

WHY AGILE TRANSFORMATION IS FAILING AT SCALE

The Agile Transformation pitfalls few see or talk about, yet it causes most agile transformation failures in scaled environments



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~ Founder of ENTINOLOGY

Why Agile Transformations Fail
by Roelof Vermeulen

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1. INTRODUCTION

Adopting new methodologies can be highly disruptive and costly to any business. You need a cost-efficient transformation framework that enables a natural transformation of the latest advancements to be adopted much faster, whilst still focusing on the integration of the organization's strongest cultural assets.

When people are trained and certified in frameworks and methodologies, they are only equipped with academic knowledge. They lack practical know-how of implementing the right methodologies and frameworks within a specific legal entity, such as a public company. This experience is mostly gained at the expense and cost of the company, creating huge risks to Executives.

One of the biggest issues with execution methodologies, is the fact that these are viewed as competition to one another. A quoted study often used to argue Agile as being the best thing since sliced bread, is the one that was conducted in 2015 by the Standish Group and another in 2017 by PWC. (Links at bottom of page)

The number of incorrect references of these studies are beyond belief.

A common reference made from the Chaos Report is, *"discovered that the agile method produces a higher success rate than the waterfall model."*

The quote related to the PWC report i.e. *"it indicates that agile projects are 28% more successful than traditional projects."*

The complete reports are worth reading, as they contain great information, but they are deliberately misquoted for the Agile agenda; creating the impression that Agile and the other methodologies are in competition with one another. They are not. They are different tools for different uses. (They are foundationally different and impossible to compare).

If you read this book only up to this point please just understand this: If you have any so-called expert stating that you must replace your current delivery model with Agile, fire them. They are not delivery experts and certainly do not understand Traditional Project Management (TPM).

And yes, if this statement makes you hot under the collar, then so be it. Before you read on, you need to understand that this will be an honest book. No fluff and certainly no being nice. All I can say is, keep an open mind, because if you want to make Agile transformation work, there is some real honesty needed as to why it fails in the first place.

Roelof Vermeulen (Entinologist) - *Founder and creator of Entinology*

*<https://www.infoq.com/articles/standish-chaos-2015/>

*<https://www.pwc.com/gx/en/actuarial-insurance-services/assets/agile-project-delivery-confidence.pdf>

CHAPTER 1: UNDERSTANDING THE FOUNDATION OF WHY AGILE TRANSFORMATION FAILS

2. LARGE ORGANIZATIONS ARE DESIGNED AROUND CONSTRAINTS

Large organizations that prioritize limitations and restrictions over empowering individuals often fail to reach their full potential. By hindering growth, they miss out on the benefits of innovation and creativity that can drive success.

It's essential to prioritize enabling individuals within an organization to reach their full potential, as this can lead to greater organizational achievement and success.

I know what I am going to state now will upset a lot of people, but it needs to be said so that you can get a perspective that nobody seems to convey when Agile is adopted in large organizations.

One of my mentors in the corporate world once told me that large organizations are designed around constraints instead of enablement.

If you get past that obstruction, the game changes and innovation is switched on!

The problem is that your executives need to be willing to take the risk of uncertainty.

In my career, I have been known as the documents guy. This title came with a certain amount of pride and I ended up often writing policy documentation for large financial institutions and reviewing and updating legal agreements between large organizations. This also gave me the added benefit of extracting regulatory requirements from legislation and scoping regulatory projects.

This incidentally led me to write a course for the University of Pretoria on Practical RBA, which is a project method to land regulatory projects in line with the Risk-Based Approach.



3. FUNDING IS RELATED TO RISK NOT INNOVATION

When it comes to securing funding, it's important to note that the level of risk involved is the key determinant, not the potential for innovation.

Most of the organizations I worked for had a common practice of having a separate department for innovation.

Unfortunately, these departments were often underfunded and considered the least important as they did not generate direct revenue.

The initiatives that received funding were the ones that were essential to keep the business competitive, or to introduce new features to existing products or services.

Funding decisions are typically based on the risk appetite of the sponsoring executive. If funding is provided, the initiative is managed with strict governance and controls to keep the risk in check. That is the intent, but rarely achieved.

This is important to note because it explains why Agile transformation has failed in many organizations.

Agile moves away from the traditional RACI (Responsible-Accountable-Consulted-Informed) framework and makes everyone responsible for the success or failure of the project.

This approach eliminates the fall guy as everyone is equally responsible for the outcome.

On the surface, Traditional Project Management (TPM) may seem to offer extensive protection to executives through strict governance and control practices, but it ultimately only serves as an excuse for failure.

4. BAD BEHAVIOR IS INCENTIVIZED IN LARGE ORGANIZATIONS

It is a common phenomenon in large organizations that negative behavior is often incentivized and rewarded. Due to the governance requirements of Traditional Project Management, this culture is by design. Transparency of Agile however does not permit this kind of behavior, it is imperative to initiate the change from the topmost leadership level.

It is painfully obvious that the leadership in large organizations will seldom be labelled as entrepreneurial or innovative. For the executives, governance and risk management are mostly the frame of reference.

A further challenge within organizational structures is the amount of power individuals would have and the increasing number of narcissists that are able to carve their way open in management for all the wrong reasons.

Large organizations often reward the wrong behavior and perception management is way too common.

A further problem is Fake Agile; “Talking the lingo but not truly adopting change”.

One of my biggest leadership influencers once said to me: *“People never change, but the beast you feed is the beast that will grow, so feed that which is good in people and they will become what they are being fed. Very important to remember is; that you don’t get fed through your toes but through your mouth, which is located in the head, so leadership needs to be fed first to make change happen responsibly.”*

Agile needs to be adopted from the top of the organization and not just faked with the lingo, it should be constantly measured, improved and fortified at the leadership level. This is where the most difficult transformation will be and where it fails.



5. UNDERSTANDING THE CORPORATE CHALLENGE TO INNOVATE

Innovation does not start with a framework. It starts with someone honest enough to name a problem nobody else wants to say out loud.

Having had the benefit of working for multiple large organizations in my lifetime, I quickly discovered that larger organizations struggle to tap into innovation.

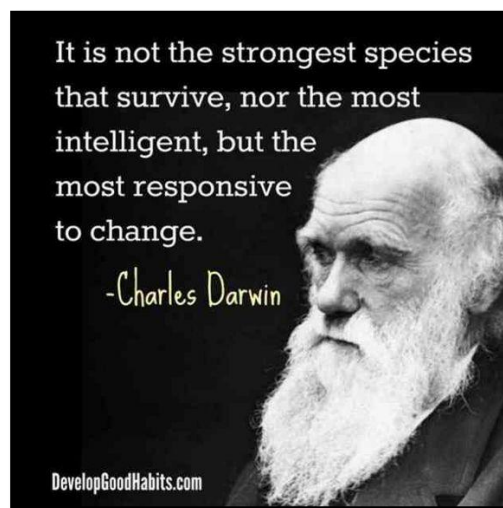
This is ironic because the first thing that comes to mind is that large organizations are supposed to have everything in their favor to tap into innovation.

The list of benefits may be very long but pointless to mention when none of these benefits can be explored without understanding what makes large corporations function.

For example, the first benefit everyone will agree on is that large organizations have access to funding, expertise, and infrastructure, but maybe that is exactly where the problem starts.

The departure point for innovation is the finding of a solution to a problem. This often means the solution is accompanied by risk. In an organization where the leadership is constantly reminded of their KPIs and governance, finding a solution first gets reviewed for the criteria of risk and performance of the executive.

Let's not belabor this point further but understand that the Board mostly drive the innovation culture in an organization, through the agreement they made with the Executive of the organization.



6. UNDERSTANDING THE CORPORATE CHALLENGE AS A LEGAL ENTITY

The legal structure of a business plays a vital role in how an organization deals with risk. This influences the risk appetite of the board and its executives. Therefore, the transformation of Agile and ultimately the innovation potential.

Economists are key to driving the share price of large entities and their perception of risk is driven by a science that is not aligned to true innovation and agility, but instead risk avoidance.

This contributes to the way Boards and Executives view the transformation of culture and methodologies.

This is what causes the science of introducing agility, innovation and entrepreneurship to differ for the different legal entities.

For example, in adopting frameworks the way Public Companies evaluate risk would differ from that of Private Companies. Therefore, Agile transformation plans must be different for each of them and based on the risk appetite of the Executive of each organization.

The biggest challenge I faced with Agile adoption, was explaining project methodology and risk to Executives.

Corporate organizations truly have a challenging environment for innovation and entrepreneurship. Unlocking its responsibility is not as simple as adopting a new framework or methodology. Understanding the limitations of the Executive directs the possibilities. Adopting methodologies at the bottom and making changes at the execution layer of an organization will not achieve success if the executive of the organization does not direct the change at a sufficient level of detail.

Once you understand this important constraint of large organizations the next step is to define the meaning of failure. Once again this is not a definition that can simply be searched on Google and then defined generically. Failure is the perception of the individual using the word. For example, I can take lessons from an initiative that someone else might call a failure and say it was a great success as the lessons learned from it enabled the next success. In the corporate environment defining failure is important as it drives the culture and the narrative that goes with innovation from the top downwards.

7. THE SHORT STORY OF MY FIRST CORPORATE ADOPTION

Hybrid models that bolt SDLC governance onto Agile will hinder the delivery process. That is not a risk; it is a guarantee.

While Scrum can certainly be applied in the compliance space, it's important to understand that simply using it does not automatically make you Agile. To truly embrace the Agile philosophy, it's crucial to adopt a mindset that values flexibility, collaboration, and continuous improvement.

I first experienced Agile transformation in a large corporate in 2012, when I worked as Program Manager in the Compliance Department of one of the big international banks in South Africa. It was amazing to see the mindset shift happening in-front of you.

Our office spaces underwent huge changes: away with permanent desks and rows of people; there were stand-up areas and huge walls painted with special paint to act as white boards.

Even the Executive sat in their corners with their PAs guarding access to their desks. Meeting rooms were introduced with nice big whiteboards and stickies with markers. You could see a lot of people spending time designing their own Kanban boards and Scrum Boards with tape, debating and carefully marking out the columns.

Everyone was attending courses and expert speakers were talking to us about becoming Scrum Masters.

New positions appeared out of thin air. BAs had to become Scrum Masters and PMs needed to become Agile Coaches. Development Managers also had to become Scrum Masters, and it had to happen fast. Quickly the positions people formally had, changed.

Amongst the people there was fear and confusion, but also excitement. The blind was leading the deaf and the deaf was leading the blind. It was a huge learning process. Because it was familiar to me, I immediately tapped into the Agile transformation and it was serious fun, exciting and transforming!

But it seemed confusing to me at times. I saw major changes at the project execution layer, but still had to attend Steerco's to do status reporting etc.

My life turned into an administrative and meeting hell!

I still had to report to the Steerco, Project Office and Finance Office in a traditional manner, as well as maintain project documentation such as Charter, Scope Statement, RACI, CRAID's log (Constraints, Risks, Assumptions, Issues and Dependencies), Decision register and more.

It is here where I was also very fortunate. I had my own Jira administration team and was able to immediately tap into the configuration of a tool I could use for my squads and started to automate reporting.

Being in the compliance space also allowed me to see how Scrum could be used in regulatory projects.

I soon realized that pure Scrum could not be applied to all of my initiatives. For example, the procurement and implementation of software applications were done using TPM, while the dev execution and implementation parts of it were running much faster, more efficient and better controlled using Scrum.

The implementation of Agile was however causing havoc in the rest of the organization. You had Agile transformation in the execution layer of the bank but not in the leadership layer of the bank. Yes, management spoke Agile, but the governance, processes, management and control culture remained in place.

This bugged me and I decided to discuss the problem with my mentor.



AGILE TRANSFORMATION FAILURE SUMMARY

The table below summarizes the core failure patterns examined in this book. Each chapter addresses one dimension of a systemic problem: organizations adopt Agile at the execution layer while leaving everything above it unchanged. The Executives still operate on TPM reward structures. The governance still demands TPM artefacts.

The culture still punishes transparency. Agile introduced into that environment does not fail because Agile is weak. It fails because the environment was designed to reject it.

Understanding why it fails is the only honest starting point for making it work.



Delivery designed around constraints

Large organisations that prioritise limitations and restrictions over empowering individuals, often fail to reach their full potential. When securing funding, it's important to note that the level of risk involved is the key determinant, not the innovation potential. This then directly relates to how delivery is enforcing management and control through policy and process.

Incentivising bad behaviour

TPM often culturizes bad behaviour due to management and control. Transparency of Agile however does not permit this kind of behaviour, it is imperative to initiate the change from the topmost leadership level. The biggest enabler of Agile transformation is identifying how trust can become part of an organisation's culture.

Leadership that is risk driven believes in Management and Control

Management and control leads to uninformed decisions based on sanitized reporting. This in return destroys trust and tries through control enforce the truth. The reality however is that the best and strongest perception manager manages the message, not the truth. The processes that celebrate this should be identified and destroyed, to create an environment of transparency and agility.

Bottoms up approach is unrealistic

Adoption specialists seldom understand the corporate challenges before Agile transformation or transformation is attempted. That often means understanding what drives risk management in the existing organisation. This will require an understanding of what will drive Agile transformation from the leadership downward and not the other way around.

Understanding the corporate challenge as legal entity

The legal structure of a business plays a vital role in how an organisation deals with risk. This often means dealing with something Agilists often hate, administration. Reading through the company's policies and standards as well as their regulatory environment, will impact the Agile Transformation strategy and implementation plan.

Hybrid models can potentially hinder or break agility

To truly embrace the Agile philosophy, it's crucial to adopt a mindset that values flexibility, collaboration, and continuous improvement. Adopting frameworks like SAFe is a terrible idea if the end goal is to achieve agility. Methodologies should never be adopted to solve Agile Transformation. Creating a space that is methodology agnostic is the true answer to Agile transformation.

CHAPTER 2
BIG BUSINESS HAVE
BENEFIT ILLUSIONS

8. THE NON-BENEFIT OF BEING THE BIG GUY – ACCESS TO MONEY

It's a common misconception that larger organizations with greater resources and manpower are inherently more innovative. However, the reality is quite different.

I have been through several Agile adoptions in my life, and also the setting up of PMO's for several corporates. To a large degree the experience I had inspired the writing of this book.

One of my greatest inspirations is that mankind needs to innovate faster and be much more efficient at innovation. For that to happen, we need massive improvements in understanding the truth of what is holding us back.

Large corporations are supposed to have everything in their favor to roll out incredible innovation. I will list only two and immediately debunk them just to give you the reference to tap into in the rest of the book. Large organizations have a lot of constraints that determine their real advantage.

BENEFIT 1: ACCESS TO BIG BUDGETS

This is true as large organizations talk about budgets as if it doesn't have the ",000" at the end. Reports normally include this side note as an asterisk. Startups and new businesses need to go and search all over the place for investment or funding to access just that ",000".

Reality: The Executive of large organizations have KPIs that directly determine their accountability and risk appetite. The career future of the individual Executive and the future of the organization is directly linked to KPIs.

Getting money for anything that seems risky is nearly impossible without a huge amount of research and analysis. This is also supported from an academic point of view. There is a lot of stupidity in the analysis approach and building of business cases, but I will not elaborate on it here. Just know that there is no easy access to budget for just any initiative in large corporates.

9. THE NON-BENEFIT OF BEING THE BIG GUY – ACCESS TO PEOPLE

It has been observed that larger organizations tend to be more constrained when it comes to innovation. It's all about finding the right balance between innovation and stability.

BENEFIT 2: ACCESS TO EXPERTS

Large organizations have access to experts.

This is true. Large organizations have amazing people working in them.

Getting experts from external sources is also fairly simple for large organizations, as they can afford to get them when needed.

If large organizations see potential outside the organization, they can easily buy talent.

Reality:

Large organizations have complexities regarding experts that cause the loss of most of the benefits they have.

Internal resources that are superstars have a couple of problems in large organizations; their presence is required everywhere. They are like celebrities and hard to get into sessions because they are demanded everywhere. Also being employees, they often find their opinions linked to their careers as they are seldom at a point of seniority that can make decisions, but only influence decisions. There are more challenges here, but understand there are no benefits here.

“Buying” talent is also not as simple as getting external resources in as employees, it comes with similar constraints and additional competency risks. They also get caught up very quickly in the cultural challenges already in existence.

There are more so-called benefits that large organizations are assumed to have, which really is the opposite and causes them to be slow and not agile. Large organizations are like oil tankers making a quick turn to enter a harbour. They are slow but have massive momentum. This is true for their processes, culture, infrastructure and resources.

Honestly, smaller organizations probably have it easier.

BIG BUSINESS BENEFIT ILLUSIONS

Access to money

To access money in large organisations means convincing people driven by risk awareness and budget constraints to invest in something that evidences a good return on investment. This means many steps of funding approvals as the original idea needs to be sold and then evidenced through analysis, conceptual design and or Proof of Concept (POC) to just present to financial gatekeepers a business case that often gets turned down at the first run. This means that out of all the great ideas, innovative ideas seldom see the light or get funding. You have a better chance to get funding at a small business led by entrepreneurs.

Access to people

Yes, large organisations have a lot of people working for them, but these people are often snowed under with work and demand. New initiatives need prioritisation and buy-in from the leadership to get access to people. This is no easy task as the demand across organisations often moves to the individuals who shout the loudest and with the highest authority.

Access to infrastructure

Large organisations often has a lot of infrastructure that are in place, reality is however that the infrastructure is often utilized to the maximum to manage cost well. Getting access to new infrastructure can also be resulting into the unintended triggering of complex events in order to get access to them. One initiative might trigger changes to multiple systems and services. This often leads to death of initiatives before they even start.

Access to marketing

Marketing and advertising in large organisations come with many challenges. For the average business having a marketing department means access to phenomenal knowledge and skill as well as possibilities of utilizing existing channels, relationships and existing customers. In large corporates there is a lot more at stake and two points that will probably outrank possibilities in innovation are risk management and reputational risk.

Access to resources

Large organisations often have gatekeepers in every corner of the organisation. Access to resources and people can only be obtained through management and control activities. This adds additional overhead time and risk.

Existing client base

This might surprise some people but, everything from data privacy to reputational risk almost immediately complicate access to existing customers.

CHAPTER 3

PEOPLE, CULTURE AND METHODOLOGY

10. PEOPLE THINK DIFFERENTLY THAN EXPECTED

The Story of Morris

The year was 2010 and I was working as a Project Manager at one of the largest financial institutions in Africa. The program objectives were highly complex and when it was handed to me, it was by no means regarded as achievable by any of my peers.

I was having my normal weekly checkpoint meeting with my core team and consulting specialists, and as usual, I spent the last five minutes of the meeting giving everyone a last chance to discuss anything off the agenda. As so often is the case, Morris would ask something profound, or state a complex impediment completely disrupting the entire meeting with confusion, on how we will solve this new problem.

In this specific meeting, I was observing Morris closely, as he often remained very quiet during the meeting. Highly intelligent and well respected by his peers, Morris would usually sit in the same seat with every meeting, four seats to my left on the corner of the boardroom table.

At one stage he started stroking his grey beard and got a slight mischievous look in his eyes. It took him under a minute to blow the entire meeting into disorder by simply stating an obvious challenge we will face if we do not make provision for it. Immediately the entire team was openly discussing possible solutions to the problem Morris raised.

After the meeting, I stopped Morris for a minute and jokingly asked. “Morris. Why do you always wait until the end of the meeting to say something profound?” Morris gave me that same mischievous look, thought a little and then said, “Confusion creates job security” smiled at me and walked off.

I was standing outside that boardroom door, totally amazed at what just happened. For the first time, I understood something I never even wondered about. The penny has dropped.



11. TPM BRINGS UNINFORMED DECISIONS BECAUSE OF MANAGEMENT AND CONTROL

The topic of people encompasses everyone in an organization. It is the driving force behind successful innovation and transformation.

In today's fast-paced business world, it's essential to have a team that is not only skilled, but also adaptable and willing to learn new things.

The right people can help an organization stay ahead of the curve and achieve its goals.

The story of Morris is an important one. Until that moment I was always frustrated with the perceived incompetence of people when it came to delivery.

I thought delivery should be an obsession in large organizations and how career progress is measured.

I also never understood the importance that large organizations put on academic knowledge or qualifications. To me, competence was the true measure of value.

The people topic includes all people in an organization. It is the main driver of any successful innovation and Agile adoption. I almost want to say, it is the most important factor to be considered before any transformation is initiated.

On its surface, the people point is not something profound. It is included in most of the planning when change is introduced, but I would like to raise a different angle of it here.

In a micro-management work environment, people do what make sense for their self-preservation. In an Agile culture, people do what is good for the organization and one another. The focus is different, and the culture that grows out of Agile reduces organizational risk.

If you are being micromanaged, you cannot afford transparency as it is dangerous and you need to watch every word you say, being fully aware of your own career every moment of the day. It is all about perception management and lack of trust. Not knowing the real truth leads to bad decisions and bad reporting, thus increasing risk.

To bring everything into perspective I would like to get to what my mentor said to me and how it changed my perspectives.

12. MENTORS

Having a mentor, or even multiple mentors, can make a significant difference in one's personal and professional development. A mentor can offer guidance, support and advice, helping you to navigate challenges and identify opportunities.

When identifying a mentor, I looked at what I wanted out of the relationship with my mentor. What really mattered to me was, and still is, wisdom.

I have never been a career driven individual, but instead focused on what I could offer the world and people in the world. My life philosophy has always been to matter, and to matter, I must give, and to give, I must gain wisdom non-stop.

I first discovered the importance of mentorship when I was 18 years old, and met the first of my four mentors.

Mentors have changed my life in so many good ways that it is worth writing a song or a poem in their honor.

My mentors span from an average Policeman to two top Executives, and I would not trade a single honored moment with two of them for anything in the world, as they have since passed.

My mentor shared words of wisdom from Mother Teresa.

*“People are often unreasonable, illogical and self-centered.
Forgive them anyway.”*

AND

*“If you are kind, people may accuse you of selfish, ulterior
motives. Be kind anyway.”*

13. THE PEOPLE PERSPECTIVE NOT OFTEN MENTIONED

There are three categories of employees, the Grinders that make things happen, the Leaders, and the Executive.

I will also try and word as accurately as possible what he said after he gave me these quotes.

People often behave in ways that are confusing but here is the fact. What you see on the surface is not easy to understand for other people observing it.

There are three categories of employees, the grinders that make things happen, the leaders and the Executive...

What he said next completely surprised me.

...and the most important in any company is the Executive, not because they lead the people to victory, although that is important, but the real reason is because they directly create trust and perception with investors, the Board and economists.

Their education and reputation directly determine the share price of the organization. They are therefore key to the existence of the organization.

Yes, I was shocked. Not that key man dependency, expert, wonder child that is grinding it. The Executive is the most important.

Shocking? You must be thinking I need a new mentor as he is surely a narcissist idiot, right?

He went on to say, that there is another lens on the categories and that is “still getting there”, “Been there, didn’t like it there”, “The floaters” and “The content”. (I always loved his plain way of stating it) Which one do you want to be?

At this point, I’d like to point out that he was a self-made billionaire who started his own business with just a few security guards and ended up as the CEO and Chairman of a massive group of companies.

He was a wise man but a hard man, very hard.

14. THREE CATEGORIES OF EMPLOYEES

My mentor's three categories were not a hierarchy of importance. They were a map of function. The Grinders deliver. The Leaders enable delivery. The Executives create the conditions under which delivery is either possible or impossible.

The mistake most Agile transformations make is targeting the Grinders and the Leaders without addressing the Executive layer. You can train every Scrum Master in the building. You can coach every delivery team. You can run beautiful ceremonies and build spotless backlogs. If the Executive is still running on a TPM reward structure, transparency will still be punished, failure will still be hidden, and every Agile practice below them will eventually bend back into the shape of what the Executive rewards.

The Grinders keep the organization alive. The Executive keeps it in existence. The Leaders navigate between the two. Agile transformation must speak to all three simultaneously, or it will not hold.

- They make things happen in any organisation and need to be highly competent at executing any change.

The Grinders



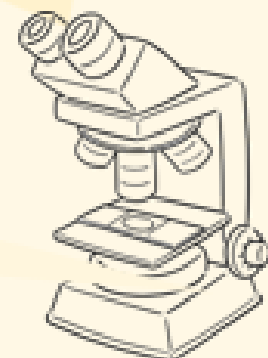
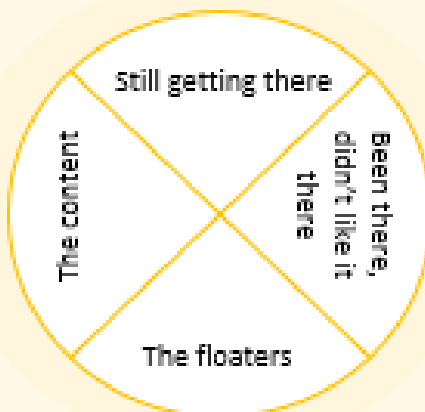
- Enabling the Grinders to get things done, regardless. These individuals earned their stripes as leaders and did not get it by appointment or position.

The Leaders



- Directly create trust and perception with investors, the Board and economists. The people culture in any organisation directly originates from them.

Executive



CHAPTER 4
FINDING THE KEY TO
AGILE TRANSFORMATION
PLANNING

15. THE TRANSFORMATION FORMULA GETS STEERED FROM THE TOP

Bottom-up Agile transformation does not work. Executives must not only talk Agile but live it. Change must start top-down.

There is no doubt that large organizations are entangled with complexities many agilest do not try to solve and often can't solve.

Bottom-up transformation occasionally works, but only by luck, and usually only where leadership was quietly Agile already, but what people fail to realize is that the gambles that did work out, often came with open-minded leadership adopting Agile completely.

The three people layers of organizations are often misunderstood, not recognising where their focus should be.

Leadership focuses on reducing and managing risks, managing reputation and maintaining governance.

Management focuses on enabling leadership to focus on both risk and governance, influencing big decisions and enabling The Grinders to get the work done.

The Grinders are the experts at getting things done and ensuring the organization remains operational whilst influencing and informing decisions. Organizations should be obsessed with chasing the best systems, methods and solutions that ensure uninterrupted supply to the market of the latest and greatest products they can offer. In the case of large corporates, risk and governance are highly prioritized for most executives.

Therefore, to achieve success Executives mainly rely on evidenced-based frameworks that claim success in achieving agility and innovation. These frameworks often turn out to lack the secret recipe every CEO desires.

16. CHASING THE WORKABLE FORMULA

The key to unlocking innovation lies in understanding the Executive's risk appetite.

There are many reasons why frameworks often lack these recipes, but one of the key challenges of existing frameworks is that it often adds complexity, instead of making things easier.

In some cases, 'False Agile' is introduced when methodologies completely bastardise Agile to create the perception of being Agile whilst managing risk.

Ironically Agile in itself offers by default much less risk, but more about that later.

Another science also remains elusive and near impossible to adopt or create change within the existing giants of the world, the workable formula for entrepreneurship and innovation.

Ironically, access to the house of innovation often comes with the side door transformation of Agile, but what needs to be clear is that Agile transformation is not the front door to the house of innovation.

The front door to innovation is understanding the risk appetite of the management and the criteria management uses for identifying risk.

Adoption of Agile and lean techniques is a step in the right direction as it opens a new way of thinking, but as with most organizations that have outgrown their creators and founders, there is a difficulty in adopting the pure formulas as they often find they do not work as expected.

Organizations need to view frameworks differently and very importantly, understand the difference between frameworks and methodologies.

In general, Project Management Offices (PMOs) should replace their models of Traditional Project Management (TPM), Hybrid and Agile, with a governance model that is methodology agnostic. This is where true agility begins.

17. IMPLEMENT A SENSIBLE GOVERNANCE STRUCTURE

By implementing a governance structure that enables the use of multiple methodologies, Project Management Offices can greatly enhance their effectiveness. This approach offers greater flexibility, ensuring that projects are tailored to specific needs and requirements. With a multimethodology approach, teams can choose the most appropriate methodology for each project, resulting in better outcomes and increased success rates.

Creating an environment where the right tools and methodologies are used for each particular initiative results in faster work and better risk management in Project Offices.

You cannot hand a mechanic a pair of pliers and expect him to service the entire passenger aeroplane.

He will have a tool but that tool will take forever and probably cause more damage than good.

You need to give him the best and biggest toolbox in the world to enable him to get the job done.

Project Management Offices must be able to put governance in place that enables multi-methodology to ensure that the risk of TPM, Hybrid and Agile is better managed through the correct application and not prescriptive application.

Organizations need a foundation that is designed to identify their unique success elements, tap into those success elements and ensure the constant improvement of the existing success culture of the organization as a unique environment where people and teams innovate.

All of this begins with Agile adoption, activated by Executives from the top down.

THE KEY TO AGILE TRANSFORMATION

Team

Understand what the teams are currently using and what works and what does not work.

- Identify waste, reporting needs, ceremonies and meetings they are required to have.

Process and Governance

As part of the large teams, processes are in place, especially governance processes. Also understand WHY as you will have to challenge some of these.

- Is the organisation method driven or outcome driven?

Organisation

Understand the current mindset in the organisation and identify what needs to change to make Agile transformation possible

- Look at HR practices as well as leadership practices

Focus

Outcomes Driven

Method Agnostic

Reduce Dependencies

Cross-functional teams

CHAPTER 5

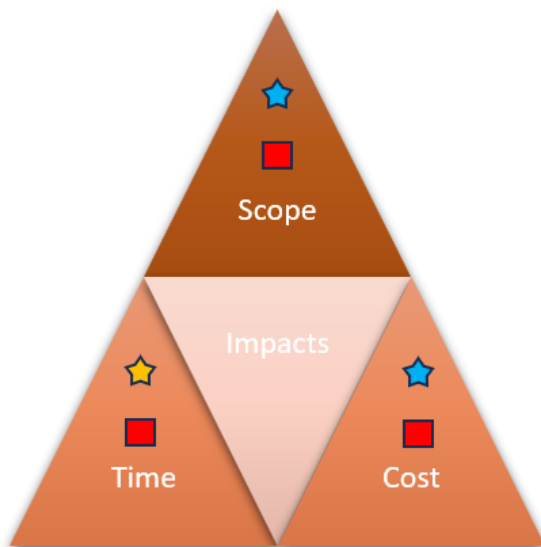
AGILE TRANSFORMATION AND RISK MANAGEMENT

18. RISK DIFFERENCE BETWEEN AGILE AND TPM

To simplify the measurement, I will use the typical TPM way of risk management.

2	3	Risk Analysis			Risk Response Strategy
Risk Description	Cause/Indication	Consequences	Probability	Impact	Risk Ranking
Timer No-Show	Without the timer, who travels from over one-hour away, the race will not be able to separate the runners into age and place groups. Nor will the same-day registrants get their bibs or recorded.	Time/Cost	2	5	10
Volunteer No Show	Sometimes people don't commit to the event until the last minute; maybe they have better plans for the weekend. Maybe they're unsure whether they will run the race themselves. Generally the event is well supported by volunteers; the time commitment is usually less than two hours.	Time/Cost	3	2	6
The event is conducted in the rain					

By representing it in terms of the typical impact areas by the triangle Scope, Time and Cost, we will align to current thinking regarding corporate risk management.



Legend

- ★ Agile
- TPM

- High
- Medium
- Low

Risk comparison

Scope

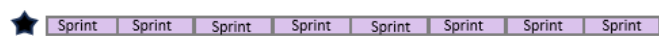
- ★ Agile: The scope impact on Agile is much faster but much smaller. Thus, reducing risk significantly.
- TPM has a build-up and sudden bursts of scope impacts. This means large and expensive scope impacts

Time

- ★ Agile: The time impact on Agile is very small. Time impact is seldom more than 2 weeks.
- TPM by methodology tolerates time impacts and then in big burst apply change control to adapt to changes that will happen.

Cost

- ★ Agile: The time impact on Agile is seldom high as it by its design allows for new scope to be introduced and cost is fixed per team.
- TPM assume fair accuracy of scope is achieved by the time the design milestone is completed. But Design is completed after significant time and cost.



19. RISK MANAGEMENT, CORPORATE GOVERNANCE, INNOVATION AND AGILE

Governance is supposed to protect the organization. In most corporates it ends up protecting the people who fail.

Governance and risk management are interesting topics to discuss because on the surface they appear to be focused on providing direction towards avoiding excessive risk-taking. In the life of the Executive, governance is vital to ensure managing all sorts of potential risks.

Like so many things in corporate organizations, governance becomes a kingdom of complicated levers that can be pulled when needed. In the world of Agile, the lack of artefacts often creates anxiety among management because they do not fully understand Agile delivery up to the point where they can align it with their previous way(s) of managing risk.

Agile is often argued as being high risk because of the lack of documentation, but that is exactly where you need to start looking at the culture in the organization and how governance is introduced for no other reason than to protect the people who fail.

Risk management and corporate governance intend to protect the organization from losses. The thinking is that if good corporate governance is in place, risks can be reduced, and governance can safeguard the company and its assets.

Unfortunately, like so many things in the corporate world, if you hand someone a little place in the sun, they start building a kingdom and before you know it, an entire department exists for each artefact, managers are appointed, and many management meetings revolve around the creation of documentation.

Often the true intention of the organization gets lost within Agile and innovation lingo, with an overarching culture of micromanagement and control that destroys any of the intent of Agile whilst using corporate governance as the whip.

Ironically, very few Agile implementations start at this extremely important point as the stupidity of changing an organization from the bottom up is the approach most take. This is unrealistic and you need to read through policies and standards to ensure that the Agile transformation does not trigger risks for key people with big kingdoms to protect.

20. A CHANGE IS NEEDED BEFORE INTRODUCING AGILE

This crucial first step will pave the way for a successful transition to Agile, enabling you to identify potential roadblocks and ensure a smoother, more efficient transformation process.

The first step in Agile transformation is always understanding how a company manages their risks. You also need to understand how the existing reward structures of the corporate executives are designed, not the details, but the levers that impact reward structures.

Introducing Agile in an environment where the Executive does not support Agile practices will lead to a complete mess that can destroy the organization.

Internal audit and Risk managers also need to make important changes to the way they work and policies that support Agile practices need to be introduced, while existing policies need to be updated where necessary, otherwise, the organization will introduce more falsely identified risks to the Executive, Board, Shareholders and Market.



21. DIFFERENCE BETWEEN TPM AND AGILE

Traditional Project Management (TPM)

- Increased risk
- Focus is on managing risk through management and control, not the outcomes
- Decisions are well-controlled and slow
- Decisions are often based on inaccurate information
- Roles and responsibilities are defined and not cross-functional team friendly.
- Many meetings lead to inefficient delivery
- Many artefacts lead to unnecessary documentation focused on governance instead of outcomes.
- Focused on analysis not getting things done.
- Fixed processes and governance processes are normally ensuring safety for failures, not enabling delivery.
- Do not allow for trust, as information is used to hold people accountable not to focus on delivery
- Reporting is sanitised to safeguard people instead of creating transparency.
- TPM seldom offers planning that are realistic, dramatically increasing risk.

Agile

- Reduced risk
- Financial better controlled
- Trust is inculcated to ensure informed decisions
- Cross-functional teams reduce dependencies and constraints on individuals; therefore, decisions are often taken by the experts in the grind.
- Less meetings and inefficient reporting as Agile is transparent. (Excludes SAFe)
- Documentation is methodology-specific for the outcome to be achieved, not what is driven by method-aligned governance with stage gates.
- Reduces organisational structure complexity.
- Introduces many positive behaviours in an organisation, such as personal responsibility, personal improvement, trust and servant leadership.
- Agile is really great at planning and offers real predictability.

CHAPTER 6
METHODOLOGY IS
IMPORTANT AND
CHANGING
METHODOLOGIES IS
FOOLISH

22. ORGANIZATIONS SHOULD BE METHODOLOGY AGNOSTIC

Integrating Traditional Project Management with Agile is not a challenging task. It is an impossible one, and every attempt to do it produces the same result: all the administrative burden of TPM with none of the delivery speed of Agile.
The two approaches have fundamental differences that make it difficult to merge them.

There is this confusion I often find with large organizations, that Hybrid solutions need to be implemented by integrating Traditional Project Management (TPM) to ensure that governance and risk management are embedded in Agile.

Just to be clear if you are thinking in that line, don't!

Traditional Project Management (TPM) as a method can in no way be integrated with any form of Agile.

Just stating you believe it is possible or that you have succeeded at it, might be an indication that you do not understand one or both methodologies well.

However, this is not something corporates like to hear. But here is why I am so blatant about my statement. When you mix the two methods, the chances are guaranteed that you will put governance processes in place that would break them.

In the past 10 years, I have used TPM to implement some compliance projects, Scrum to deliver some innovation projects and Kanban to deliver some small enhancements and production support initiatives. I also used several other types of methodologies to ensure the quality of planning was done at a rhythm and in sequence to Program Increments regardless if it is in cycles of 6 or 12 weeks or any other durations.

I have introduced methodologies that improved the maturity sprint planning significantly. I also used a mixture of methodologies to prioritize work, because using a single method is simply not possible when planning work for a backend initiative compared to a frontend or middleware initiative.

Using the wrong tool for the job increases the risk significantly, so don't let the governance cause the introduction of risk instead of reducing it.

23. ADMIN, CHANGE CONTROL AND MEETINGS

Did you know that Agile methodology can significantly reduce the number of inefficient activities involved in project management?

ADMIN

TPM requires administration. It is document upon document to ensure governance. Risk is managed through artefacts and evidence of all decisions. The approach however is designed for failure and not for delivery. Agile administration as part of output requires documentation for both future reference and ensuring the stability of architecture and systems.

MEETINGS

TPM requires many meetings, and more specifically minuted meetings. These are and should be part of the governance process as well as evidence that should be maintained. This often means that the same people who are delivering are required in meetings daily to ensure governance is maintained. It is slow and time-consuming with meetings that are often not budgeted for in terms of delivery lost.

Agile focuses on ceremonies aligned to delivery.

CHANGE CONTROL

TPM requires change control for the slightest change in scope, time or cost. All of these are always triggered with TPM.

Time is iteratively fixed with Agile, while the scope is expected to change. Cost with Agile is mostly at a stable running cost because you have fixed teams and not temporary project teams with percentage assigned resources.



24. THE ANALYSIS AND REPORTING WEDGE

Traditional Project Management (TPM) comes with a lot of analysis and reporting needs.

ANALYSIS PARALYSIS

TPM wastes a lot of time with analysis to create the false impression of reducing risk with decisions as part of the initiatives. This causes a lot of expensive investment in efforts that are business case driven.

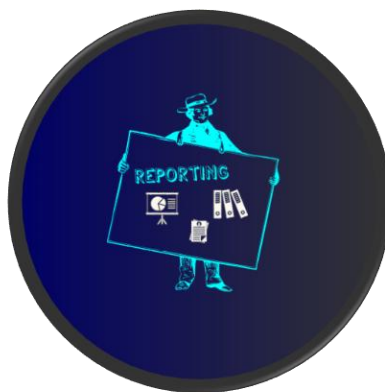
Agile also has a point where it decides on feasibility. This is often only a short brainstorming session before commitment is made. The Agile approach of failing fast has proven to be much more rewarding and reduces risk significantly.

REPORTING

TPM is reporting driven. Who attends Steerco's and why? Who attends status meetings and why? Who attends workshops and why?

Mostly these meetings are required as part of governance processes. The problem comes in when those meetings start filtering down into the teams that are delivering, to attend status update meetings. TPM has a Responsible, Accountable, Consulted and Informed (RACI) approach of reporting to those accountable and informed on what you are doing. That is a nonsensical approach that introduces a world of risks for the Executive.

Agile is transparent and thrives on management having access to reporting generated from Agile software. This will also hugely reduce meetings and increase tangible delivery. Accountable people and forums are informed as it happens with real-time un-sanitized (true) information.



25. TPM COMES WITH MORE RISK

Traditional project management is not the best option for planning as it falls short in comparison to Agile.

With Agile, you will be able to plan more efficiently, making it easier to stay on track with your project goals.

It is something all Agilest's hear at least ten times in their lives. "Agile is a gamble", and "Agile comes with increased risks."

But, here is the truth about Traditional Project Management (TPM). It comes with more risk.

Yeah, I said it. TPM is riskier than Agile. You can explore this statement for many reasons, depending on what your delivery religion is, but I ask that you try and reflect on your practical experience.

TRADITIONAL PROJECT MANAGEMENT (TPM) SUCKS AT PLANNING

Traditional Project Management requires lengthy and comprehensive analysis to prepare a Business Case with a detailed plan. Once it is approved, the plan that was prepared is getting tracked in great detail as if it is expected to play out as planned.

The fact that the plan was probably unrealistic to begin with, is completely lost in the amount analysis that was done to come up with it.

What follows is like the tin can that gets kicked down the road until a change control needs to be used to re-baseline the plan.

Then it is a repeat.

So why does Traditional Project Management suck at planning? It is incorrectly understood that the more you know about the task at hand the more risk is reduced.

But is risk really reduced or is it created and increased? There is much to be said about the false sense of certainty that is created by Traditional Project Management. It is slower, it is very expensive and more resource intensive.

In the innovation space, it is also introducing risk by creating the perception of certainty.

26. TRADITIONAL PROJECT MANAGEMENT (TPM) IS BAD AT PLANNING

It's not realistic to expect people to deliver on a pre-determined plan. Traditional project management tries to control delivery through baselined plans. This approach exposes organizations to unnecessary risks. Agile, on the other hand, has already solved these planning challenges, even at scale.

So, what makes certainty nearly impossible to achieve? It is very simple. There are way too many variables that cannot be factored in.

For example, the most expensive cost with any plan is resource cost. The people factor is a major variable that is impossible to plan for.

One designer does not perform as fast or as good or as efficient as the other. It is also not necessarily competency that is different, but it can be a simple fact that some might be perfectionistic. The perfectionist will do in 10 hours what another may do in 2 hours.

In this statement alone there is a discrepancy of 80%. Take that 80% over a duration of 1 month and you already get the picture.

Another example is a perfectionist developer, who can at a similar time difference code at a different speed, or a test analyst a business analyst, etc.

Agilists realized a long time ago that planning needs to be done to the point of enough. The detailed planning should be done incrementally by the people who will do the work. This makes the planning much more accurate, provides more certainty and reduces risk significantly.

With TPM the irony is that the process to correct scope, time or budget, also introduces additional analysis to ensure the leadership decision to re-baseline is well-informed and evidenced, which triggers further cost and time waste, especially if tools are used for estimations.

The odds are very high that you will be sitting with a dream that took a lot of time to create... not a plan.

The resourcing of projects directly impacts the plan as the plan is often conceptualised by people who will not be executing the actual work but rather reflect the practical experience or expectation of the people who assemble the plan. Both of which is irrelevant in Agile, because the detailed planning is done by the people doing the work.

27. TRADITIONAL PROJECT MANAGEMENT (TPM) COMES WITH ANALYSIS WASTE

Traditional project management relies heavily on analysis to prepare a business case for feasibility. While the intention is good, this approach is not suitable for all projects. In many cases, it simply increases risk by creating a false sense of comfort.

Traditional Project Management in some cases needs detailed analysis to ensure a well-informed business case is presented.

This is especially true in the case of many regulatory projects or projects where external vendor software will be procured and implemented.

The mistake of doing this for all projects, is introducing unnecessary costs and time that are in most cases not even considered when projects are kicked off.

This is because of the fact that feasibility is often seen by people as an opportunity to make informed guesses to ensure risk is better understood.

Agile needs some high-level assessment, but reduces risk by failing fast. It does not go into long-term commitments that were warranted by the costly and detailed planning done beforehand. It goes in and gets results as soon as possible. The belief that Traditional Project Management solves complexity by several discussions, is beyond the frame of reference of the agilest, as the reality is that getting things done, solve complexity much faster.

The point is that the time this takes is never taken into account when planning, and is impossible to do, yet everyone is always in shock and completely amazed when Traditional Projects are under constant pressure of being over budget or late.

Traditionalists often come up with a hybrid governance concept which introduces some form of management and control. This however is unnecessary and of course, removes all benefits of Agile methodologies.

28. MEETINGS, MEETINGS AND MORE MEETINGS

Traditional project management often creates risks due to its focus on control and management, as well as its requirement for meetings and reporting. When combined with micromanagement, it can lead to significant failures.

TRADITIONAL PROJECT MANAGEMENT (TPM) IS MEETING DRIVEN

William, a sponsor of a compliance project, came to me the other day totally frustrated as his people could not get the delivery in line with the planned timelines. He asked my honest opinion about why this was happening so that he could get things done better.

We took a few minutes and quickly looked at how his Project Manager was tracking delivery.

So, we called the PM into a room, and I asked him to take me through his average day. It was meeting upon meeting upon meeting, not to mention admin upon admin upon admin. He was a busy guy.

My next question. Who attends those meetings? Was this planned for? Do we need them? Blank stare, as if I am stupid. “My entire team attends my morning status meetings and thereafter only the people that are needed in the relevant meeting. I do plan for them and of course I need them”.

The next question was, do you book it against the line “Management and Control” in your schedule? This time the PM looked at William as if to say, I do not have the time to sit and answer these stupid questions. “Yes, that is more or less what it is called”. Only after explaining why I asked the questions; did I see the lights come on.

If you have an hour meeting a week with your project team and you have 10 people in that hour meeting, you just stole roughly 500 hours of your plan for the year. Why did you need the meeting? Because you need them to come to you with the updated status report.

Most PM’s have this session daily, in which case we are talking 2,500 hours being stolen off the plan for the year. To be very frank, this is foolish, but also how Traditional Project Management (TPM) functions.

29. MEETINGS AND REPORTING INTRODUCE UNPLANNED RISK

TPM, with its management and control approach, relies on regular reporting to flow up to management. On the other hand, Agile methodology requires active involvement from management, with a highly transparent approach where information is constantly shared. These two approaches differ significantly, as TPM requires numerous meetings and reporting, whereas Agile does not.

As we explored the daily project activities, it was revealed that the PM's average day also included several meetings that were never planned for, as his diary gets filled up with other sessions.

It also became clear that he often needed the assistance of his leads in these sessions.

There was a lot of pressure from management to attend meetings that were crafted after management meetings which sometimes required the attendance of the project leads.

Added to unplanned events, the PM was also being micromanaged through governance, meetings and administration.

Traditional Project Management is meeting-driven because of the simple fact that management and control requires reporting to flow to management.

A simple test of this is asking yourself this question. Are your management activities mostly occupied by attending meetings? What happens in these meetings, do you have to explain progress or status? If so, have you, and could you have planned for these sessions?

Do these sessions require your effort in preparing reports or presentations? Do you have to spend time with your team members to ensure that these reports, presentations or packs are indeed correctly reflecting the detail? How much of this time was planned for?

Agile does not have that many meetings as meetings are not required for management and control, but instead, it is delivery focused. Management has the responsibility to get themselves informed and not be informed. Just a side note. At scale, Agile delivery must be tracked using a software tool and not using a whiteboard with stickies. It reduces a lot of time, introduces efficiency and makes transparent Agile governance possible.

30. ARTEFACTS, THE PAPER WARRIOR

Artefacts are a large part of the delivery within TPM and create a false sense of risk reduction when it actually introduces more risk. Agile only focus on important documentation as part of its delivery and output.

Artefacts introduce risk into an organization instead of de-risking it as intended.

For this purpose, I will use a few examples of artefacts that appear to be innocently serving a purpose but do not belong in any innovative organization as it introduces risk.

I remember the first time I set up a PMO for a financial institution. I was part of a team of 5 managers who brainstormed all kinds of processes to ensure project governance.

We trained hundreds of people on the new processes. Designing artefact products from scratch, and creating multitudes of templates each with its descriptions and explanations.

From Charters to Scope Statements to Solution Designs; Excel sheets, regulatory checks, security and mountains of documents, re-occurring meetings, meetings with their agendas and the creation of the policies and standards that went with it.

We had a field day. In our minds, we were doing something incredible that would ensure delivery.

I also naively believed that the artefacts and governance would protect the project against any form of failure. This is of course not true, not by a long shot. Delivery is not the intent and certainly not achieved through artefacts. Artefacts in Traditional Project Management are often there to protect those that fail.

31. RACI INCREASE RISK

Many artefacts in TPM make sense from a management and control perspective and have always played a vital role in de-risking projects. However, Agile and innovation are in many cases destroyed by it.

To the inexperienced, this often makes no sense and is dismissed. Unfortunately, this leads to the introduction of artefacts within Agile in some form of Waterfall Agile cross method.

STAKEHOLDER PLANS AND RACI

RACI seems sensible and makes a lot of sense but is an Agile and innovation culture killer.

Often used to manage stakeholders, RACI is used to ensure everyone agrees on who is accountable, responsible, consulted and informed. The idea is to ensure the project is formally driven by decisions and everyone that needs to be aware of it, is aware.

This is often a governance artefact that doesn't exist in Agile for the simple reason that Traditional Project Management is filled with time-wasting structural challenges that people living in the traditional project world cannot and do not have to understand.

Like so many artefacts in Traditional Project Management, it came into existence to ensure the project is managed and controlled by the artefact protection mechanism.

Any future stakeholders who deny being informed or consulted cannot do so if their names appear in this artefact. The fascinating belief is that this artefact by its mere existence ensures people are responsible and accountable.

It does however do more damage than good, as the perception management technique is activated, and the truth is slightly cleansed to favor the political players. Red statuses become amber, and amber becomes green.

Transparency and honesty are exchanged for managing the interpretation of the data in a report. Agile doesn't have this problem. Its transparency puts the responsibility on people to become informed and not to be informed.

Less meetings and less sanitised reporting, provide the real transparent truth and a more productive corporate culture with fewer meetings. The leadership of the organization can access any detail at any time for any reason, by simply clicking a button.

32. SCOPE STATEMENT ARTEFACTS INCREASE RISK

Specifying what is in scope and what is out of scope makes a lot of sense in TPM as it ensures focus on what is important and ensures distractions are avoided and risk is not introduced. On the practical side, it can easily lead to everything good for the project but the efficiencies and improvements from which the organization can benefit is missed as resources doing the work, have to get tunnel vision. Thus, risk for the organization is introduced.

One of the most important artefacts in the Traditional Project world is the Scope Statement

It declares what is in scope and what is out of scope for a project. It ensures the focus is given on only the work committed against the business case and controlling the cost and time element. This makes sense right?

However. The reality is that it becomes the driver of what can and cannot be done, therefore the outcome is no longer the driver, but the scope is.

The intent is to ensure the triangle is well controlled thus reducing the risk of added time, cost and scope.

But is reducing risk really what is achieved? Despite all its sensibility and good intentions, it introduces more risks than it solves. Often scope is not set by the specialists working in the grind.

Also, the scope might not be clear until a detailed design or development is executed at which time lengthy and wasteful activities are triggered by change control and governance. It can also result in the real experts executing the work, being limited in their options to do the right thing for the organization.

None of these are Agile practices as it slows down everything and again introduces more risk to an organization. Agile works with a scope much more effectively because it can be introduced simply by prioritisation in the team through the active participation of for example a Product Owner.

33. THE “C”RAID LOG ARTEFACTS INCREASE RISK

RAID logs make a lot of sense until you experience Agile. Resolving issues immediately and using modern tools to ensure dependencies and constraints are dealt with immediately, changes the usefulness of a wasteful log that is intended for evidence instead of immediately resolving it.

Constraints, Risks, Assumptions, Issues and Dependencies (most people discard Constraints from that log.)

A RAID log is intended to ensure proper thought is given to any risks, assumptions, issues and dependencies that the assembled plan is facing.

This artefact is then tracked throughout the project to ensure the RAIDs are well-managed and documented.

The intention is that the more information captured in this log the better the chances are of anticipating and managing the RAID when it happens.

In reality, this artefact becomes a protection mechanism against any finger-pointing when the change comes, (because it will come) so a lot of time and effort goes into populating as many risks, assumptions and dependencies as possible into this log.

Sometimes they can even overlap, for example, we assume we will get a senior developer, but the risk is if we do not get one... In Agile, CRAIDs are managed differently. Dependencies are managed through a tool to solve as part of the backlog of work.

Anything else is resolved immediately without lengthy meetings or escalations which increases debates and introduces more organizational risk. That is the difference between talking about things and getting it done.

Managing is real-time, and change is resolved immediately. Therefore, the risks are managed as part of the delivery and not some log for reference. Risks are owned by all the team members in the delivery squad and not by some accountable individual.

In practice, this is one of the weaknesses of Traditional Project Management because its intended outcome fails and often results in more governance being put in place to create a false sense of safety.

34. TPM NEEDS ARTEFACTS, AGILE DON'T

Artefacts ensure record keeping and evidence in TPM, whilst documentation in Agile is intended for future use in practice.

Although I am making all of this sound simplistic it is not. Traditional Project Management need these artefacts to exist as it is a management and control methodology.

Also keep in mind that in some cases where Traditional Project Management is required, these artefacts play a crucial role in de-risking implementation of procured capabilities and compliance projects.

Just a side note on TPM: When looking at the technology we currently have available today, does it still make sense to have a CRAID log and decision log documented in MS Excel, reporting and minutes done in MS Word and packs in MS PowerPoint?

I mean seriously think about the number of meetings you can reduce just by stepping out of the dinosaur age into the modern day. Yet this is still happening today.

In cases where Agile methodologies are more suitable, these artefacts can create problematic outcomes because work is not owned by the experts in the grind delivering the committed scope.

TPM is dependent on decisions by accountable people who need to be informed using more documentation. In Agile, the work is owned by the experts executing it; therefore, the risks are managed at the lowest possible level of ownership.

This is logically a much better risk management practice, but completely alien to traditionalists. Agile does have artefacts but they look different and are developed from a team upwards not downwards from management. That means they are owned not managed.

Many more artefacts can be used as an example of how Traditional Project Management introduce risk, but I believe these few innocent examples should provide the point that needs to be made.

35. CREATION OF METHODOLOGY AGNOSTIC GOVERNANCE

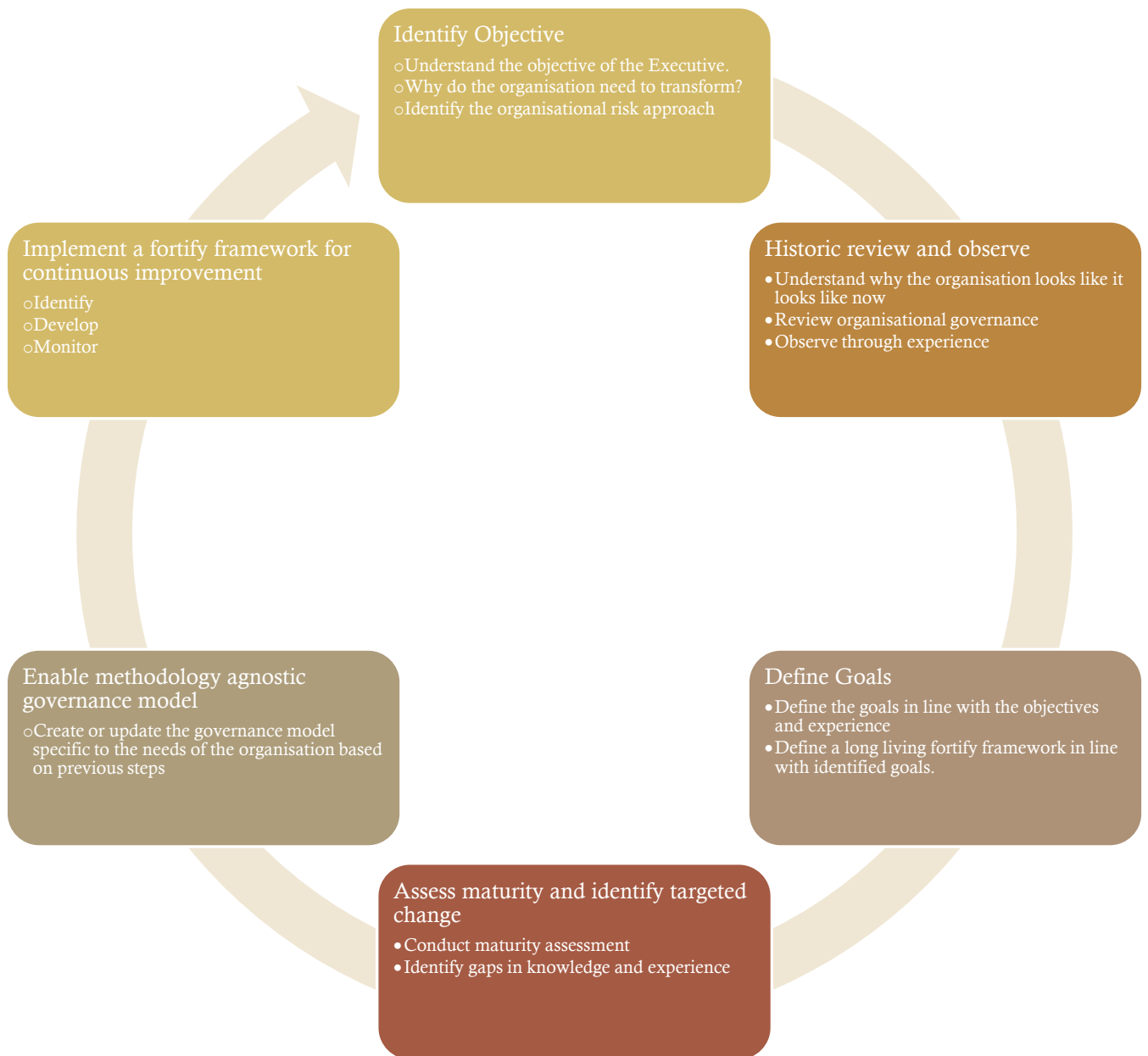
Methodology agnostic governance is not a compromise. It is the only governance model that reflects how delivery actually works in a complex organization.

The Project Management Office sets the rules. If those rules are written for TPM, every initiative must operate within a TPM frame regardless of whether TPM is appropriate. If those rules are written for Agile only, every regulatory and procurement initiative is immediately exposed to unnecessary risk. The result in both cases is the same: the wrong tool is applied to the work, governance becomes an obstacle rather than a support structure, and delivery suffers.

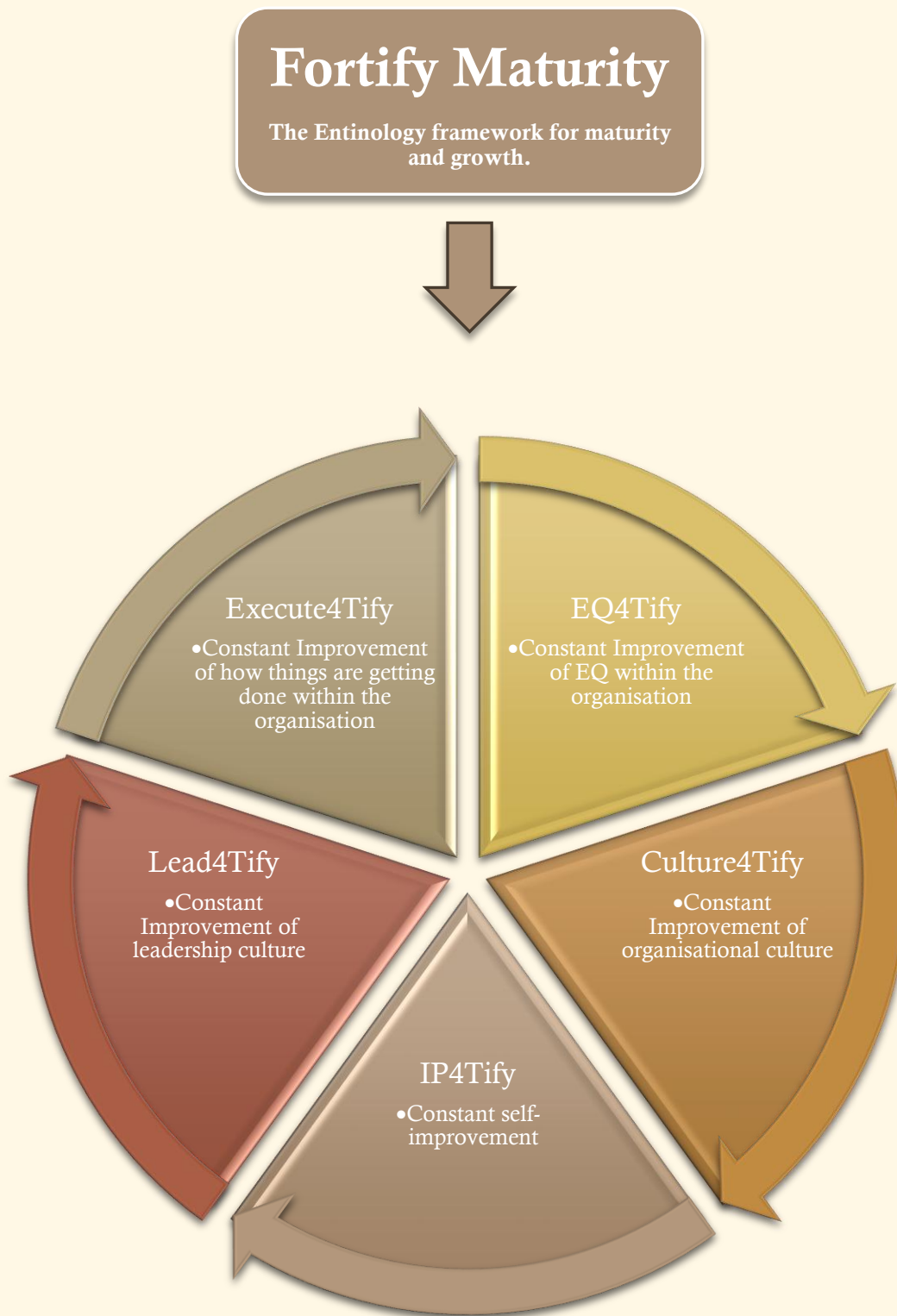
Methodology agnostic governance solves this by separating governance from methodology. The governance framework defines accountability, reporting standards, and delivery expectations. The methodology chosen for each initiative is determined by the nature of the work, selected by the person competent to deliver it, and measured against outcomes rather than process compliance.

This requires two things most PMOs are not yet equipped to provide: leaders who are genuinely competent in multiple methodologies, and governance policies that reward delivery over documentation. Both are achievable. Neither happens accidentally.

Why Agile Transformations Fail by Roelof Vermeulen



36. 4TIFY FRAMEWORK



CHAPTER 7
METHODOLOGY
AGNOSTIC AND
GOVERNANCE

37. CHANGE OF THINKING

My fourth mentor taught me that everyone in an organization is equally important. While executives play a crucial role, treating people as resources is not the right approach. TPM introduces importance disguised as roles and constraints disguised as risk management. To ensure Agile transformation succeeds, we need a change of thinking and introduce a methodology agnostic environment first.

Wisdom often comes with unexpected experience that requires a specific mindset that is open to new information.

As stated before, my second mentor taught me how important Executives are to an organization, in fact, executives are the most important. But it is what my fourth mentor taught me, that led me to experience a complete mind-shift on how Agile transformation should work.

When I called him a few months back he explained to me why Executives are important, especially in specific legal entities like public companies. In the role of COO, you seldom get Executives that last longer than 5 to 6 years, as the stress levels become insane.

From a leadership perspective, Executives simply fulfil a challenging and highly stressful role. But, within an organization that requires different role players to work together to ensure success, all people are equally important.

You cannot put a man's head on the table and expect him to achieve anything without arms or legs. Biologically, his entire body is needed for the head to survive. So, everyone is equally important!

This is what TPM gets wrong. It treats people as resources and not as role players who make up a part of the bigger picture.

In TPM scope is fixed because you should not do anything else even if it makes sense to do so. So, in other words, do as you are told.

TPM introduces importance disguised as roles. Artefacts that document the constraints is put in place, disguised as risk management. There is a culture of perception management and dishonesty needed to ensure everything is well managed and controlled.

Again, I'd like to highlight that there are projects that require this kind of methodology to ensure risk is managed sufficiently, for example procured software or infrastructure. But it should never dictate an organization's culture and delivery.

A change of thinking is vital for Agile transformation to succeed, and that change is to introduce a methodology agnostic environment first.

38. METHODOLOGIES SHOULD HAVE INCLUSIVE GOVERNANCE

For many regulatory projects, Agile shouldn't be the main execution methodology. A formal RFI, RFP, and RFQ process is needed to properly select vendors. Traditional Project Management is required for execution when the risk is high and timelines set. Innovation projects require a different approach and the focus should be on governance that adapts to delivery focus. The transformation to Agile is an excellent delivery methodology added to the available methods in an agnostic governance framework.

Regulatory projects often need to procure software and implement them formally. In this case, Agile cannot and should not be the main execution methodology. There need to be a formal RFI, RFP and RFQ process to ensure the vendor selection was done properly for three reasons.

Ensuring the requirements are met by the vendor's solution are fully understood and gaps fully defined with mitigation.

The implementation contract with the vendor is detailed enough to ensure no more additional requirements might appear out of thin air.

The timelines are formalised, as the regulatory impact almost always goes with a hard deadline date.

In this case, Traditional Project Management is required as the overarching method of execution. This is because the risk is extremely high when it comes to regulatory compliance. In some cases, the CEO and the Executive are criminally liable and executing this kind of project in an Agile manner will be unwise.

In the case of innovation projects, a different approach is required, but the person handed the responsibility to deliver, should be able to select the methodology applicable to the task at hand and not be constrained by what he can and cannot do. This also means that the person handed the task must be competent in multiple methodologies.

The focus comes back to governance that should change. Policies and risk management approaches should adapt to delivery focus and not management focus.

The transformation to Agile methodologies is not a mandatory introduction that forces the entire organization to change. Instead, it is an excellent delivery methodology that can be added to the available delivery methods in an agnostic governance framework within an organization with a rich Agile culture.

39. AGILE OUTPERFORMS TPM IN MOST DELIVERIES

Using Traditional Project Management for innovation projects does not manage risk. It manufactures it. TPM introduces risk, which it fails to manage, making it ineffective for such initiatives. On the other hand, Agile methodology reduces risk by delivering value quickly, with efficient planning, transparent reporting, and by creating an innovative culture free from politics, dishonesty, and perception management. In Agile, teams are autonomous and capable of making their own decisions, requiring support only for complex issues. This approach significantly reduces unknown risks, providing Executives more time to focus on essential tasks.

I must admit that I do use Scrum in the execution of regulatory projects, as it shows slippage immediately when it occurs and is much more efficient at speed of delivery with momentum. It is still within a properly structured artefact-driven project governance model.

However, using Traditional Project Management (TPM) for all initiatives for example innovation projects, will introduce risk and not manage it.

Agile reduces risk for many reasons but here are just four of the many reasons.

- 1) It is much more effective and efficient at planning than Traditional Project Management.
- 2) It is much more efficient and delivers value much faster, picking up momentum as the team matures.
- 3) It is transparent in its reporting, unlike Traditional Project Management where information gets sanitised.
- 4) It creates a foundation for any innovative culture of delivery as it removes politics, dishonesty and perception management.

The result is that risk is reduced for the Executive as there is much less unknowns, and risks are much more transparent. There is also an efficiency benefit which means the Executive can put more focus on what is important for them to fulfil their roles and waste less time on management and control.

Autonomous teams are capable and able to make their own decisions and only require support when they cannot possibly resolve an issue.

CHAPTER 8

THE AGILE ADOPTION PLAN AT A HIGH LEVEL

40. THE 6 DIMENSIONS OF AGILE TRANSFORMATION - PEOPLE

Agile adoption can be difficult for people, especially when it's forced upon them without proper explanation. It's crucial to help employees understand the benefits of Agile and how it differs from Traditional Project Management. Unfortunately, some people even leadership may deliberately resist the transformation, leading to confusion and risk for the organizations future.

Address these six dimensions in order. They form the foundation of a transformation plan that can actually survive contact with a real organization.

By doing so, you can introduce a workable transformation framework that takes into account important factors such as team collaboration, organizational culture, agile methodologies and ultimately a methodology agnostic delivery environment.

1. PEOPLE

The people dimension is the most important part of Agile transformation. In the large corporate setting, many Agile adoptions are done forcibly on the people by top management. The change is also seldom explained to the people working in the organization. The employees nearly never understand why this chaos is introduced into their lives.

Besides the fact that people in general battle with change, they need to understand the elements that make Agile better than Traditional Methods and what makes Traditional Project Management (TPM) better than Agile.

I am currently consulting at a bank where many of the Executives do not support the transformation to Agile because it simply makes no sense to them. They are deliberately making it fail so that they can save it with Waterfall. Constantly using the lingo but then using False Agile and Fake Agile, causing it to break.

Their concerns are valid though, because they are going through the confusion with greater risks and accountability.

The problem is that this is impacting the organization's future growth and possibly its existence.

41. THE 6 DIMENSIONS OF AGILE TRANSFORMATION - CULTURE

The CEO of an organization sets its culture. Pushing culture from the bottom-up is not possible. In public companies, the CEO's risk appetite and leadership style directly impact the culture. If the CEO has a low tolerance for failure, it leads to increased management, control, politics, and less trust, ultimately increasing the risk.

2. CULTURE

The culture of any organization is set by its CEO. Organizational culture cannot and never will be pushed upwards from the bottom of the organization. Lack of experience often results in statements where the drive from the bottom-up sounds possible, but it is not.

In a public company, the CEO's appetite for risk and leadership style directly sets the organization's culture.

If the CEO has a low tolerance for "failure" the only countermeasure is to put processes in place that reduce risk. Management and control are both increased, and the immediate results are politics, perception management, dishonesty and less trust. The irony is that the risk is increased tenfold.

The story of Kevin

Kevin was running a project that created a tool that did not exist in the Medical Insurance company yet. (Names and identifying details have been changed to protect individuals and organizations.) The project was already running for a year at a budget of just over \$250k a month.

He had several teams running and the expected delivery was based on a very specific scope. The project reported the RAG status of green for every monthly report and seemed successful by all waterfall definitions.

When I was called into the project, there was a suspicion that not all was well, and I was asked to give my opinion of the true state of the project. It took me literally 15 minutes into the first meeting with Kevin, to realize he was sanitising his reports every month to get to the green state because he believed they could still manage to solve some serious issues.

But I soon realized that his accuser was as guilty as Kevin. Every box of the very rigid governance process was ticked and required change requests were always completed in time for his sponsor and the PMO to report green. Why? Because failure was not an accepted outcome for the CEO.

42. THE 6 DIMENSIONS OF AGILE TRANSFORMATION - LEADERSHIP

Leadership is not just about management. It involves pulling people, not just pushing them. It requires humility and a growth mindset. Having a process in place to recognize bad leaders is recommended because it only takes one, to ruin any chance of successful implementation of Agile methodologies. True leaders are open to honesty, suggestions, and criticism of their leadership style.

3. LEADERSHIP

Many people talk about leadership as if it is an appointment. I do it myself. I say “the leadership of the organization” referring to the Executive.

Leadership is not by default management. It can be hard to explain but in its simplest form can be seen as leadership pulling people and management pushing people.

When introducing Entinology to teams of people, it is always amazing to see how quiet people can suddenly contribute when they realize there is no fear of honesty and directness.

Working for managers who are cleverly bullying people into submission gives you a whole different perspective on implementing any kind of transformation in large organizations.

Part of setting up a transformation plan is to ensure that a process is in place that informs management of the leadership issues and growth.

It only takes one bad leader to completely ruin any chances of a successful implementation of the Agile methodologies. It is highly recommended to have a system in place to recognize such individuals.

These people are often skilled at managing upward. Their incompetence is invisible to their superiors and disguised as authority. Their teams know the truth. Yet, their teams often have strong leaders in them that enable the teams to be successful, despite their bad leader.

True leadership requires humility, respect for others and a growth mindset. It also means that you have sufficient self-esteem and desire to improve and are completely open to honesty, opinions, suggestions and criticism of your leadership style.

43. THE 6 DIMENSIONS OF AGILE TRANSFORMATION – DECISION MAKING AND GOVERNANCE

Organizations must simplify their decision-making processes, to successfully adopt Agile. Complicated approval procedures often stem from the CEO's leadership style and organizational culture. However, introducing more decision-making freedom and empowering all employees to make quick decisions can reduce risk for Executives. Stricter governance does not necessarily reduce risk, and organizations must understand that accountability and responsibility are essential for efficient governance. Agile already comes with a powerful element of responsibility, but stricter governance often leads to less accountability and a culture of stagnation.

4. DECISION MAKING

Many organizations have complicated processes in place to get approvals done. This can in many cases be sourced back to the leadership style and the culture set by the CEO. To create a proper Agile adoption plan, this needs to be determined first.

A point to consider is this. Decision-making can easily become the pothole on the delivery road that causes a flat tyre on the Agile delivery vehicle now and then. The irony is that introducing more freedom for decisions and enabling everyone in the organization to make decisions fast, can reduce a lot of risk for the Executive.

5. GOVERNANCE

The assumption that stricter governance reduces risk is proven to be false. Governance is needed, but for it to work better and more efficiently, there are certain elements needed. Responsibility is the greatest one.

Agile comes with this very powerful element completely for free. The problem is that the stricter governance is, the less responsibility is shared. More boxes get ticked and work resembles the delivery of templates, standards and ticking boxes.

Accountability becomes the firing stick, and the Drift Sand culture is activated, the faster you try and do things the slower you move and the deeper you sink.

44. THE 6 DIMENSIONS OF AGILE TRANSFORMATION –CHANGE MANAGEMENT

Change Management is an indispensable process for introducing changes in an organization and inculcating it into an organization's culture. Change Management plays a critical role in communicating the benefits and success of any transformation.

6. CHANGE MANAGEMENT

Change Management is the process that involves introducing changes in an organization.

It is often confused with Change Control, which is a strict governance process that ensures any changes made to an organization do not pose any unnecessary risks or issues.

Although many organizations view Change Management as dealing with the aftermath of Change Control, it is not the case most of the time.

Change Management plays a critical role in communicating the benefits and success of any initiative.

For any successful transformation to take place, Change Management is a crucial element.

It is essential to establish the existing Change Management capability of the organization and communicate the benefits and success of the transformation adequately.

Proper communication and selling of the transformation will directly impact the implementation of the adoption's success or failure.

45. THE 6 DIMENSIONS OF AGILE TRANSFORMATION -FORTIFICATION

7. FORTIFICATION

The process of fortification begins with a current state assessment on the first day of implementation. The process is on-going, continuously evaluated and updated.

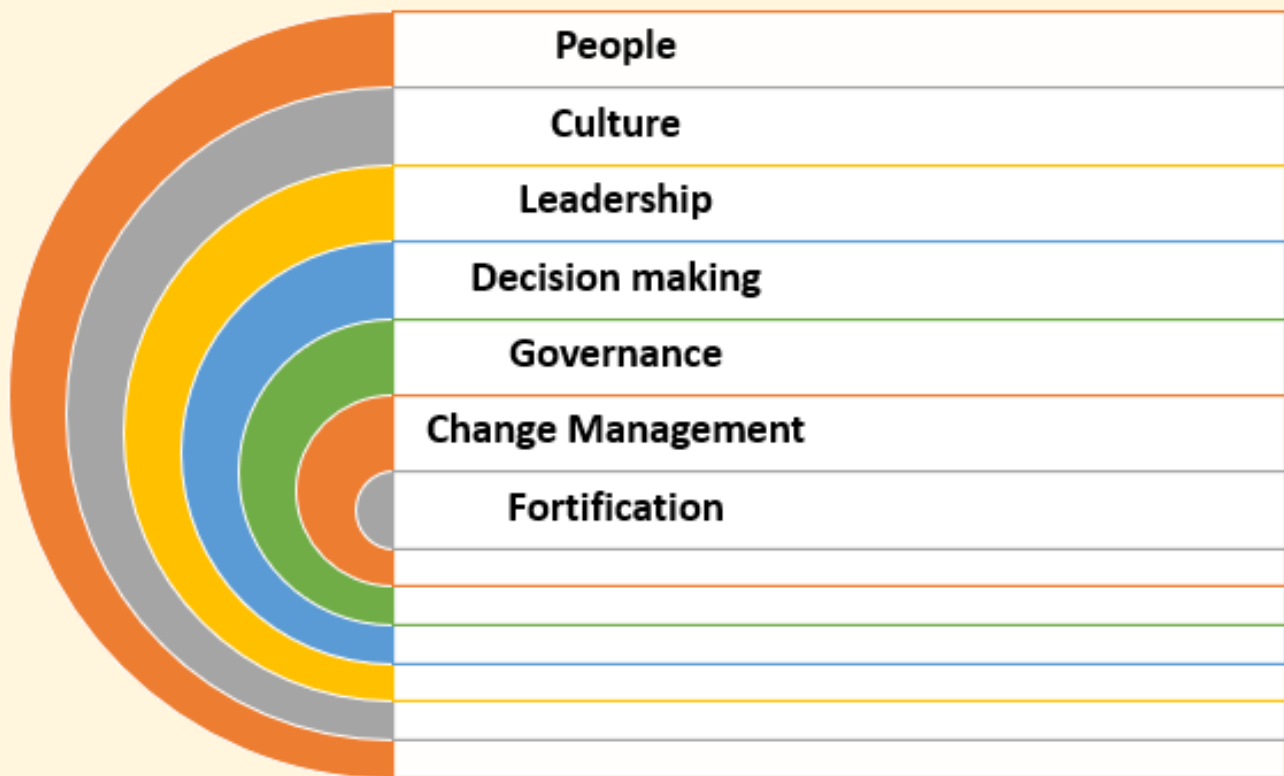
It is important when Agile is adopted in an organization that the expectation of constant change is part of the DNA of the organization.

Use a fortify framework that constantly informs culture change by focusing on measuring, driving and improving the following:

- Education needs
- Constant self-improvement
- Constant improvement of leadership culture
- Execution improvements
- Process improvements
- Learning (School fees)

The last one is part of many project governance processes, often a ceremony of learning that leads to a great discussion and interesting outcomes. However, the change it brings is often exaggerated. Organizations should take learning more seriously as it is always expensive in the long run.

46. THE 6 DIMENSIONS OF AGILE TRANSFORMATION



HOW?

WHAT?

WHY?

WHAT NEXT?

CHAPTER 9 IN SUMMARY

47. THE PUNCHLINE

Opening the Pandora's box of why companies struggle and often fail to adopt Agile practices or to inculcate entrepreneurship and innovation can lead to lively debates and arguments between very strong personalities.

However, what I am asking you to do is to tap into the logical flow of why these issues often do not get solved by thinking about the result you desire and then how to make that happen, instead of looking at the causes because that will surely take you down a termite's nest of possibilities.

Public companies are culturally designed around their Board's desire for management and control. In other words, if the Board has a high priority of management and control, they integrate it into the OKRs and KPIs for their Executive. Until now this has worked well for large established Public Companies and will probably still work nicely for the next few years, but after that those that don't will not.

The damage that management and control have done to mankind is also up for debate. It is the opinion of many experts that we should have been off-planet ages ago. Yet this didn't happen. It might be argued that space exploration is too expensive or too complicated with current technology. Still one thing is certain, we need to improve on our innovation methods very soon to ensure our planet and humanity has a better chance for survival.

For that reason, we have a blessing that timed it perfectly with their arrival. There is a new generation in the house. They grew up with technology and didn't even fathom the existence of a fax machine or VHS.

They are highly entrepreneurial, unlike any other generation before them. They do not chase careers and are highly driven to innovate. They are new to the job market and to the monsters my generation (Gen X) created by being slow and thorough.

They are called Gen Z!

Organizations that tap into this talent pool will exist in the future.

And you might ask, what about those that don't?

Well, let's say, you are running out of time faster than I can say "AI can't innovate **yet**".

Why Agile Transformations Fail
by Roelof Vermeulen

WHY AGILE TRANSFORMATION IS FAILING AT SCALE

The Agile Transformation pitfalls few see or talk about, yet it causes many Agile transformation failures in scaled environments.

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