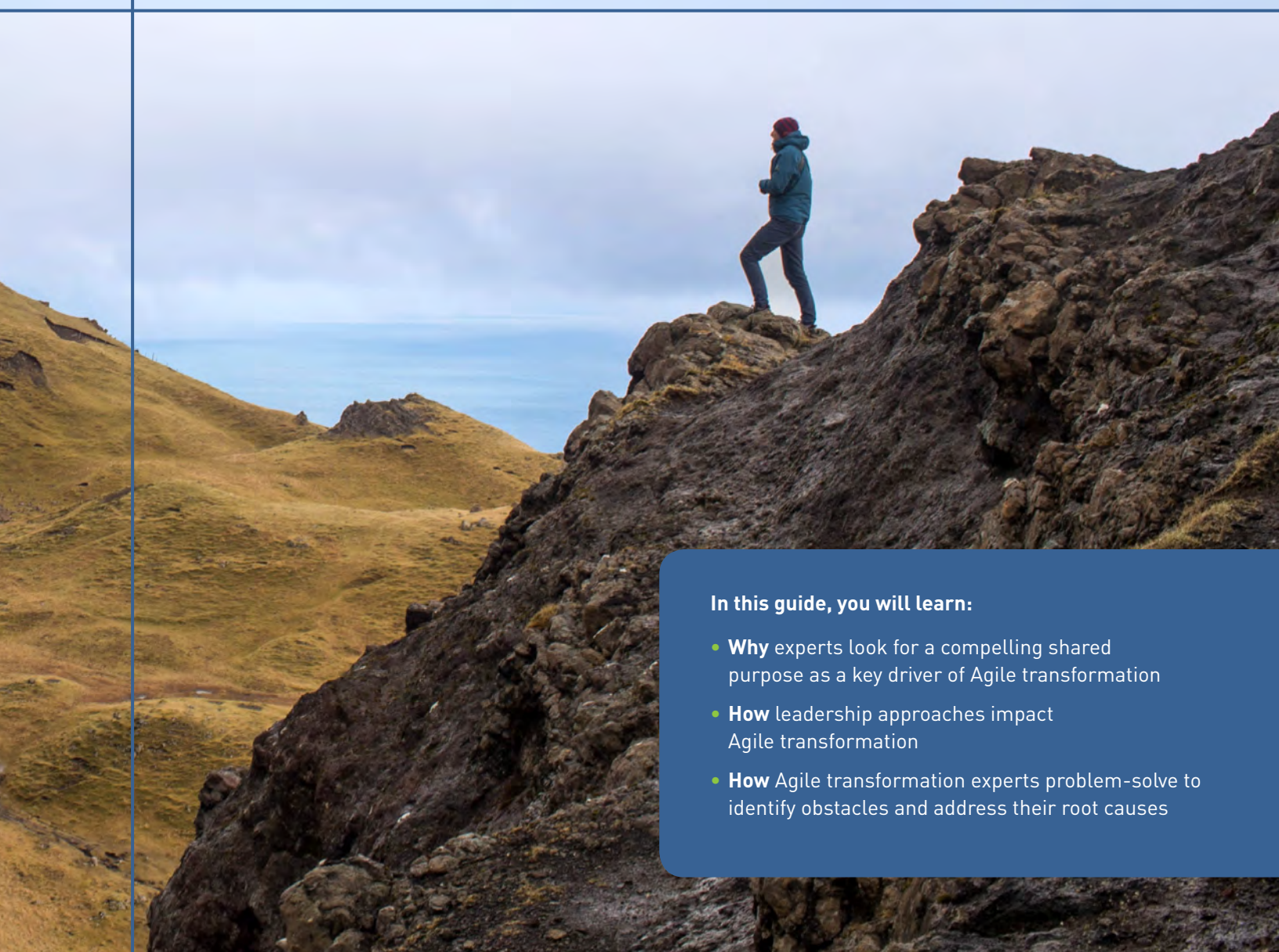# neu•eon

# AGILE TRANSFORMATION:
## How Experts Help Leaders Identify and Overcome Organizational Challenges

**In this guide, you will learn:**

- **Why** experts look for a compelling shared purpose as a key driver of Agile transformation

- **How** leadership approaches impact Agile transformation

- **How** Agile transformation experts problem-solve to identify obstacles and address their root causes

## About This Guide

The Agile[1] Manifesto was first applied to software development,[2] but over time, organizations realized that Agile's values and principles could have broader benefits to the organization as a whole. They began seeking to become more "agile" (with a small "a") — to respond more flexibly to changes in the competitive landscape and evolving customer needs. What's more, organizations began to realize that Agile at scale requires broad application of the principles beyond IT departments. In fact, McKinsey & Company defines "agile transformation" as a holistic change that requires a fundamental evolution from "organizations as machines" to "organizations as organisms."[3]

*Agile transformation is a radical shift for most organizations. Clear objectives and shared values are required to weather the structural and cultural challenges.*

Agile is a journey. Many organizations have stopped their journey at the water's edge of their engineering or IT departments. More ambitious organizations have embraced the vision of a truly agile organization and have pushed onward to real organizational transformation and beyond, seeking the promises of high performance, delighted customers, and a culture strengthened by transparency, collaboration, alignment, and high morale. When challenges arise on this journey, organizations need strategies to recognize and address obstacles without stopping their forward progress. This document explores how experts in transformation assess and address the most common and often most serious challenges. You can use these insights to reflect on your own progress and challenges and determine if these ideas apply and could support your progress too.

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# Where are You on Your Transformation Journey?

*Being Agile* is a journey of discovery and growth. There is no right way or right place to be, just a sense of forward motion and shared purpose. *Agile transformation* typically refers to the period through which an organization comes to terms with how Agile practices and mindset impact their structure, culture, and outcomes. No two organizations experience transformation in exactly the same way. Therefore, copying others or following some rigid set of rules won't typically work well. However, there are distinct markers along the path to becoming a high-functioning, agile organization, and these help the experts assess and support an organization's journey.

## Defining our "Why": Creating a Vision for an Agile Transformation

When transformation experts assess an organization's journey, they'll start by asking a simple question: "**Why is your organization on this journey?**" You would be surprised to learn how many leaders think the answer is obvious, but when asked, struggle to articulate it precisely. Often, they make statements, such as "we need people to deliver more," "we want a culture of adaptability," or "we're looking for better predictability." These are all potential results an Agile approach can drive. But *why* do they want them? Why do they need to deliver more, and how much more? Why do they want to adapt, and what are they willing to change to achieve this? Why are they seeking better predictability, and what will the impact be? What's the impact of not achieving these results? Why are they important?

Along with clarity of reason must be clarity of purpose. Purpose is what drives us, what unifies us, what we all yearn for. The "why" should be clear, well-understood, and motivating to the organization. Without a compelling shared purpose, it's difficult to motivate self-organized Agile teams and focus them on the most important work. For example, if one goal of an Agile transformation is to improve predictability, a possible "why" is that we want our customers to trust our commitments to delivering solutions on time. If we stop there, we're saying to the organization, "Deliver on your commitments so the customer trusts us," and the result may be a lot of poor-quality work delivered on time. On the other hand, if we say, "Our customer believes we deliver the best, highest-quality solutions reliably and consistently. Let's find innovative ways to prove them right because we deserve to be prouder of our cutomer loyalty than any other company in our industry," we may just find our organization responds more effectively.

Another way to look at this is to ask a simple question: "Is our purpose clear and compelling enough that every single person will get out of bed every day understanding and wanting to achieve this larger goal?" There are many reasons to pursue an Agile transformation — understanding and communicating your organization's highest priority is paramount. Only companies that begin with a clear vision of the "why" are likely to succeed. The next step is to discover how well the vision of Agile's benefits is understood and adopted by all. This begins to create a clearer picture of where you are on your journey.

### *Where are you on your Agile journey?*

Do you know clearly why you are on this journey and how well your leadership, employees, and even customers and partners, understand your goals? Their connection to your purpose helps everyone align and find mutual benefit in your efforts. Where internal and external organizations meet, there is often friction. Alignment reduces that friction and contributes to improved, shared outcomes.

# Measuring our "Why": Developing Clear Metrics for Success and Progress

Assuming you have a clear purpose for Agile transformation and your organization is well-aligned to that purpose, the next question the experts will ask is, "**How will you know if you're achieving the benefits you believe an Agile approach should deliver?**" Do you know clearly how you'll measure success and ensure everyone is working toward those metrics? Will your measures of success impede your organization, for example, by causing unwanted behaviors or "gaming of the system" to provide the perception goals are being met? Or are your measurements truly embraced and believed in as important to everyone? Here's a simple question to test the value of your metrics: If a metric scores very high, does that mean the company is doing well? And will stakeholders agree?

## Example of measuring by mandate

The leadership team of Company X determined a company-wide Agile transformation would enable rapid organizational response to customer needs and improve overall customer satisfaction by delivering what customers want faster[4]. To determine if the company was making progress toward that goal, leadership decided to measure epic cycle time — the average time in which features are implemented.

Leadership told teams, "From now on, you must report your epic cycle time, because we believe it will help management see how you are delivering. When you're behind, we'll see it and be able to *help* you." Leadership didn't give teams a compelling reason to track epic cycle time, only a mandate and general sense it was important to management.

A lack of connection between the "why" and the work can lead to bad practices. For example, positioning management as planning to "help" when metrics are bad at the team level implies teams aren't fully accountable for their own success. This is the type of unintended messaging that happens when leaders look at their roles as benevolent dictators, not servant-leaders.[5]

> Typically, epic cycle time at a team level provides a data point for individual teams to assess progress for their own internal benefit. Not every team needs to track this metric to improve. It depends on where they are in their own Agile maturity. In terms of transformation and organizational norms, when aggregated, it often takes on a different purpose. If cycle time is low, meaning features are produced fast, is the company doing well? You likely can't tell. Epic cycle time gives an average of how fast we're delivering features, but not all features are the same size or of equal importance.

## Weak measurements may lead to poor behaviors.

The message the leaders probably wanted to send is, "We think this will help us make our customers happy." The message the teams likely received is, "Here is one more way management will control, criticize, punish, and perhaps reward us." The result is often teams gaming the system. For example, teams may make smaller features so cycle time is reduced, because small features take less time to deliver. That's not necessarily bad, but it isn't focused on or motivated by what the customer wants. Pressure to deliver on a metric the team isn't aligned with pulls them further from delivering for the customer. They may also de-prioritize anything that looks risky or requires innovation, because risky features often take longer to produce.

## Weak measurements may lead to poor outcomes.

Even when it appears it's going well, how do we know we're building the right features? How do we know if this correlates to customer satisfaction? What's more, what if we are making the customer happy by producing features fast, but we're also creating huge amounts of technical debt[6] that may create security risks or outright failure down the road for our customers?

## *Helpful Hint*

Know what your measurements truly indicate and how they align directly to your goals. Make sure your teams understand and embrace those measurements. If epic cycle time doesn't provide real guidance on how the teams are progressing toward delivery of real value, why are we measuring it? More importantly, are we confident that everyone in the company agrees with our interpretation of cycle time and its significance? If not, we have discovered an obstacle to success.

To be clear, epic cycle time is not a bad metric, but it can be used or communicated poorly. More important than the measurement is how we are including the teams in uncovering and establishing the right metrics.

# The Importance of Trust and Servant Leadership

Transformation experts will look for a disconnect between leadership's desire to support an outcome, their reluctance to trust teams, and their inability to effectively communicate a vision large enough to focus those teams. Dictating solutions and approaches with a "do it because I said so" attitude may drive short-term results, but it will never foster real accountability, loyalty, and morale — all of which impact productivity in the long run. Strong Agile leaders tend to be servant-leaders, seeing their role as stewards of their teams, giving teams a clear purpose and support and then trusting them to deliver the best possible solutions.

Trusting teams means you believe that if you give your teams a clear vision and sense of mission, they will solve the problem to the best of their abilities. For example, rather than dictating how to measure productivity, or even what impacts it, leaders in an Agile organization stress why productivity matters and provide guidance for how this goal aligns with other company objectives. Then, the leaders trust the teams to figure out how to measure and improve it.

If you read into the earlier example that leadership should have been clearer on the purpose behind measuring epic cycle time, then you missed the larger issue that transformation experts focus on. They'll ask why leadership is trying to solve the problem at all. Why aren't they focusing on a clear message about outcomes and finding ways to be inspirational? Why aren't they trusting teams to get faster by aligning them more with the vision rather than standardizing on arbitrary measurements of productivity? When management focuses more on trusting, listening to, and supporting teams instead of fixing them, real agility benefits are often realized.

Google did a study[7] and found two of the most significant predictors of a highly productive team are impact of work — does the team fundamentally believe the work they are doing matters? — and clarity of goals. Management assistance and metrics were not significant contributing factors.

# High-Performing Organizations Embrace the Journey

Agile transformation has to do with the adoption of Agile practices and mindset, but not with how well it's going. So, it can be argued that Agile transformation is "easy". Just do it, and call yourself "Agile." This is where problems often begin. Implementing Agile practices doesn't necessarily change your mindset, your organizational structure, or your culture. So, a better definition of Agile transformation is when the principles of Agile have been completely embraced by the entire organization such that any organizational impediment to Agile practices is addressed without significant management friction and people no longer talk about Agile as a noun, but rather it is an unspoken, accepted way of being. This is what differentiates high-performing organizations that embrace agility from other companies — it becomes part of who they are — relentlessly focused on collaboration, learning, and exceeding their customer's expectations. It's not a tagline on a poster, it's their culture.

# How Agile Principles and High-Performing Organizations Align

| | CHARACTERISTICS OF HIGH-PERFORMING ORGANIZATIONS | HOW THE PRINCIPLES BEHIND THE AGILE MANIFESTO ALIGN |
|---|---|---|
| **CUSTOMER & VALUE FOCUS** | They place continuous, high-priority focus on the customer and delivery of business value, for example, customer value and satisfaction, predictability, or quality. | The highest priority is to satisfy the customer through early and continuous delivery of valuable software. Simplicity — the art of maximizing the amount of work not done — is essential. |
| **ADAPTABILITY & FLEXIBILITY** | They have the ability to quickly identify when the organization needs to adapt and the flexibility to do so rapidly. | Agile teams welcome changing requirements, even late in development. Their processes harness change for the customer's competitive advantage. |
| **CLEAR OBJECTIVES & ACTIONABLE GOALS** | They focus on long-term objectives enabled by the achievement of actionable, short-term goals. | Working software is the primary measure of progress, and they deliver it frequently, with a preference for shorter iterations, for example, weeks versus months. |
| **BUSINESS-IT ALIGNMENT** | There is organization-wide alignment on strategy, people, processes, and structure. | Business people and developers work together daily throughout the project. |
| **TEAMWORK & COLLABORATION** | Their cultures support teamwork, collaboration, and flatter hierarchies. | They believe the most efficient and effective method of conveying information to and within a development team is face-to-face conversation, and the best architectures, requirements, and designs emerge from self-organizing teams. |
| **CONTINUOUS IMPROVEMENT** | They make an investment in continuous improvement of their core capabilities. | At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behavior accordingly. |
| **MOTIVATING PEOPLE** | They invest in the workforce and focus on employee engagement and satisfaction. | They build projects around motivated individuals, giving them the environment and support they need and trusting them to get the job done. |

# What Commitment to Transformation and the Journey Beyond Requires

Challenges to your transformation will come from many places. Some are simple to address through education and coaching. Others require a serious look in the mirror, because many of the most difficult challenges come from the top.

One of the biggest barriers to Agile transformation is a subconscious desire by many (or most) to defend the status quo. For example, if you are in an organization that recognizes a need to become more Agile, you probably look at it through the lens of improving your own departments. This is the most common approach to Agile transformation. It's also the weakest, because while you introduce the least risk to the status quo — you also reduce your chances of fully realizing the benefits of an Agile mindset.

This is why small companies and startups are successful at adopting Agile principles quickly. It also means that if you don't commit fully, you are likely to find those small companies become your competitors sooner than you expected. What is the likelihood that your current, old-style organizational structure is optimized for agility? If it were, would you need a transformation? Don't simply try to layer Agile on it like a fresh coat of paint. "Real" transformation requires more than a shiny new exterior. It requires a transformed, resilient structure to support change. This isn't easy, but if agility is what you want, it's often necessary.

## Stay the course.

Of course transformation is difficult. That's the reason experts stress the importance of knowing your "why" first. Without that clear sense of unifying purpose as a guiding light, individuals, teams, and departments will likely veer off course or give up. It's also the reason organizations need to define measurable and well-aligned metrics. Measuring the wrong things can drive behaviors you don't want; measuring the right things will keep you on track — just like a compass guiding your direction. If you have purpose, aligned measurements, and commitment, your chance of success will improve greatly.

For example, you may have an IT team that manages your servers and a development team that builds your application. At some point the application goes into production. The development team has adopted Scrum and is getting faster at creating shippable products by focusing on work of the highest priority and optimizing their processes for being able to ship. As new features are built, the IT team and development team need to constantly coordinate to release products. Each team, however, has its own way of operating, its own requirements for engagement, its own understanding of the customer and the solution — and worst of all, its own priorities. As a result, the development team may be ready to ship but is forced to wait until the IT team is ready to play their part in the release. The development team becomes more and more unpredictable, even though one of Agile's benefits is improved predictability. When this happens, the default solution is usually to set up a complex set of rules, meetings, calendars, and planning processes to smooth out the differences. This is cumbersome, slow, and frustrating, but common. What if there were a better way? A simpler way? An Agile way.

What if we forgot about our existing teams, existing owners, and existing managers and we just thought about the work — the value we produce for our customers? What if we re-aligned people to the real way we work? What if instead of IT teams and development teams, we had value-delivery teams? What if we had everyone needed to achieve the goal working together collaboratively toward the same goals, with the same priorities, and with the same level of transparency and accountability for the result?

We can't always do this and it isn't the best strategy in all cases, but if an organization doesn't consider this or recognize that focusing on less work at one time will produce better results, then they will never be Agile. Organizations must break out of the status quo to maximize the benefits of transformation.

Remember, transformation isn't about perfection. It's about optimizing for the whole while maximizing teams. Don't believe this can work? Check out the successes with Large Scale Scrum (LeSS)[8], one of the many frameworks for implementing Agile at enterprise scale. There is nothing specifically "better" about this framework over others and any transformation expert will tell you, it's not the framework, it's understanding your objectives and your culture and what you are willing to change that matter. However, Craig Larman, the creator of LeSS, talks about his rapid implementation model using this lightweight framework. He creates a strong shared understanding among leadership and then rapidly reconfigures/realigns the organization by having individuals self-select, not based on titles, but on desire, ability, and an understanding of the problems and belief in the mission.[9]

## Is Your Agile Transformation Progressing as Expected?

**?** Are you considering an Agile transformation but not sure where to start? Or having trouble gaining buy-in and alignment before you do?

**?** Have you kicked off an Agile initiative and want to ensure it's as effective as possible? Perhaps you're already hitting early roadblocks?

**?** Are you in the midst of an Agile transformation and concerned about progress or not getting the results you planned for — and you don't understand why?

**?** Do you think you've successfully transformed, but old challenges keep repeatedly rearing their ugly heads?

Recognizing there are problems is the first step. By understanding them fully and taking steps to solve them, you can drive positive change that moves the organization more quickly toward its Agile transformation vision.

# Identifying Challenges to Transformation

Every transformation will encounter challenges. So, it's a good idea to become familiar with the nature of common obstacles you may encounter and recognize the signs they are at work. Virtually every challenge will have several effective solutions, depending on the situation. A transformation expert can usually pattern match and help you resolve them efficiently. Note that "resolve" doesn't always mean "directly fix." Sometimes, it's just a matter of helping an individual or team recognize the problem, so they can resolve it on their own.

## Challenges at the Individual Level

Agile emphasizes the team, but each person travels their own journey of discovery. And while most will experience an "Aha!" moment at some point, a change in mindset can be elusive, which often hinders movement forward or suppresses Agile's benefits. For example, individuals may have:

- **Resistance to change:** People who have been in their roles for years can be set in their comfortable ways. They often don't see the value in changing the way they work and will push back or continue to use anti-Agile processes and tools behind the scenes. They may struggle to understand how Agile is different or how it helps them or the organization. If they don't see or experience the purpose, they can be slow to embrace both the mindset and methodologies.

- **Role confusion:** When individuals become part of an Agile team, there is often lack of role clarity — not just what the role itself is, but also the way the role is intended to perform on the team. In an Agile team, a greater emphasis is put on collaboration and inspiration versus compliance and adherence to rules. For example, roles in a development

team may have changed to Scrum Master or Technical Lead, but job descriptions may not have evolved in tandem, making it hard for people to identify what work they should — and shouldn't — be doing. Role confusion often holds teams back from becoming a cohesive, high-performing unit.

- **Difficulty prioritizing "we" over "I":** While people in non-Agile environments work in teams, their focus is usually on what *they* must deliver to meet the business need. Agile forces them to adopt a different, sometimes foreign, team-first mindset. Just learning to focus on "we" instead of "I" — for example, "we delivered value" instead of "I finished my tasks" — can be quite a shift. Team dynamics, like swarming and focusing on flow, are uncomfortable for many.

- **A lack of Agile knowledge or experience:** People can be new to Agile and unfamiliar with its practices. New graduates just entering the job force might have Agile knowledge but little experience. Often, executives and certain departments know it by name only. Learning Agile fundamentals can be easy, but gaining a fuller understanding and appreciation of its approaches and how to apply them takes time.

Many challenges at the individual level stem from the radical shift required to move from a culture focused on individual performance to one that prioritizes the team — which is essential for Agile approaches to be effective. In most organizations, people are primarily measured, rewarded, and compensated for their own work, even when there's a component of their performance plan that links to higher-level results. Employees, leaders, and HR professionals are all used to this system, which has likely been embedded in the organization's DNA for years, if not decades. Fortunately, these challenges can be overcome with changes in mindset, the execution of key strategies, and effective change management.

## Challenges at the Team Level

While everyone is on their own journey of discovery, they're also learning how to work together effectively in an Agile way. Whether it's a development-focused team within IT, a cross-functional team inclusive of business and technology stakeholders, or even a cross-organizational team including partners, this presents its own challenges that can block forward progress or diminish Agile's returns. And they are more difficult to overcome when organizations begin to scale Agile and teams of teams across internal and external stakeholder ecosystems. For example, teams may experience:



- **Difficulty developing cohesion:** Becoming effective takes time. One well-known model for describing this growth pattern is the forming-storming-norming-performing stages of Tuckman's stages of group development.[10] Team members may struggle to build mutual trust if it doesn't already exist, and it can be tough to develop a shared understanding, common focus, and new patterns of work. These and other dynamics often hold teams back from becoming high-performing.

- **Role confusion:** Lack of role clarity doesn't just challenge the individuals involved. It affects the team as a whole. The team won't function well when anti-Agile behaviors are in play, for example, if one person isn't willing to do what's most important for the team or another tries to become the "leader." This can be particularly impactful when a manager is embedded in a team with their direct reports, where manager-employee relationships often cause trust issues when decisions need to be made and the team members don't feel safe to voice their ideas. For example, what if each team member is working on their own tasks but a critical task is falling behind, and the "leader" insists someone has to drop what they're doing to help? It may be appropriate for that person to switch gears, but when team members are reduced to order-takers, they lose a sense of accountability and motivation. Those who are used to telling others what to do must learn how to share their thoughts in a way that fosters a desire and willingness to collaborate. This is what an Agile mindset requires.

- **Lack of alignment with the vision and goals:** For Agile methods to be effective, teams need to connect their work to the organization's higher-level mission. They need a shared understanding of who their customer is and what value means, as well as agreement on measures of success that align with the organization's goals. This is how teams prioritize their work, and having this connection enables them to develop a sense of purpose and ownership — but it can be difficult to establish and maintain, particularly in large, hierarchical, distributed organizations.

- **Resistance to Agile:** Some teams will resist adopting Agile techniques, even when there is a clear desire for transformation at the executive level. They may doubt it will work in their environment or have lived through failed process experiments in the past. Often, they continue to use anti-Agile practices even on an "Agile" team. They will continue heroics working late into the night and burning out or obsessing over task completion instead of value delivery by the team.

- **Ineffective tools and processes:** Agile values individuals and interactions over processes and tools, but processes and tools are necessary to be Agile at scale. Teams need continuous integration strategies, automated testing environments, and automated deployments. They simply can't prevent technical debt without good infrastructure. One of the mistakes new teams make is thinking they can be agile without these facilities. Then they wonder why they can't test everything or deploy fast enough.

- **External impediments:** External challenges to a team are often the hardest and most significant obstacles to improvement. For example, organizational rules, constraints, and policies; centralized services that create bottlenecks and impact predictability; governance-generated delays, impediments, and inefficient handoffs; internal politics across unaligned teams; and interference from "HiPPOs"[11] can all reduce the effectiveness of an Agile transformation — often dramatically.

To be effective, Agile teams require a shared understanding. For that, they need metrics they agree are important, clear goals, and aligned expectations on what "good" means. They need management support and a culture of trust, respect, risk-taking, and continuous improvement.

Coaching a "forming" team works best when facilitators and leaders take a servant-leader approach, letting the team feel safe enough to experiment but focused enough to move toward delivery of value. If the team has a good retrospective process, where measuring what matters results in identifying impactful changes and acting on them, eventually, a stream of small, incremental changes can drive strong performance, teamwork, and culture.

> *The thing that cripples communication saturation is specialization — the number of roles and titles in a group. If people have a special title, they tend to do only things that seem a match for that title. And to protect the power of that role, they tend to hold on to specific knowledge.*
> *– Jeff Sutherland, Scrum: The Art of Doing Twice the Work in Half the Time*

## Challenges at the Leadership Level

Leaders in all levels of the organization — from managers and directors to VPs and the C-suite — can be obstacles to an Agile transformation. They also have the potential to become some of the most impactful champions along the journey. It's important to recognize common leadership challenges that often become barriers to progress or keep organizations from realizing the benefits they expect, for example:

- **Difficulty adapting leadership style:** In an Agile environment, strong leaders focus on giving teams what they need to be successful, including a safe[12] space to experiment and learn, alignment with the bigger picture, and empowerment, among other key enablers. Leaders new to Agile may recognize the Agile changes their teams need to adjust to, but they may underestimate how they need to change their own mind-set, their approaches, and even their vocabulary. For instance, a leader may be used to saying, "We need to fix this team." They view changing the team's behavior as their responsibility. For Agile to thrive, however, teams need to become self-sufficient and more globally aware of their larger purpose. This requires changes to leadership style. For example, a "leader as servant" saying, "We need to make sure the team understands the larger goals and then we need to support their approach to establishing alignment to it," leads to teams that are more loyal, more productive, more accountable, and often happier. It has the added benefit of being easier to scale, because there's no single point of failure (the leader) who needs to monitor and dictate all outcomes. Leaders can struggle to transform into true servant-leaders, given traditional command-and-control practices, which have been accepted and are considered successful for getting certain results. But, Agile organizations are interested in realizing the benefits of an Agile approach — and that requires a change in mindset.

- **Inability to recognize motivation variation**: Managers often like simple solutions. For example, people aren't delivering fast enough? Promise them a performance bonus. The problem is that workers have different motivations and need incentives that align with what drives them. Research shows, for example, that laborers doing repetitive tasks are relatively easy to motivate with financial rewards. Knowledge workers, however, those who need to think through problems to achieve results can often be demotivated by these same strategies.[13] Leaders need to get out of a one-size-fits-all mindset to really achieve high-performing Agile results.

- **Uncertainty and fear:** This challenge is common for middle managers, like managers and directors, as well as for specialists, because these roles are theoretically unnecessary in an Agile organization where flatter hierarchies are more useful and Agile team members are generalists. An uncertain future often inspires fear, which can lead to resistance and roadblocks presented by leaders at any level. A high-functioning team simply needs less oversight, and that means those middle managers or single-function individuals have less value to the organization unless they too transform. Helping them do this should be part of the senior leadership's mission.

- **A lack of alignment across leadership:** Some leaders may not believe Agile will benefit the organization or their domain. They might not buy into Agile's values and principles, or they may not agree on the transformation's vision and goals. When leaders aren't on the same page, it trickles down and delivers mixed messages to their teams, hindering progress and diminishing returns. It creates friction between teams and departments which lowers morale and productivity.
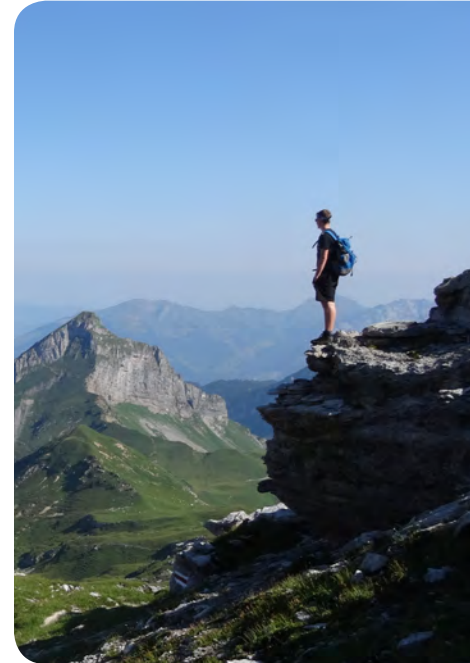
The concept of leadership may change significantly in an Agile transformation. Leaders must rethink how they work with each other and their teams. They have to be open to the change in mindset and methodologies. "Coaching up" can help leaders make this transition effectively. Often, these problems benefit from pairing a trusted transformation advisor with leaders and teams to work through the larger, more serious challenges. It can take time to gain a leader's full buy-in, but it's necessary for the organization to gain the benefits agility can deliver.

> *A servant-leader focuses primarily on the growth and well-being of people and the communities to which they belong. While traditional leadership generally involves the accumulation and exercise of power by one at the 'top of the pyramid', servant leadership is different. The servant-leader shares power, puts the needs of others first, and helps people develop and perform as highly as possible.*
>
> *– Greenleaf Center for Servant Leadership*

# Signs Your Transformation Has Hit an Obstacle

Perhaps you've recognized some of the challenges described in the previous sections. If you haven't, however, here are some signs you may have serious challenges to overcome. Signs may reveal themselves in people's words and behaviors or through outcomes that aren't what you expect. Symptoms can be plentiful, may indicate more than one impediment, and are often difficult to interpret. You may know something is wrong, but not be able to uncover the root cause.

While every situation is unique, here are a few of the most common signs you might encounter and the obstacles they could point to:

- **Teams are Agile in name only:** When mandates come down from on high — "Thou shalt be Agile!" — it's not uncommon for teams to react by adopting Agile routines and terminology without really changing their approaches or mindset. This is so prevalent in the government, that the Unites States Department of Defense actually posted a document addressing "Agile BS."[14] For example, what happens if a team says it is "doing Scrum," but all of their stories are tasks that are dependent on other tasks — a clear waterfall of tasks that can be easily represented on a Gantt chart? By creating tasks and locking in dependencies, they'll get none of the benefits derived from focusing on delivering value (because tasks are not inherently valuable to our customers) and no ability to reprioritize (because of the dependencies). Rigid task plans inherently stifle innovation and willingness to vary from the plan, causing teams to miss out on the main benefit of adopting Agile — flexibility to adapt based on customer needs and business value.

- **Delivery from Agile teams isn't predictable:** The team may consistently miss deadlines, or quality could be suffering. You might not be seeing the benefits you expect. These are clear signs there is an opportunity for improvement, but it can be tough to identify what's holding the team back — lack of cohesion, ineffective processes and tools, or Agile resistance are common.

- **Lack of transparency:** Management may be frustrated they don't know what is happening or how they can help. Teams might not be showing clear progress or cadence or soliciting feedback. This often reflects a lack of transparency and trust. When Agile is working, every stakeholder knows where we are, how we are doing, what to expect next, and what the value of that delivery should be.

- **Leaders are giving top-down direction about how teams should work:** Managers may be prescribing solutions to their teams. Executives may put constraints around the tools and techniques Agile teams use. Among other underlying causes, this can indicate a lack of trust, Agile resistance, or people struggling to become true servant-leaders. The more standardization, the less autonomy teams have to improve, and the more brittle the organization may become. Process and tools are important, but if teams are spending more time trying to deal with compliance and standards than actually delivering value, it will be difficult (not impossible) to achieve many of the benefits of an Agile mindset. Standardization should never be more important than outcomes.

- **Teams and management don't test hypotheses and new approaches:** Teams often get into delivery mode, and they go on autopilot. There is no support for trying new processes, no expectation of finding new ways of doing things, and an "if it ain't broke, don't fix it" attitude sets in. In a strong Agile environment, there should be a culture of experimentation, and calculated risks should be rewarded if the team learns from the results.

- **People are saying Agile won't work for them:** This is common when non-Agile teams and departments are asked to work in more Agile ways. It can be a sign of resistance to change, skepticism of Agile's potential benefits, or simply a misunderstanding of what Agile is, among other barriers. For example, it is common to hear non-development groups say Agile doesn't apply to their work. But, Agile at its core is about a relentless pursuit of delivering value for your customers (internal or external) and a passion for learning and improving. What organization doesn't need this to excel at whatever they are doing? For example, Company X has a Product Management group that uses a waterfall process to develop new product ideas. They don't see value in being Agile. Instead, they set fixed commitments with their customers and are constantly disappointed when the product can't be ready or when its completion is rushed to hit the date and has many flaws. An Agile approach would help them significantly, but they need guidance to develop trust in the process changes.

- **Uneven application of Agile principles**: It's common for development teams to adopt Agile practices quickly, since there's so much industry support for it. However, when other parts of the organization don't alter their approaches, friction related to process, priority alignment, ownership, and collaboration arise, which can be significant impediments to success. For example, a compliance team with very long wait times that never participates with the Scrum teams may have a learning curve on every release, creating unpredictability and unnecessary schedule risk. An accounting team that budgets for projects may slow down needed team improvements because funds were not allocated for the changes they need to make. This often happens when funds are associated with specific types of purchases instead of the value stream, which leads to funding decisions that are misaligned with what is best for the product and ultimately, the company. Defending the status quo ("Just doing my job.") and a lack of alignment on Agile goals are often at the root of these issues.

- **Low morale:** People might freely express their negative feelings. They might talk to HR about role clarity or other job opportunities. They can cease to perform as well as they used to. Low morale can indicate a serious disconnect between the organization's culture and the values and principles Agile seeks to instill. Its root causes can be plentiful (and not necessarily connected to Agile), and many of them are difficult to resolve.

## A Real-World Experience

The professional services group in a large educational technology organization saw their solution deployments becoming increasingly more complex, time and resource-consuming, and expensive. This was during a time of rapid growth, and the company had goals to scale the business aggressively. They needed to make implementations more efficient and predictable but struggled to figure out how.

The company's initial instinct was to add more resources to implementations. This might have resolved some symptoms but wouldn't have addressed the root cause. The real barriers were:

- **Siloed teams:** Implementation teams were operating independently, focused primarily on customizations, configurations, and fixes at their own client sites, and the development and professional services teams weren't working together collaboratively and cohesively.

- **Process gaps and duplication of efforts:** Engineering lacked effective DevOps[15] processes, and there was no structure in place to flow work done at each client site into the development process. Teams had to reinvent the wheel with each new client — designing and developing customizations, configurations, and fixes that had been done before elsewhere.

- **Lack of alignment:** Issues were magnified by differing communication styles and work-product prioritization approaches. Where teams needed to collaborate, there was only friction due to differing priorities and cadence.

- **A non-virtuous cycle:** Leaders of the organizations focused on implementations rather than analyzing why they kept running late and the ultimate impact that was having on customer satisfaction. Emphasizing delivery to the point where innovation is stifled is not always in the customer's best interest. In this case, it meant failure to deliver results and more failure to deliver. It got so bad that many employees and customers started saying, "That's just the way it is…" The pull toward status quo can be so strong that even recognized institutional process failures become acceptable.

To solve this, barriers were broken down by aligning the goals of both organizations, driving a more Agile mindset and creating a streamlined flow of information from professional services to DevOps to engineering. As a result, client time-to-delivery improved by almost 40%.
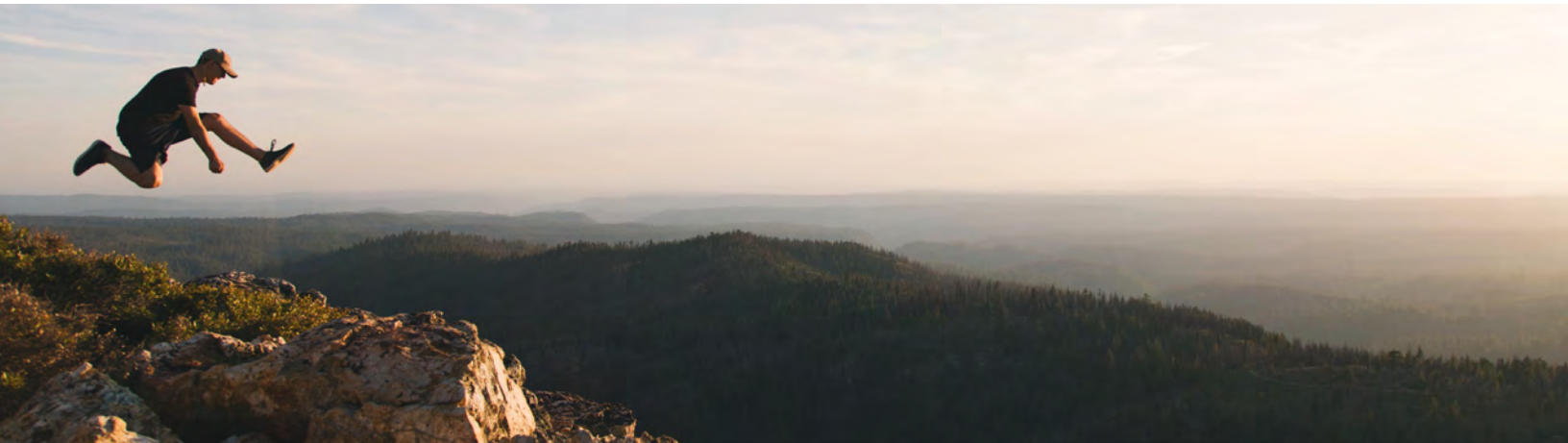


## How the Experts Problem-Solve for Obstacles

When transformation experts are faced with challenges, like these, they usually have a simple methodology for breaking down the issues and discovering the root cause[16]. This is critical to implementing the right solution. While approaches will differ, here are three key characteristics of how they commonly address challenges:

1. **Look for causes, not just symptoms:** Treating only what you see on the surface to gain short-term improvement can lead you to believe you've solved the problem when you haven't. Use proven problem-solving techniques, for example, root cause analysis and "the 5 whys,"[17] to gain a better understanding of what you're facing. Depending on the severity and sensitivity of the issue, it may help to bring in a third-party to provide an objective perspective. Personalities and politics can be tricky to deal with. Without someone willing to risk delivering an honest assessment, you may never uncover the real cause of the issue.

2. **Watch and listen:** Talk with teams and leaders frequently, asking how things are going. Don't just do this in formal settings — walk around the office, ask questions, listen well, and validate what you hear. Don't assume everyone will be forthright with their opinions, especially if issues are related to morale or trust. Leverage communication techniques, like active listening, and watch for anti-Agile behaviors that may indicate a need to dig further. If people aren't speaking openly, ask others how you can encourage more openness and trust. Work with a facilitation expert to guide conversations, and focus on listening, not solving problems. You will be more effective acting like a mirror, reflecting back to the team what you're hearing and letting them resolve the issue — or at least define it in their own terms with their own ask for support. This enhances accountability and ensures you have a shared understanding of the root cause. Don't be afraid to over-communicate, but realize communication happens in both directions. It's as important to listen as it is to be heard. When leaders hold organizational meetings to disseminate information, they're not usually motivating people, and they certainly aren't helping them. Have a listening tour instead, create conversations, not lectures, if you are serious about transforming your culture.

3. **Find and leverage change champions:** Agile advocates and people that help teams during times of major change can be found in all levels of the organization. They often have the ability to cut through what can be perceived as "lip service" from leadership. They may be able to get to the root causes of problems quickly based on their experience, relationships, and enthusiasm. Identify and engage them if you haven't already, and leverage their skills and energy throughout the journey. Work to develop advocates and evangelists throughout the Agile journey.

## The Next Step on your Agile Journey

The word "transformation" has been defined as "a thorough or dramatic change in form or appearance." It implies big, bold, and all-encompassing. It's daunting, particularly for long-lived companies with traditional, hierarchical organizational structures and cultures. But transformation is simply about change — the accumulation of incremental improvements to accomplish a long-term goal. Yes, it can be tough, but experienced leaders are adept at it — familiar with the work it takes to facilitate it gradually, balancing the lofty vision of what people call "transformation" with an understanding of the need to manage change and its impact on the organization — and the realization that sometimes, it's the culmination of a lot of incremental progress.

If your Agile transformation vision and goals seem sound but you're not getting the results you want, take a step back, and look for opportunities to improve. Talk to leaders, teams, and your external experts, listen with an open mind, and validate what you hear. Look for anti-Agile behaviors, analyze the environment to interpret root causes, and create a pragmatic plan to move forward. Take small steps to meet short-term goals that will help you achieve your long-term Agile transformation vision. Above all, learn to trust your teams. Ultimately, this can lay the foundation you need to become a high-performing organization.

### Need Help?

NeuEon's experienced business and technology leaders have provided high-performing organization and Agile transformation services for more than a decade, working with dozens of companies across industries to develop a depth and breadth of knowledge and experience. Through these engagements, the company has developed proven approaches that enable them to quickly identify and address roadblocks to progress and leverage opportunities for improvement. They are trusted advisors and servant-leaders that help their clients cut through the noise to meet their goals.

No matter where you are on your Agile journey — just getting started, midway through, or far along — contact us to learn more about how we can help you move forward as efficiently and effectively as possible and get the results you expect. We can help with:

- Development or assessment of your Agile transformation vision, goals, and strategies

- Pattern matching and root cause analysis to identify obstacles that may be holding you back

- Creation of strategies to overcome obstacles and drive forward progress

- Collaborative workshops to educate and establish alignment and buy-in

- Targeted coaching for leaders and teams to instill servant leadership principles and behaviors

- Facilitation of cultural change to establish an enterprise-wide Agile mindset
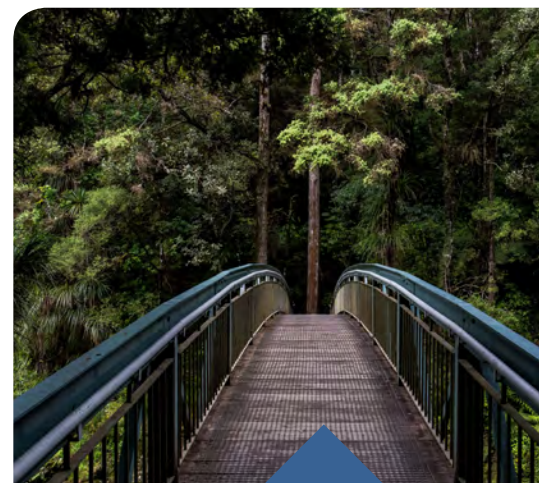
> " Words cannot emphasize the cultural implications of an Agile transformation. Ignoring the cultural and change-management implications of Agile is one of the biggest mistakes large organizations make.
> – McKinsey & Company "

# Unbiased Guidance. Unparalleled Results.

NeuEon is a boutique consulting company focused on combining strategic technology transformation with practical implementation. For over a decade, the company has delivered measurable results for a wide roster of clients from start-ups to enterprises, with specialized services for the investor community. NeuEon's team of senior-level leaders with deep business and technology expertise apply proven methodologies and processes to enable clients to reach their objectives.

*To learn more about NeuEon and how we can help,*
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Sources

[1] Throughout this guide, we use the term "Agile" as a noun or adjective to mean the Agile principles, values, and mindset as intended by the Agile Manifesto. When we refer to "being" or "becoming" Agile, we mean the practicing and embracing of this mindset. When we use the lower case "agile," we mean the characteristic of being quick, resourceful, and adaptable.

[2] Agile Manifesto for Software Development, http://agilemanifesto.org

[3] McKinsey & Company, The five trademarks of agile organizations, https://mck.co/2nfsgAg

[4] "Faster" is not well-defined and therefore not an effective goal. When we set vague goals, we get undetermined results.

[5] Servant-leader is not a new term. In 1970, Robert Greenleaf published an essay titled "The Servant as Leader" and started a movement in management that believes in putting others' needs first. https://www.greenleaf.org/what-is-servant-leadership/

[6] Introduction to the Technical Debt Concept, Agile Alliance, https://bit.ly/2vBrljh

[7] Inc. "Google Spent 2 Years Studying 180 Teams. The Most Successful Ones Shared These 5 Traits," http://bit.ly/2JuRFmg

[8] The LeSS Company, https://less.works/

[9] The LeSS framework is one of many. This video shows Craig Larman describing the process. What is important to learn from this is not about LeSS but the approach Mr. Larman takes to create rapid adoption. It's a powerful and motivational strategy that can result in much higher levels of buy-in and better aligned teams.

[10] Bruce W. Tuckman - forming, storming, norming, and performing in groups, infed.org, https://bit.ly/1DRMxMQ

[11] Medium, "Do you prioritise like a HiPPO?" http://bit.ly/2Vaf5Q1

[12] Safe means a culture that does not penalize failure, rather encourages and rewards learning from mistakes. Missing a deadline should not be career limiting, and learning a new approach from that miss should be rewarded. This creates a feeling of safety which usually results in greater collaboration and higher morale, which almost always leads to better outcomes.

[13] Drive: The Surprising Truth About What Motivates Us Paperback, Daniel H. Pink, https://amzn.to/2ICrtXq

[14] Department of Defense, "DIB Guide: Detecting Agile BS," http://bit.ly/2VbUIlN

[15] The Agile Admin, "What is DevOps?", https://bit.ly/2aL34PV

[16] What is Root Cause Analysis (RCA), American Society for Quality, https://bit.ly/2aL34PV

[17] The 5 Whys Process We Use to Understand the Root of Any Problem, Buffer, https://bit.ly/2wkFCC2