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7 KEY TENETS FOR BUILDING AN AGILE ORGANISATION BASED ON TRUST

BY SYMON CUSACK AND KEVIN HEATH

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The world just got more uncertain with the impact of COVID-19 and the knock-on implications are still unfolding. No business or organisation will have been unaffected, and many corporate strategic roadmaps have been torn up in favour of a new direction, one that has emerged, in some cases, literally overnight, and involves trusting employees and suppliers to do the right thing with this newfound autonomy.

Many organisations, including ourselves, are however reporting that levels of productivity and innovation are being sustained or even increased as we learn to adapt.

As we have had to adjust to remote and flexible working, the usual controls, leadership hierarchies and governance procedures have been diluted in favour of trusting people to do the right thing inside clearly defined parameters. Many of the previous controls and processes have had to be relaxed but with apparently little discernible detriment.

Enterprise agility, building on the same lean and agile principles we apply at grass roots level, is now an essential ingredient for many leading organisations seeking not only to survive but flourish in this brave new world, and **start to really trust the workforce to do the right things.**

Here are the 7 key tenets we see that are needed to build that trust in successful agile organisations:

1. EVERYONE NEEDS AN AGILE MINDSET

Agile has been successfully adopted outside of the IT department for some time, with notable success stories across business functions, customer service, procurement, product development, legal, and sales business functions, to name a few. Agility needs to extend to often monolithic departments that support the business, not only in how they manage their work but also in how they interact with internal customers and external partners. To do this, C-suite needs to lead by example to **instil an agile mindset throughout the DNA of the enterprise.**

Dr John Kotter in his book XLR8 shows us how a traditional top-down management hierarchy can work alongside a collaborative matrix organisation. It highlights that we still need leadership and decision making up and down the organisation, but this should now focus on enabling and supporting the team networks to deliver the organisation's goals within a framework of trust.

2. TAKE WORK TO STABLE TEAMS

Traditional approaches will grow a team to deliver a project, only to dismantle the team at the end of delivery, just when they are starting to 'norm' – a term from Bruce Tuckman's Team Maturity 'forming, storming, norming, performing' model. But unlike projects, products and services aren't complete until they are retired or replaced. As soon as the first release is deployed, they continue to be both developed and supported.

Successful organisations orientate around trusted, multiskilled and well-bonded teams and seek to keep them together. This allows them to 'pull' new work into the team when they are ready to accept it, whilst balancing the support load of existing products. Much of this thinking is built into new scaling models such as Jeff Sutherland's Scrum@scale and has its foundations in organisational design principles such as Sociocracy 3.0, forged on practices developed from as far back as 1926.

When it comes to reward and recognition, the focus should be on the team rather than individual achievement. Given the right level of trust and empowerment, high functioning teams can self-heal because they can be **trusted to unblock issues** themselves and those of nearby dependent teams. As an example, Google's two-year Aristotle project studied 180 teams of various sizes and concluded that the dominant trait of their successful teams was psychological safety – how safe team members felt to take risks and be vulnerable in front of each other.

3. RETHINK GOVERNANCE AND PLANNING

BSI chief executive Howard Kerr was quoted in Management Today as saying:

“Governance is about doing the right thing... It's all about communication – and how the company message is communicated internally and externally”.

The construct of a monthly project board is increasingly becoming outdated in favour of a 'go and see' or gemba mentality. This closer understanding of the situation helps decision making and unblocks issues faster.

Getting teams to work directly with the customer (or their representative) removes layers of obfuscation. Important measures that track progress against the project plan are valid when it's sequential and predictable whilst product and service development seldom is, so the focus must be on providing value early and incrementally. **Those that have the authority to unblock issues are now increasingly adopting a 'go see' approach to understand first hand and in real time how things are going and what they can do to help.**



Fundamentally, agile planning boils down to the sequence and order of the development backlog but often trusted teams need to get together to look forward, recalibrate and break down dependencies. Practices like SAFe's Planning Increments (PI) championed in the Scaled Agile Framework are becoming more prevalent – but be careful not get tied into even short-term plans over welcoming change.

4. MEASURE THE RIGHT THINGS

If the output is sequential, predictable and delivers at the end, then the best you can do is monitor the planned milestones and measure the benefit after delivery. If the output is unpredictable and can be delivered incrementally, measure the value and the feedback received. Meanwhile, developing a start-up mindset and approach to measure the assumptions proved and disproved can be useful if you have an idea for something new.

Many agile organisations are now orientating the whole organisation around a set of outcomes and associated objectives. **Practices such as OKR (Objectives and Key Results) focus on the real customer value metrics** and provide a mechanism for trusted teams to orientate their own goals and results.

We need to value the health of our biggest asset – our teams – and **have conversations based on trust to help teams get better at what they do**. We must allow them to try new things and **give permission to fail by providing a safe environment of trust**, but within a wider governance framework of permitted experimentation.

5. ORIENTATE AROUND END-TO-END VALUE

Stable teams that understand the needs of the customer and sit within a value chain are increasingly seen as the most effective way to build up a delivery capability. This is thanks to **key stable resources building up a knowledge of the 'end-to-end' delivery value chain** and therefore becoming trusted to actively contribute to improvements in their 'upstream and downstream' interactions.

Consider helping to setting up a network of communities of practice to allow groups to self-organise around key roles and topics. This will help to create experts from within and is an easy way to show what support is needed across areas of the business. Recent UK research from Emily Webber and Robin Dunbar (the creator of Dunbar's number) shows that communities with more than around 40 members need some organisational structure, and that smaller group sizes of 8-15 are more able to meet.

DevOps, Continuous Delivery and Site (Web) Reliability Engineering (SRE) principles were born out of the software industry and have wider applicability. In particular 'bringing quality' forward prompts teams to include semi-dedicated specialists that are normally 'downstream' and could cause delays and rework. These could include accreditation, assurance, security and production support specialists.

Automation technology is playing an increasing key role in the production process, allowing faster checking and earlier error detection. It's also helping to create collaboration across teams that can't always be collocated. There is a clear benefit to early adoption of these processes and technologies, as it will save money later on. From a collaboration standpoint, the days of email are fast dying in favour of digital messaging, work management and team collaboration tools.

6. RUN A DYNAMIC PORTFOLIO

Regardless of which business you are in, **the portfolio should contain a mix of delivery approaches; Waterfall, Hybrid, Agile and Lean Start-up.** Predictable work with stable requirements can be delivered using a Waterfall approach, while more fluid requirements where the solutions can be delivered in an iterative way are better suited to Agile. Meanwhile, new concepts and ideas are best served with a Lean Start-up approach as extolled by Eric Ries in his book *The Lean Start-up*. A new product or service may start out as a Start-up and then be accelerated into production using Agile.

The Scaled Agile Framework's approach to dynamic portfolio funding is described in its lean budget guardrails and has 'capacity' funded across value streams rather than funding projects individually. This means the investment is allocated across funding horizons; allocating budget to incubate new ideas as well as the development of new capability, supporting and retiring legacy applications.

The portfolio should work to roadmaps that give direction based on the OKRs, but detailed planning should be to an appropriate horizon and ideally synchronised across the organisation so investment in value streams can be increased or decreased based on business priority.

Beyond budgeting is a fairly universal set of principles advocated by a number of professional organisations, which includes many of the concepts already mentioned. But at the centre, it highlights the 'bad behaviour' that can stem from annual budget cycles. According to the ACCA in their *Beyond Budgeting* technical article, "the business environment has become far more complex, dynamic, turbulent and uncertain. Shorter product lifecycles coupled with technological advancement has focused greater attention on innovation as a determinant of corporate success. **Although organisations need to be as adaptive to change as possible, the rigidity of the budget serves only to stifle innovation and responsiveness to change.** The need to comply with a fixed plan, and to manage with resources which may have been allocated more than one year earlier, act as impediments that prevent the organisation from being able respond quickly to changes."

7. EVOLUTION OVER REVOLUTION

Some of the agile scaling frameworks would have you turn the whole organisation upside down as soon as possible to align around agile. This is great if you are a 'startup' organisation, but for established organisations this is just not possible and could prove so disruptive as to be counterproductive. **What you need is a coalition for change** based on a core team of agile coaches working in a discrete value stream where change can be quickly implemented as a working exemplar, creating impetus for change across the organisation.

Your current and desired level of enterprise agility can be measured, and a number of tools are freely available. Atkins has however taken the latest thinking and experience to develop our own unique **aCE (agility in Complex Environments) Agile Maturity Assessment Tool** that builds on these seven principles to help you monitor and evaluate your progress towards enterprise agility using our suite of aCE solutions that are tailored to meet your unique environment.

If there is one essential ingredient however, then it is the trust that you must place in your most valuable asset, your teams, to deliver the organisation's goals in these ever changing and turbulent times.

ABOUT THE AUTHORS



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Symon has over 18 years' experience as a Change Practitioner across a range of sectors, most recently focusing on Agile working. Having worked with organisations both big and small, Symon appreciates, first-hand, the complexities and cultural challenges associated with adopting new ways of working.



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