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The Executive Action Team
Leadership in an Agile Paradigm

Host: JJ Sutherland
Presenter: Jeff Sutherland

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Scrum Inc. is the Agile leadership company of Dr. Jeff Sutherland, co-creator of Scrum. We are based at the MIT Cambridge Innovation Center, MA.

CEO Jeff Sutherland helps companies achieve the full benefits of Scrum leading our comprehensive suite of support services and leadership training:
- Scaling the methodology to an ever-expanding set of industries, processes and business challenges Training (Scrum Master, Product Owner, Agile Leadership, online courses, etc.)
- Consulting (linking Scrum and business strategy, customizing Scrum)
- Coaching (hands-on support to Scrum teams)

Chief Product Owner JJ Sutherland maintains the Scrum framework by:
- Capturing and codifying evolving best practices (Scrum Guide)
- Conducting original research on organizational behavior
- Publishing (3 books) and productizing ScrumLab

President Scrum@Hardware Joe Justice leads our hardware consulting practice:
- Worldwide consulting at leading hardware companies
- 700-800% performance improvement in hardware development
- Builds 100 mpg cars in his garage with help from 500 people in 32 countries

We run our company using Scrum as the primary management framework, making us a living laboratory on the cutting edge of "Enterprise Scrum"

Find out more at www.scruminc.com.

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Why is the Saab Gripen the Best Fighter Aircraft in the World?

**F-35 "Joint Strike Fighter"
– Traditional Design**

- $143 Billion <u>over budget</u>

- At least another 6 years late (final systems integration)

- Cost of Navy F-35C grew from $273 million in 2014 to $337 million by 2015

**SAAB JAS 39E "Gripen"
– Agile Design**

- Best aircraft in the world - Aviation Week

- Cumulative program cost of $15 Billion

- New iteration of all systems released every 6 months

- $43M cost[1] (20% of F-35)

1. According to Jane's Aviation Weekly, the Gripen is the world's most cost-effective military aircraft

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Because Their Enterprise Action Team Meets Every Morning at 8:30

- 8:30 Enterprise Action Team (= senior management)
- 8:15 Scrum of Scrum of Scrum of Scrums
- 8:00 Scrum of Scrum of Scrums
- 7:45 Scrum of Scrums
- 7:30 Daily Scrum

- Approximately 8 x 8 x 8 x 8 = 4096 people

Modular Framework for Scaling Scrum

Executive Action Team

Product Ownership Cycle

Metrics & Transparency

Strategic Vision

Backlog Prioritization

Product & Release Feedback

Scrum Master Cycle

Backlog Decomposition & Refinement

Cross-Team Coordination

Continuous Improvement & Impediment Removal & Personnel Issues

Release Planning

Release Management

Team-Level Process

Organization Level

- Enterprise
- Business Unit
- Team

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5

Scrum at Scale Modules are Defined by their Goals, Inputs and Outputs

|	
Goals	Define what the module is intended to accomplish
Inputs	Describe the information or resources needed from other modules to accomplish those goals
Outputs	Outline what information or product this module generates that are needed by other modules

ANY specific practice that meets the module's required <u>Goals</u>, <u>Inputs</u> and <u>Outputs</u> will work with all of the other Scrum at Scale modules…This is "Contract-First Design."

Required Inputs → Goals to be achieved → Outputs to other modules

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Executive Action Team

Vision & goals regarding organizational culture, structure, values, norms etc.

Business Strategy and market trends

Other organizational development initiatives

Other organizational metrics to provide transparency

Organizational transformation strategy

Identified impediments

Executive Action Team

Up-to-date Executive Action Backlog

Feedback on interventions

Measures and interventions to remove waste and improve performance

Information on transformation status and process in the organization

Status of organizational development

Output

Input

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What If Senior Management Can't Scrum?

- You need an Enterprise Action Team with Senior Management representation along with knowledgeable people that can Scrum
  - Their backlog is the things that need to be done to make the organization more Agile
- They have the authority to change the organization
  - They have the authority to delegate lower level stories in their backlog to middle management
- They meet regularly

The Key to Crisis Management

"Someone is in charge, there is a plan, the plan is working"

-David Byrne, Former European Commissioner for Health and Consumer Protection
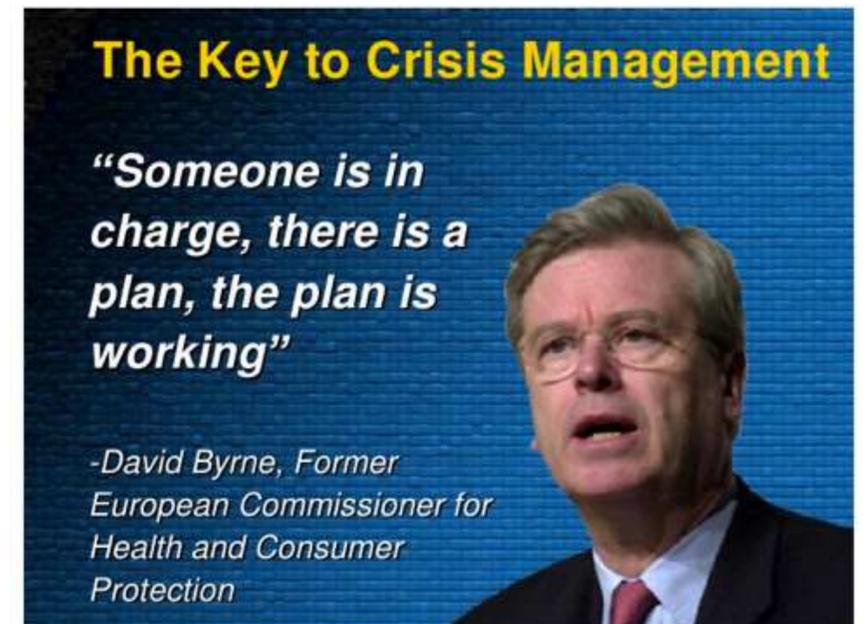
PDF created with pdfFactory trial version www.pdffactory.com

You Will Not Win the War Without a Team of Teams

- **Executive Action Team needs to be a team of teams** to Scrum company impediments
  - Scrum needs executive support for continuous improvement to be sustainable.
  - Sometimes called Agile Transition Team or Strategy Scrum Team.
- **Resolves big impediments**
  - Assigns impediments to middle managers

Command
In this traditional top-down structure, the connections that matter are the ones between workers and their managers.

Waterfall

Command of Teams
In this structure, adaptive small teams operate within a more rigid superstructure.

Agile in Name Only

Team of Teams
The relationships among teams should resemble the closeness among individuals on those teams.

Agile

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What is the Backlog for Agility

- The Enterprise Action Team needs to assure that management takes the responsibility for leading an Agile organization
- Their three top priorities are megaissues
  - Assure all products and projects are prioritized and every team has a clear product backlog
  - Assure all teams can continuously ship product
  - Remove organizational debt that blocks Agility

Assure Management Provides Agile Leadership

- Provide clear and challenging goals for the teams
- Eliminate organizational debt - identify and remove waste
  - Create a business plan that works
  - Provide all resources the teams need
- Identify and remove impediments for the teams
  - Know velocity of teams
  - Eliminate technical debt
- Hold Product Owners accountable for value delivered per point
- Hold Scrum Masters accountable for measurable process improvement, regular product delivery, and team happiness
- Hold Managers accountable for removing waste

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MegaIssue #1 - Prioritization

- **Every team has a clear, ordered backlog every sprint so they know exactly what they need to do and in what order.**

- **Teams are stable. No teams are raided for people to start new projects. Backlog flows to stable teams.**

- **Bad Symptoms**
  - "We have multiple conflicting priorities."
  - "Our teams are constantly disrupted by changes for new projects"
  - "Everything is number one priority."
  - "We all work on five projects at once."

O	**Great** **No Impediments**
Δ	**Some Impediments** **Team Not Impacted**
↑	**Some Impediments** **Team Progress Impacted** **Situation Improving**
↓	**Significant Impediments** **Team Significantly Impacted** **Situation Deteriorating**
X	**Major Impediments** **Team Totally Blocked**

Typical "Agile in Name Only" Team

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Scrum Inc. Agile Capability Assessment: Summary Report

Summary report for: Fortune 100 Company before 1st visit

Overall Score

24%	F

Percent of Assessment completed

Overall		98%
Organization		100%
Team 1	0	98%

Results Breakdown by Category

Categories (top to bottom): ScrumMaster, Product Owner, Engineering Practices, Team, Backlog, Testing Practices, Workspace, Tools, Workflow, Review/ Retrospective, Daily Standup, Leadership & Governance, Sprint Planning, Sprint
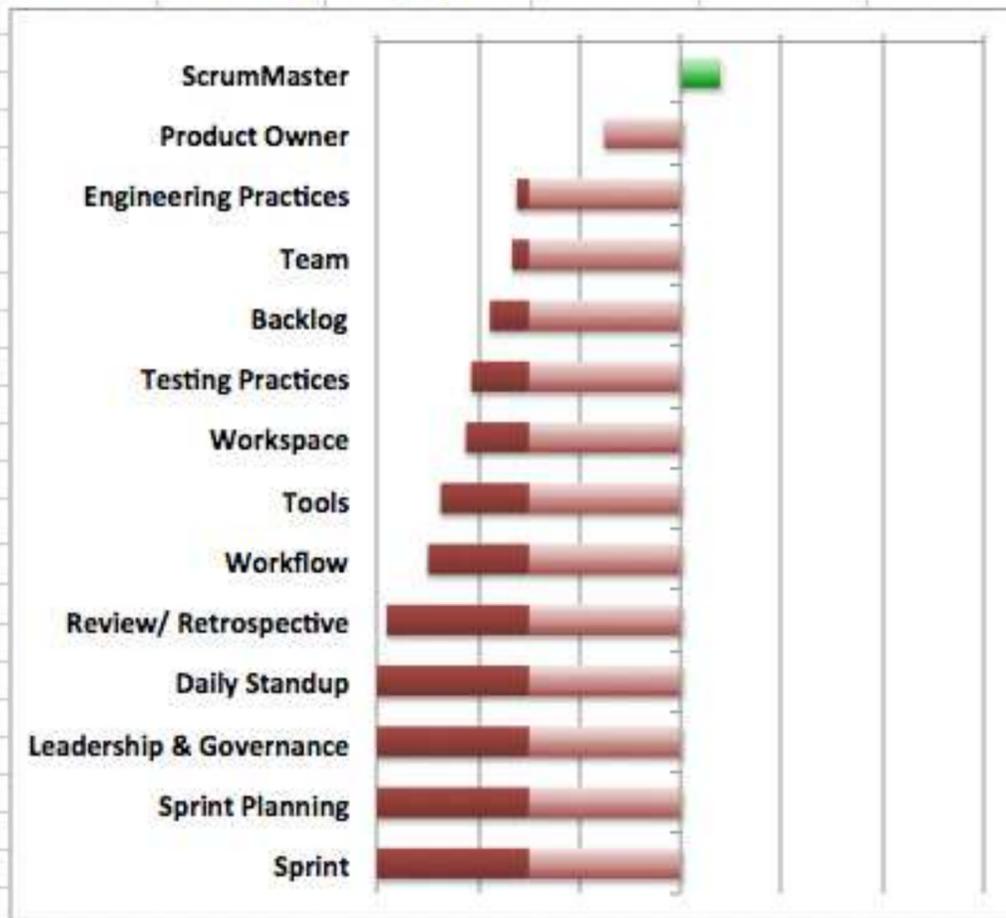
Top Levers for Improvement

	Category	Lever	Team
1	XII. TESTING PRACTICES	Testing within sprint	Team 1
2	XI. ENGINEERING PRACTICES	Continuous Integration	Team 1
3	XII. TESTING PRACTICES	Automated testing	Team 1
4	XII. TESTING PRACTICES	Regression testing	Team 1
5	VII. DAILY STANDUP MEETING	Impediments addressed	Team 1

Key Strengths to Maintain and Expand

	Category	Lever	Team
1	II. SCRUMMASTER	Team empowerment	Team 1
2	XII. TESTING PRACTICES	Performance Optimizatic	Team 1
3	III. PRODUCT OWNER	Non-interupt	Team 1
4	XII. TESTING PRACTICES	Exploratory testing	Team 1
5	II. SCRUMMASTER	Active facilitation	Team 1

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Team After One Sprint with Aggressive Coach

Scrum Inc. Agile Capability Assessment: Summary Report

Summary report for: Fortune 100 company after first visit by coach

Overall Score

58%	D

Percent of Assessment completed

Overall		100%
Organization		100%
Team 1	0	100%

Results Breakdown by Category
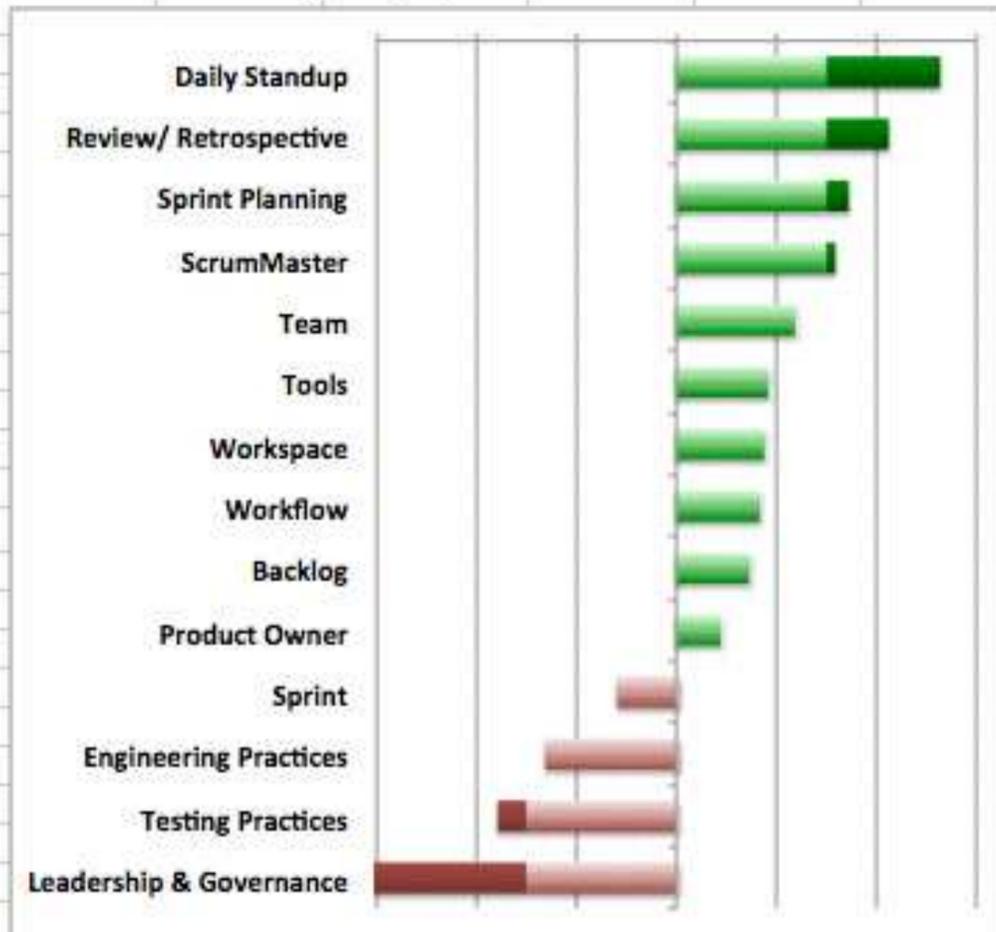
Top Levers for Improvement

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1	XI. ENGINEERING PRACTICES	Continuous Integration	Team 1
2	XII. TESTING PRACTICES	Automated testing	Team 1
3	XII. TESTING PRACTICES	Regression testing	Team 1
4	XII. TESTING PRACTICES	Testing within sprint	Team 1
5	XII. TESTING PRACTICES	Unit testing	Team 1

Key Strengths to Maintain and Expand

	Category	Lever	Team
1	VIII. SPRINT REVIEW AND RETROSPECTIV	Kaizen identified	Team 1
2	VI. SPRINT PLANNING MEETING	PO participation	Team 1
3	VI. SPRINT PLANNING MEETING	All stories estimated	Team 1
4	VII. DAILY STANDUP MEETING	Standing at board	Team 1
5	VIII. SPRINT REVIEW AND RETROSPECTIV	Whole team participates	Team 1

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Team After a Few Sprints

Targeted Value Increase
Each Sprint's Velocity ÷ Initial Sprint's Velocity
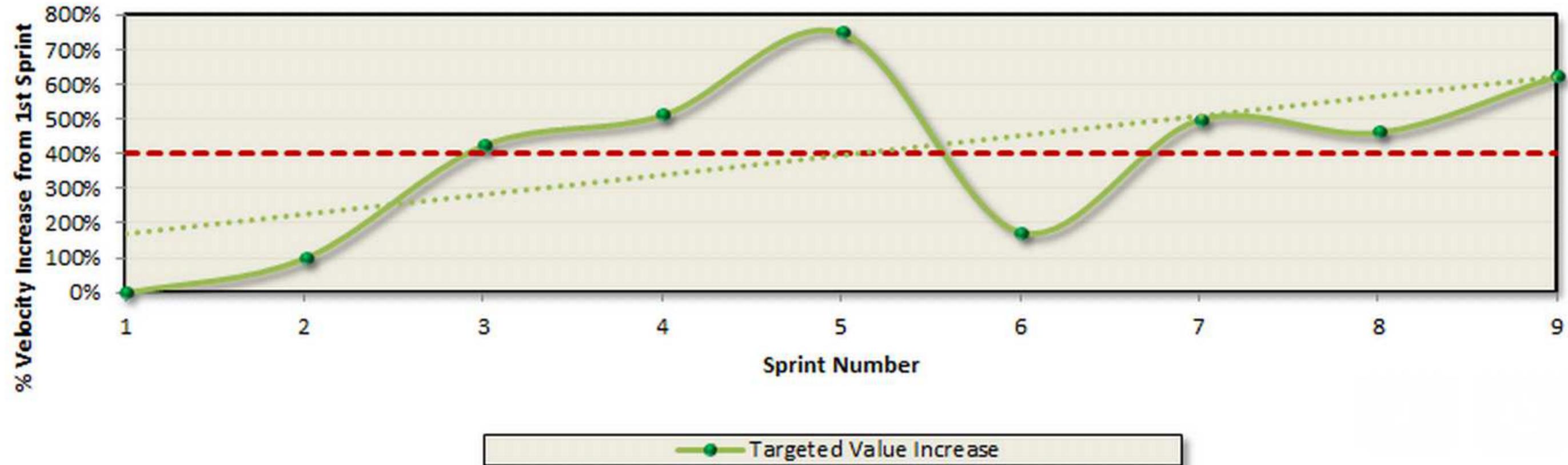
Good results from other teams as well
- 209% (The Avengers)
- 275% (The Warriors)
- 367% (The Chargers)

Teams Are Not Building the Right Features

80% of value typically resides in 20% of features

Value to Customer

50.0000

37.5000

25.0000

12.5000

0.0000

65% of features provide little to no value, are rarely used and/or aren't actually desired by the customer

The rest are OK, but not as important
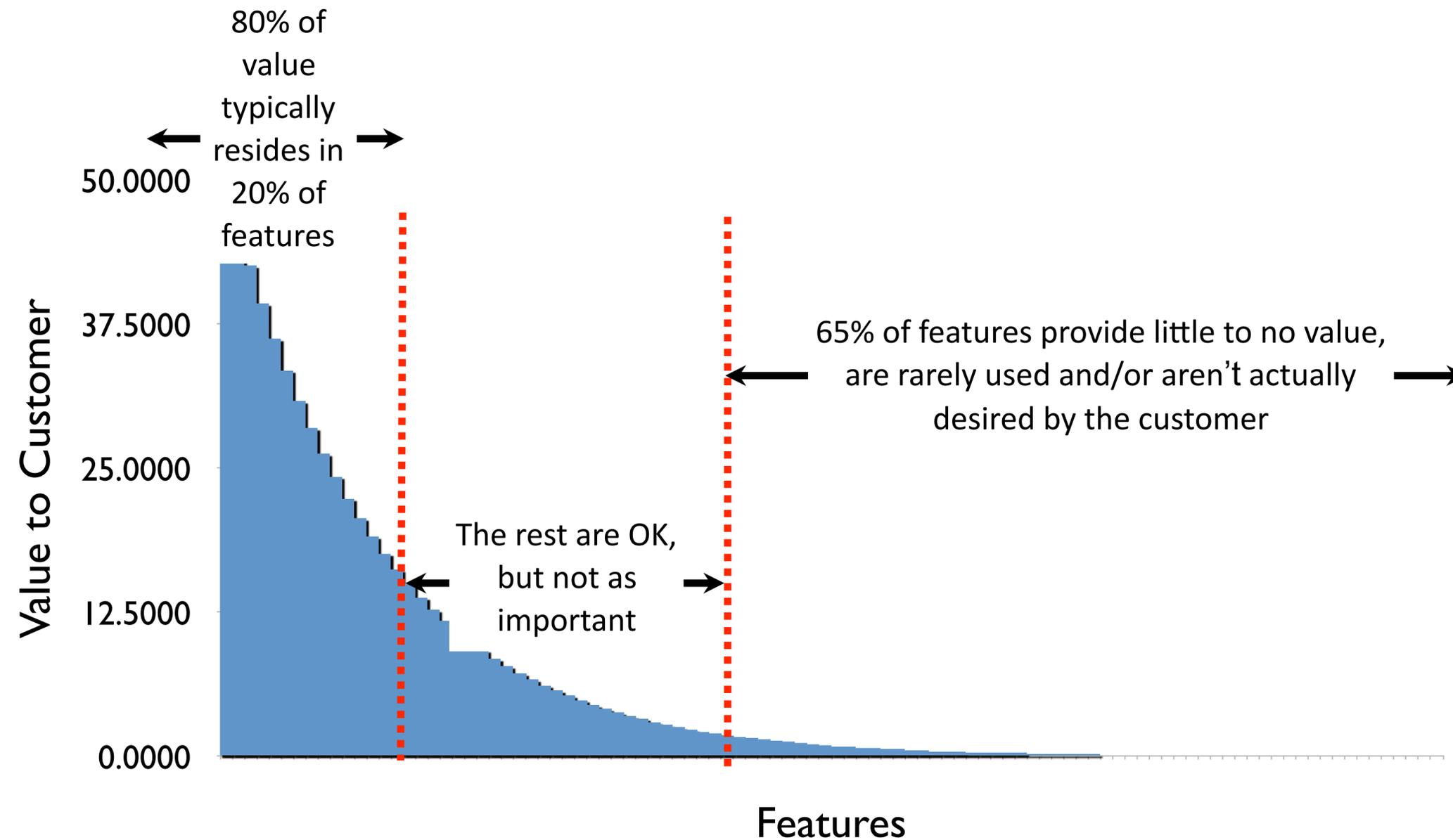
Features

How can you tell ahead of time which features add value and which don't?

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Biggest Problem is Still Leadership

- Leadership has not prioritized the organization
- 1/3 of the people are doing things that are not in the interest of the business
- 65% of the remaining 2/3 is features that the user will never or rarely use
- **Solution:**
  - **Build a Product Owner organization**
  - **Every team has a Product Owner with a clear prioritized backlog every sprint**

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Scrum Master and Product Owner Functions Scale Coordination Differently

Scrum Master

- Share best practices
- Collectively solve problems & remove impediments
- Deliver early and often
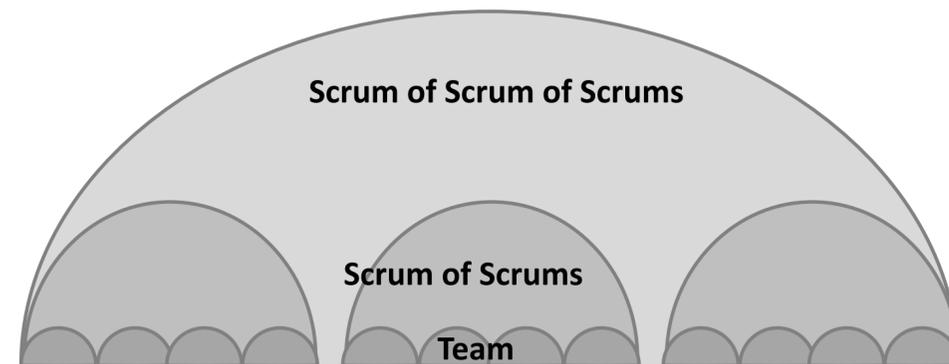
Product Owner

- Maintain clear and consist product vision
- Optimize business value
- Respond decisively to changing market

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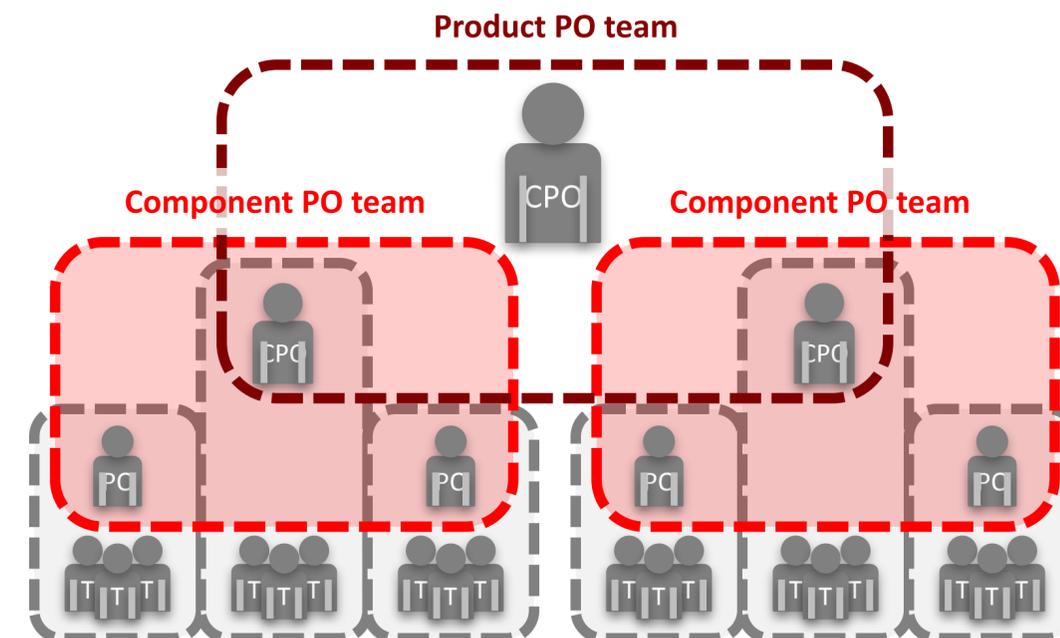
Prioritize Possible Epics by NPV/Point
Minimum Level Set by Current Rev/Point Run Rate

NPV/point

E1

E2

E3

E4

E5

E6

E7

E8

NPV/Point floor
(based on current
rev/point run-rate)

Points

Available quarterly team capacity for Epics
(based on yesterday's weather)
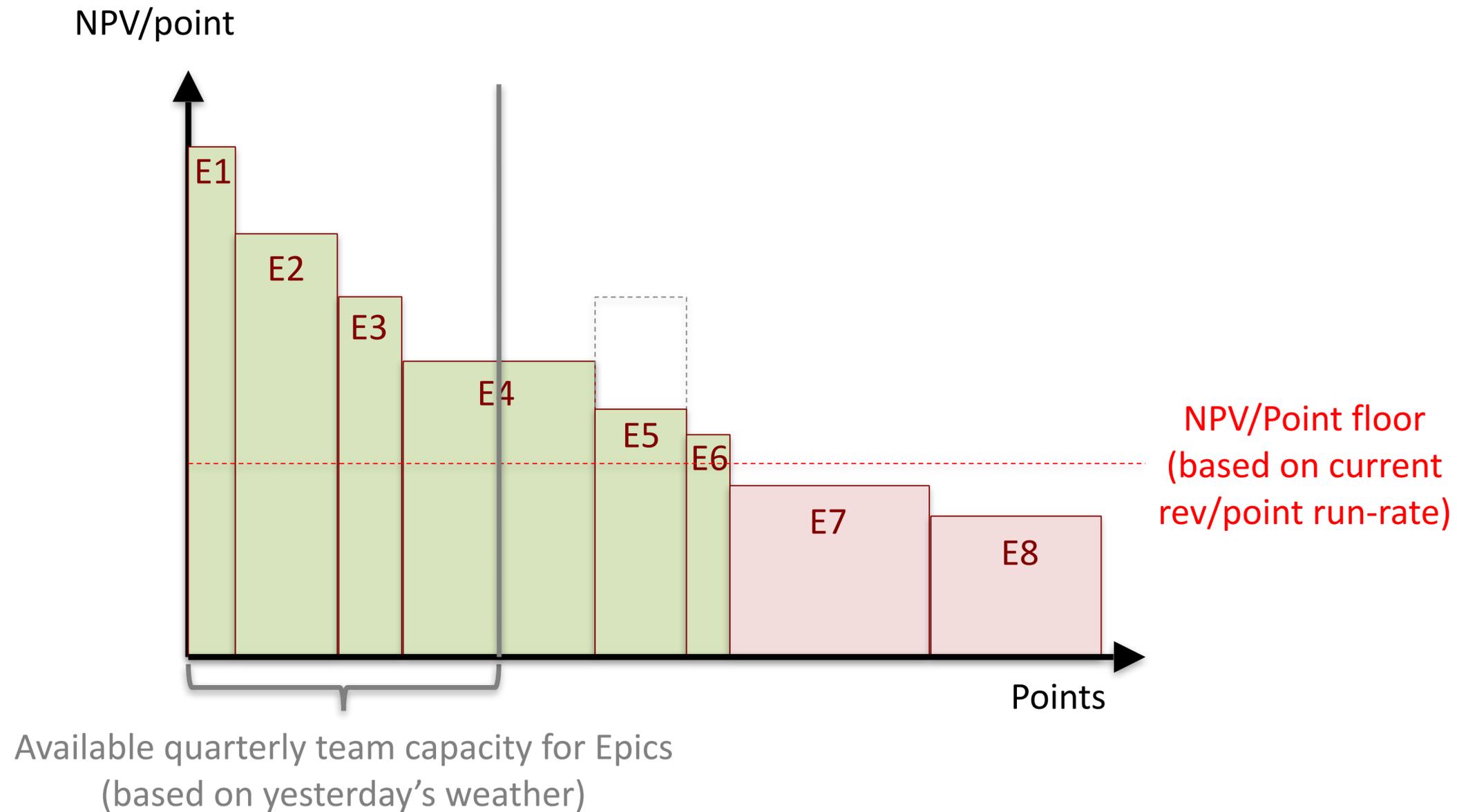
Drive Roadmap Priorities With a MetaScrum

Responsibility	Vision	Roadmap	Release Plan	Product Backlog	Sprint Backlog	Daily Plan	Removing Impediments
Executives	A/R	A	C	I	I	I	R
Chief Product Owner	C	R	A	A	I	I	R
Product Owner	C	C	R	R	C	C	R
Über-ScrumMaster	I	I	C	I	I	A	A/R
ScrumMaster	I	I	C	C	C	R	A/R
Team	I	I	C	C	A/R	R	R

Responsible (R)   Owns the problem / project

Accountable (A)   To whom "R" is **Accountable** - who must sign off (**Approve**) on work before it is effective

Consulted (C)   To be **Consulted** - has information and/or capability necessary to complete the work

Informed (I)   To be **Informed** - must be notified of results, but need not be consulted

Brent Barton. Establishing and Maintaining Top to Bottom Transparency Using the Meta-Scrum. Agile Journal, 6 Oct 2007

The Meta Scrum:
Scaling Aggressive Scrum

- A gathering of Key Stakeholders, Leadership, and Product Owners

- Run by Chief Product Owner

- Aligns enterprise around roadmap

- The forum for stakeholders to express preferences and remove blocks (they should not try to alter product vision between Meta Scrums)

- Can be held at regular intervals or on an ad-hoc basis

- Allows teams to progress efficiently down a single work path

Sprint/Time

Meta Scrum

L
PO
SH SH

Aligned Product Backlog

Meta Scrum

L
PO
SH SH

Aligned Product Backlog

Meta Scrum

L
PO
SH SH

Aligned Product Backlog

L
Leadership

SH
Stakeholders

POl
Product Owners
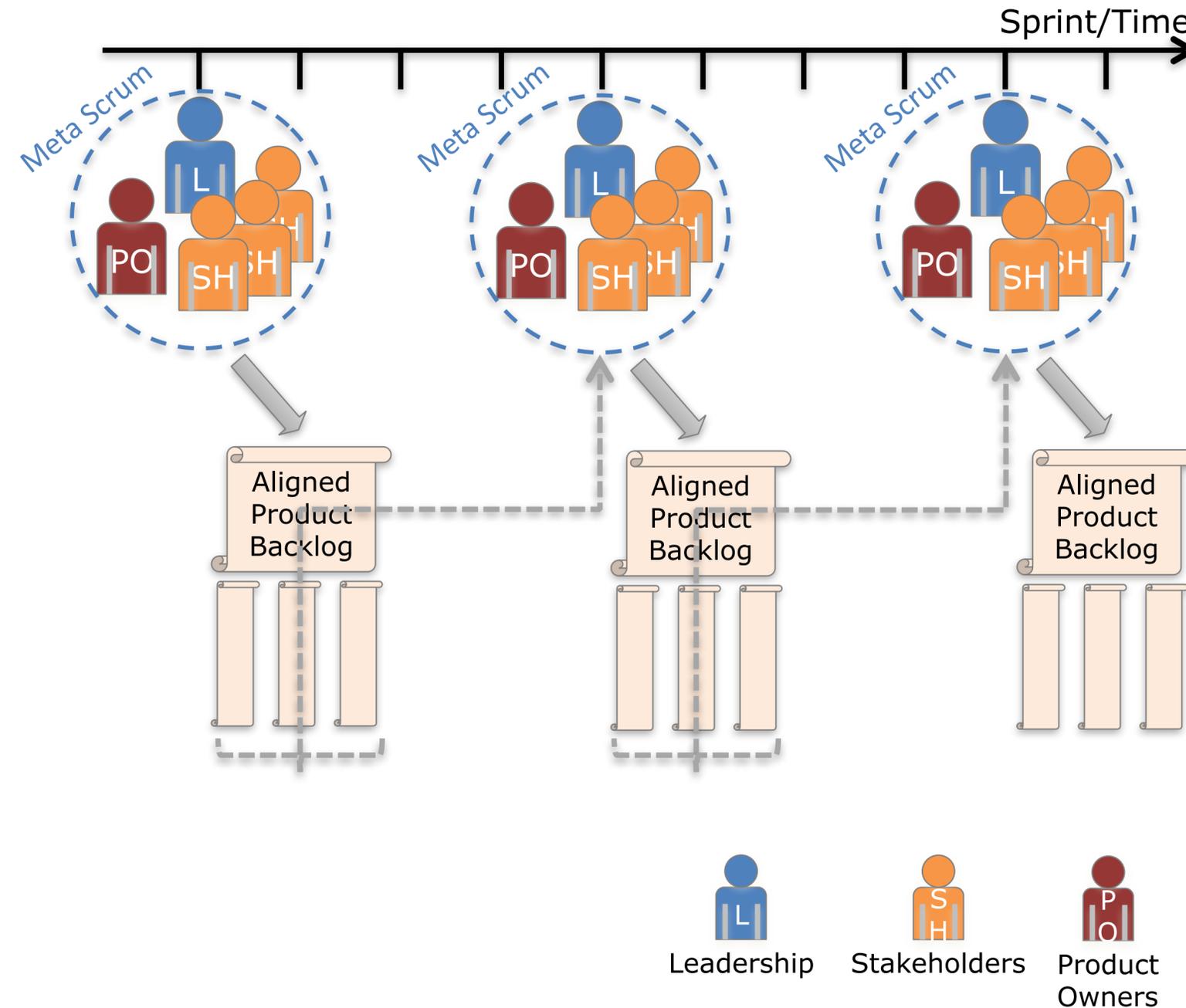
Megaissue #2 - Continuous Delivery

- **Incremental fully integrated builds can be done multiple times per day**

- **Automated acceptance tests are run with every build**

- **Teams have a potentially shippable increment of code at the end of a sprint (or more often)**

- ## Bad Symptoms
  - We don't know our velocity
  - Our velocity is flatlined
  - Done means coded not tested
  - We can't do integration testing in a sprint

O	**Great** **No Impediments**
Δ	**Some Impediments** **Team Not Impacted**
↑	**Some Impediments** **Team Progress Impacted** **Situation Improving**
↓	**Significant Impediments** **Team Significantly Impacted** **Situation Deteriorating**
X	**Major Impediments** **Team Totally Blocked**

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What to Do If You Are "Agile in Name Only"

Pulling an Elephant
Out of a Tarpit

Stas Zvinyatskovsky   Ed Kraay
@staszv   @ekraay

YAHOO!

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Let's all agree

We take pride in our work
We want to ship often
We want to ship with quality
We want to do work that matters

Source: Yahoo

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"We Work Hard But We Don't Know If We Are Making a Difference."

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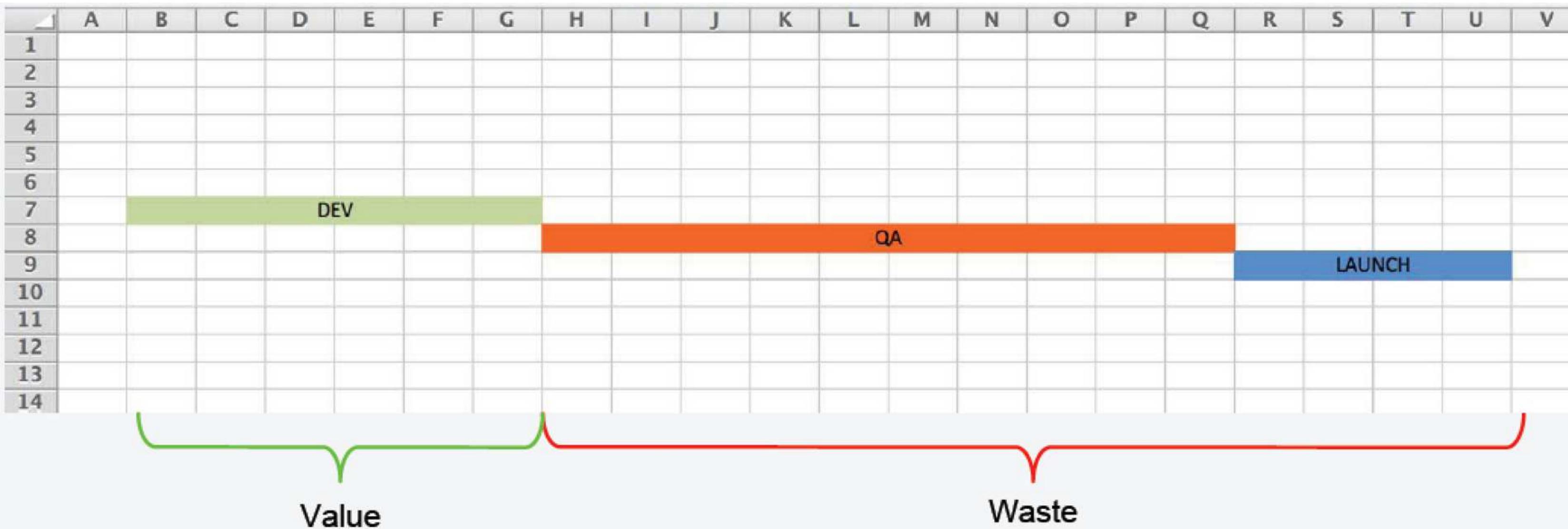
ROLLERCOASTER OF PAIN
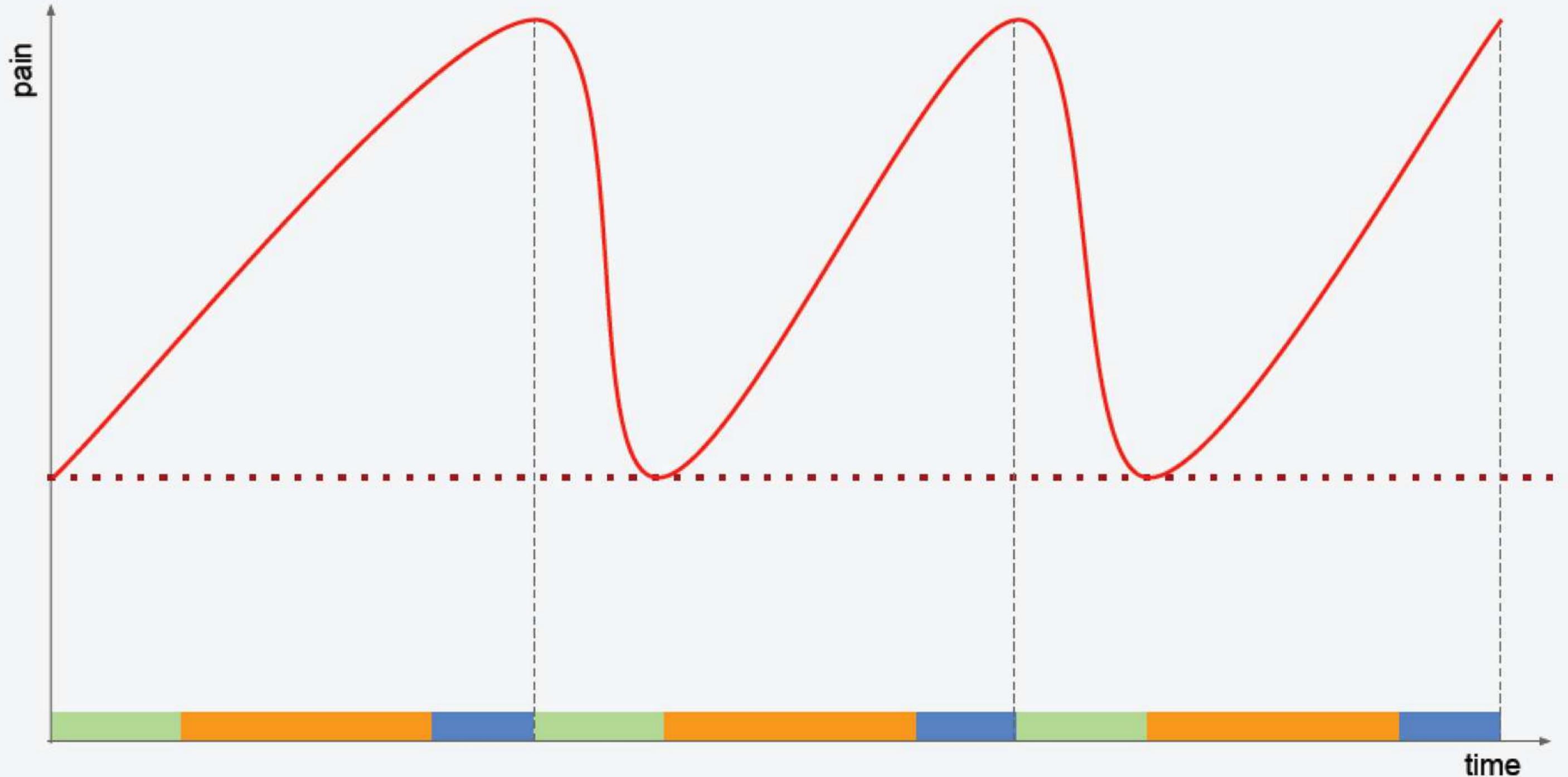
Source: Yahoo

Solution Services

- Mandated continuous integration
- Trained managers and technical leaders
- Communities of practice
- Agile consultants
- Release planning sessions
- Scrum of Scrums
- **Metascrum**
- **Portfolio kanban**
- **Impediments clearing house**
- Agile council
- Agile tools

Source: Yahoo

Dismantled
End to End
Environment

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

Decision Leap Strategy Execution

Source: Yahoo

First True Continuous Delivery Pipeline

Weekly Releases

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

Decision Leap Strategy Execution
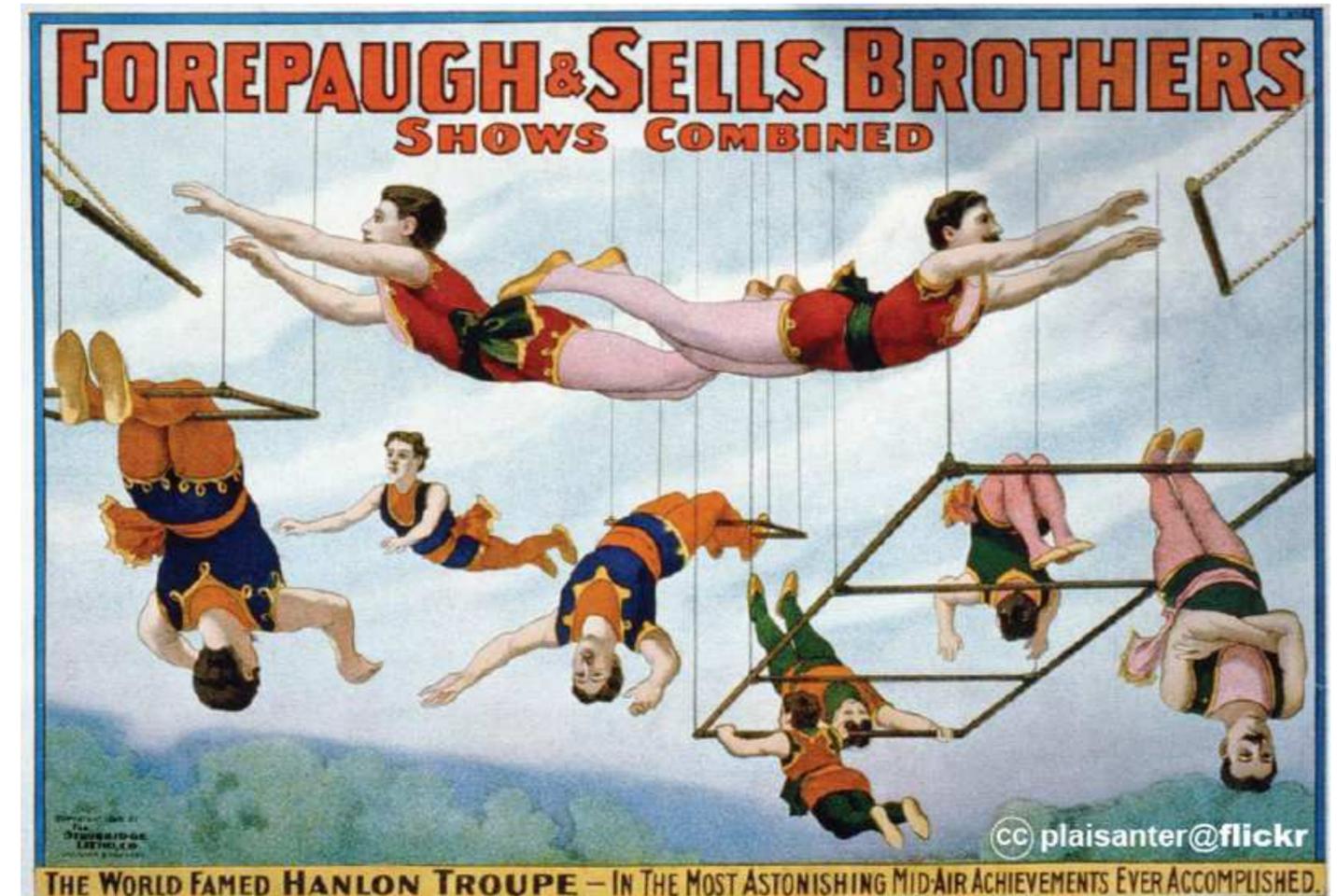
Source: Yahoo

Source: Yahoo

Value

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

Decision   Leap   Strategy   Execution

Pain

Weekly Releases

Decision   Leap   Strategy   Execution

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

Source: Yahoo

Dev
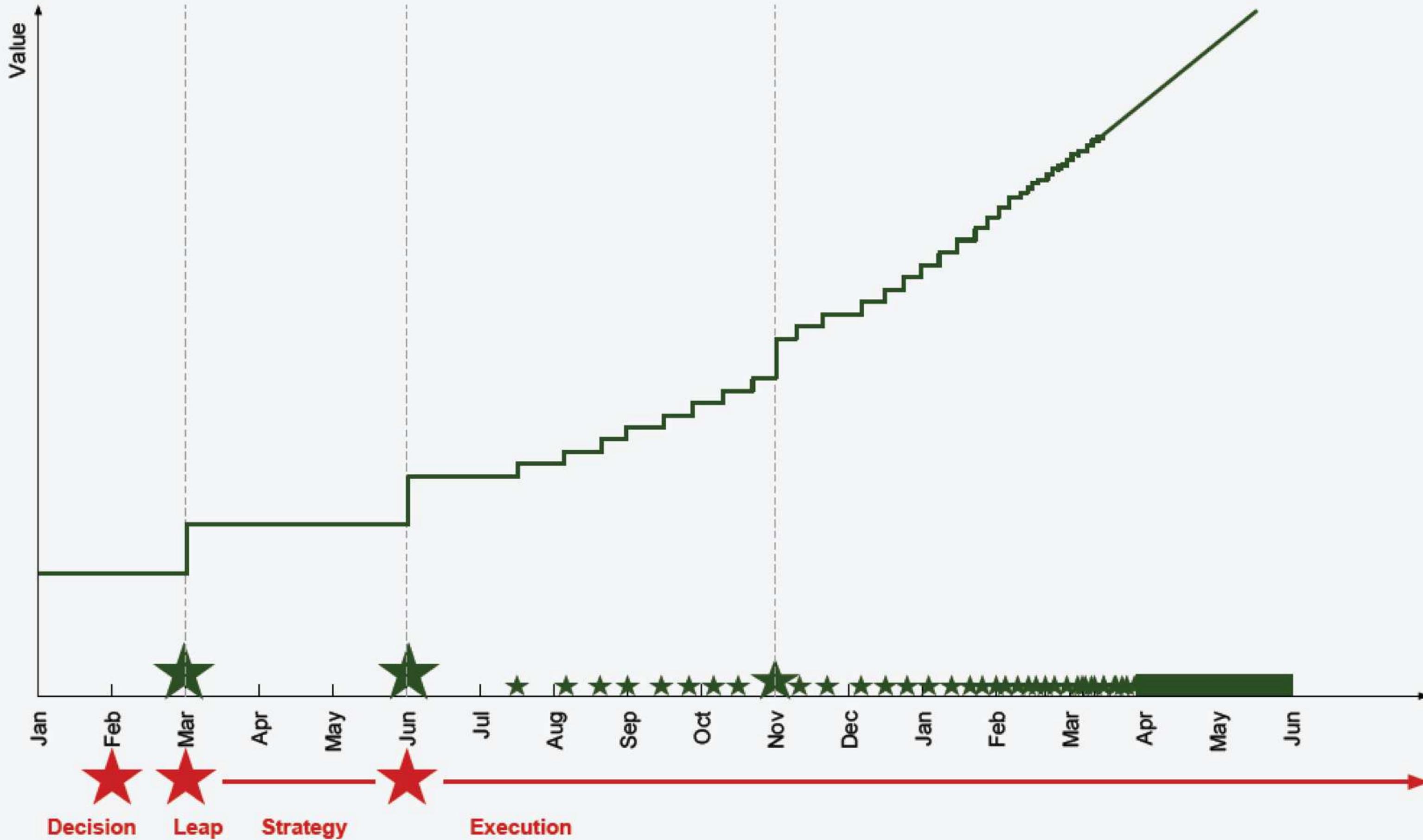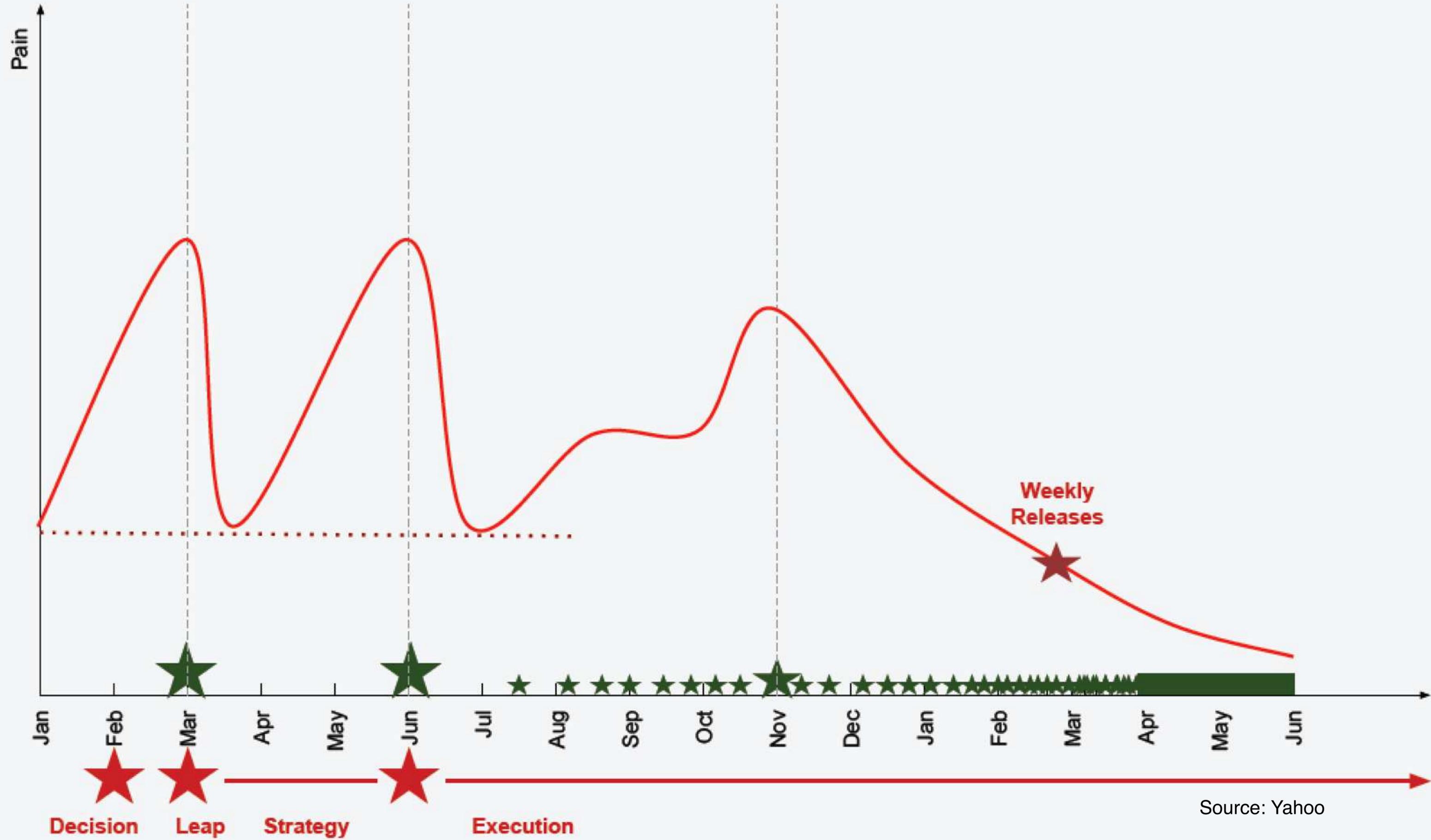
52 weeks of value

Source: Yahoo

		Non-Agile			Agile		
Agile Attributes	Mean	Less often than every 12 weeks	Every 8 to 12 weeks	Every 4 to 8 weeks	Every 3 to 4 weeks	Every 1 to 2 weeks	More often than once a week
Our Development Team...					7-Point Scale (1)		
Continually improves our development processes.	5.1	4.6	4.6	4.9	5.0	5.2	5.4
Delivers tested, running, software each cycle.	5.4	4.5	5.0	4.9	5.3	5.5	5.6
Includes my voice in decision making.	5.4	4.9	5.1	5.2	5.6	5.5	5.5
Produces clean, high quality code.	5.1	4.4	4.9	5.0	5.2	5.2	5.2
Makes releasing new features easy.	5.1	4.3	4.6	4.6	5.1	5.3	5.4
Incorporates user feedback to drive decisions.	5.2	4.6	4.9	5.1	5.2	5.3	5.3
Maintains a high energy level.	5.2	4.6	4.5	5.0	5.2	5.4	5.5
Impediments to progress are effectively removed.	5.0	4.5	4.3	4.8	5.0	5.1	5.1
As a Broader Organization...					7-Point Scale (2)		
Work is informed by effective feedback processes.	5.0	4.4	4.7	4.8	5.0	5.1	4.9
We insist on "best-possible" user experiences.	5.1	4.5	4.8	4.9	5.2	5.3	5.1
Product decisions are based on evidence & data.	5.0	4.2	4.8	4.9	5.0	5.1	4.9
We manage dependencies well with other groups.	4.8	4.1	4.4	4.6	4.9	4.8	4.8
We work on the highest priority product goals.	5.6	5.0	5.4	5.5	5.6	5.6	5.5
Products are easy to launch.	4.8	4.2	4.6	4.6	4.8	5.0	4.9
Unweighted Mean Score		4.5	4.8	4.9	5.1	5.2	5.2
# of Respondents >	1,267	51	55	120	279	573	189

Color indicates variance from the mean score (standard deviations)
-2 -1.5 +1.5 +2

Notes:

7-Point Scale (1) : 1 = Rarely or Never and 7 = Nearly Always
7-Point Scale (2) : 1 = Strongly Disagree and 7 = Strongly Agree

Source: Yahoo

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Megaissue #3 - Organization Refactoring

- **There is an Enterprise Action Team that is removing organizational impediments on a weekly basis.**

- **Teams are easily refactored to optimize production.**

- ## Bad Symptoms
  - "These people report to me"
  - "I can change their priorities"
  - "I'm bonused to build my empire"
 - I have five management initiatives and I'm working 80 hours a week"

O (green)	**Great** **No Impediments**
Δ (yellow)	**Some Impediments** **Team Not Impacted**
↑ (orange)	**Some Impediments** **Team Progress Impacted** **Situation Improving**
↓ (orange)	**Significant Impediments** **Team Significantly Impacted** **Situation Deteriorating**
X (red)	**Major Impediments** **Team Totally Blocked**

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Organizational Debt

Adding 4 People to a Six Person Team Will Delay the Project for Six Months

This is called "Brook's Law"

Caused by deteriorating team communication saturation
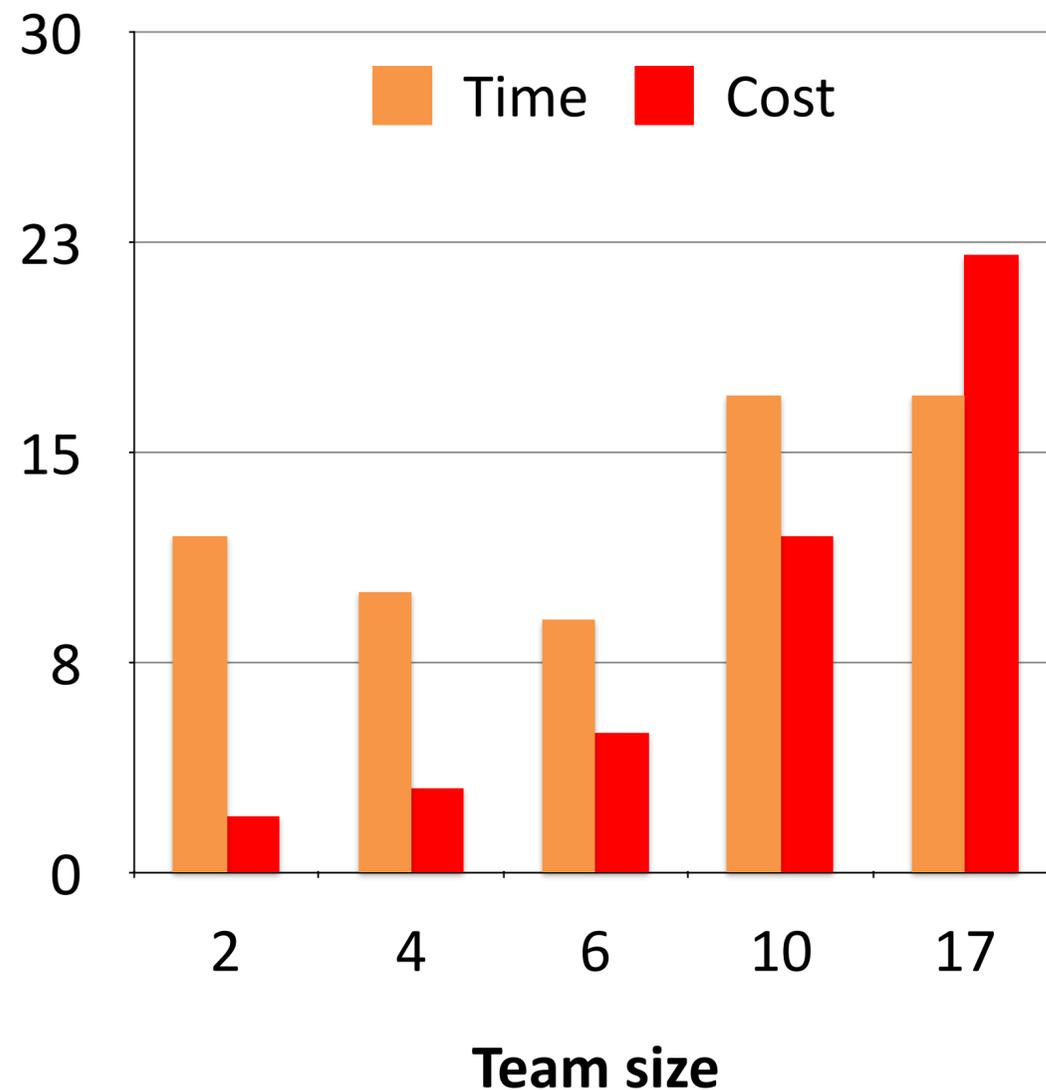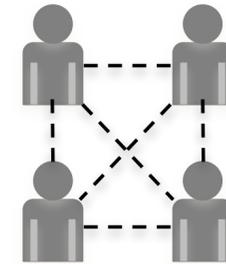
4 people — 6 direct communication pathways
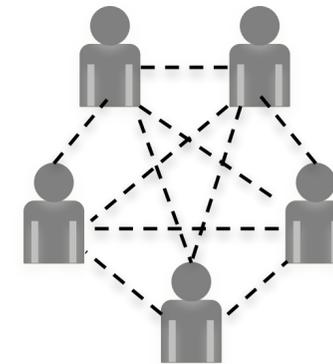
5 people — 10 direct communication pathways
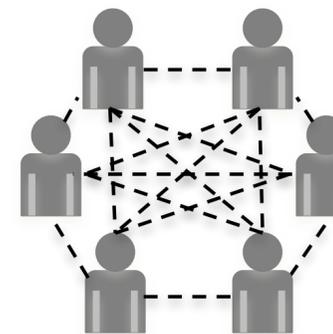
6 people — 15 direct communication pathways

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Dedicated Teams Can Double Productivity
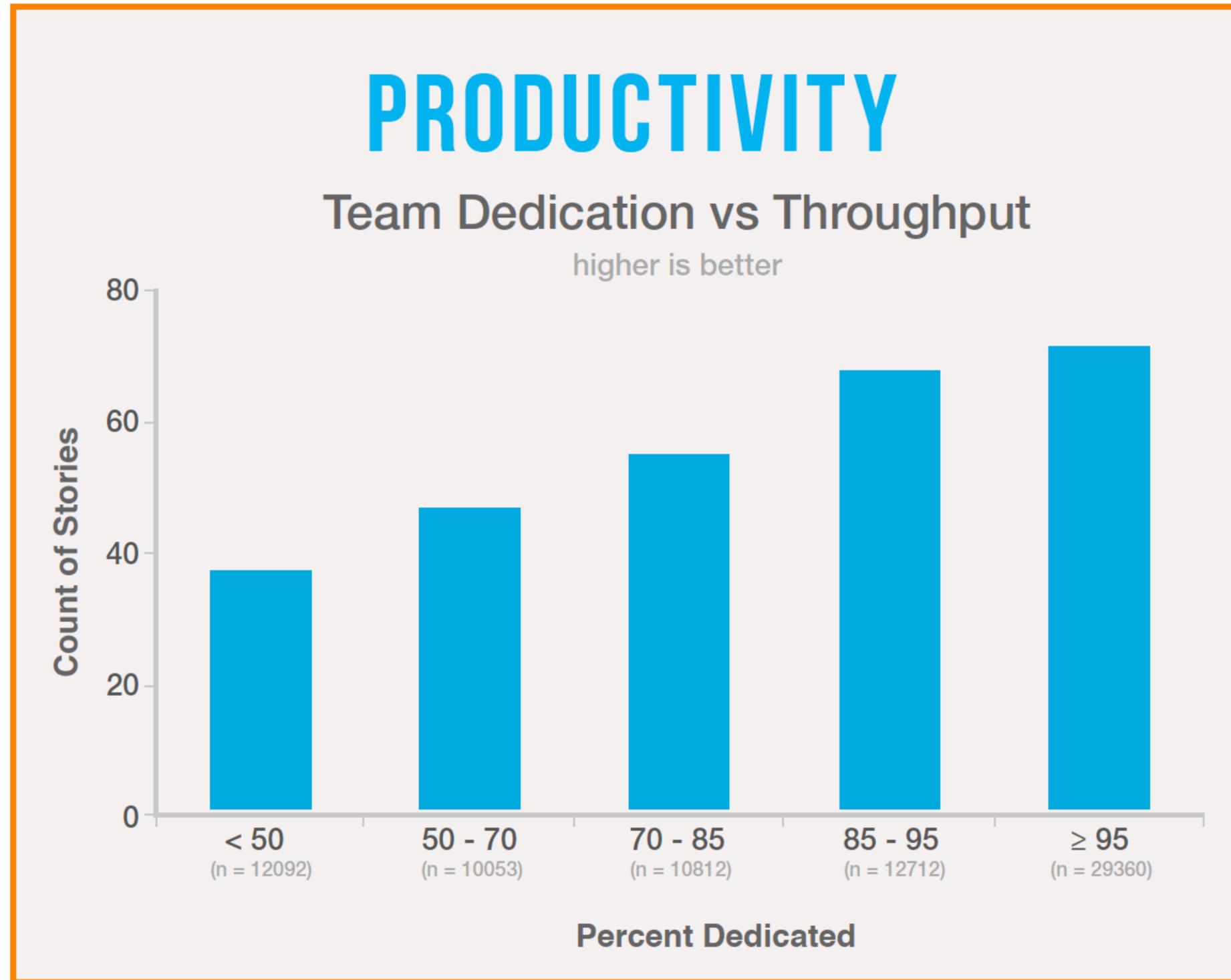
Scrum of Scrums

- **Scrum is an object-oriented organizational framework**
- **The organization will need to be refactored to maximize flow**
- **Small steps regularly**
- **Large changes periodically**
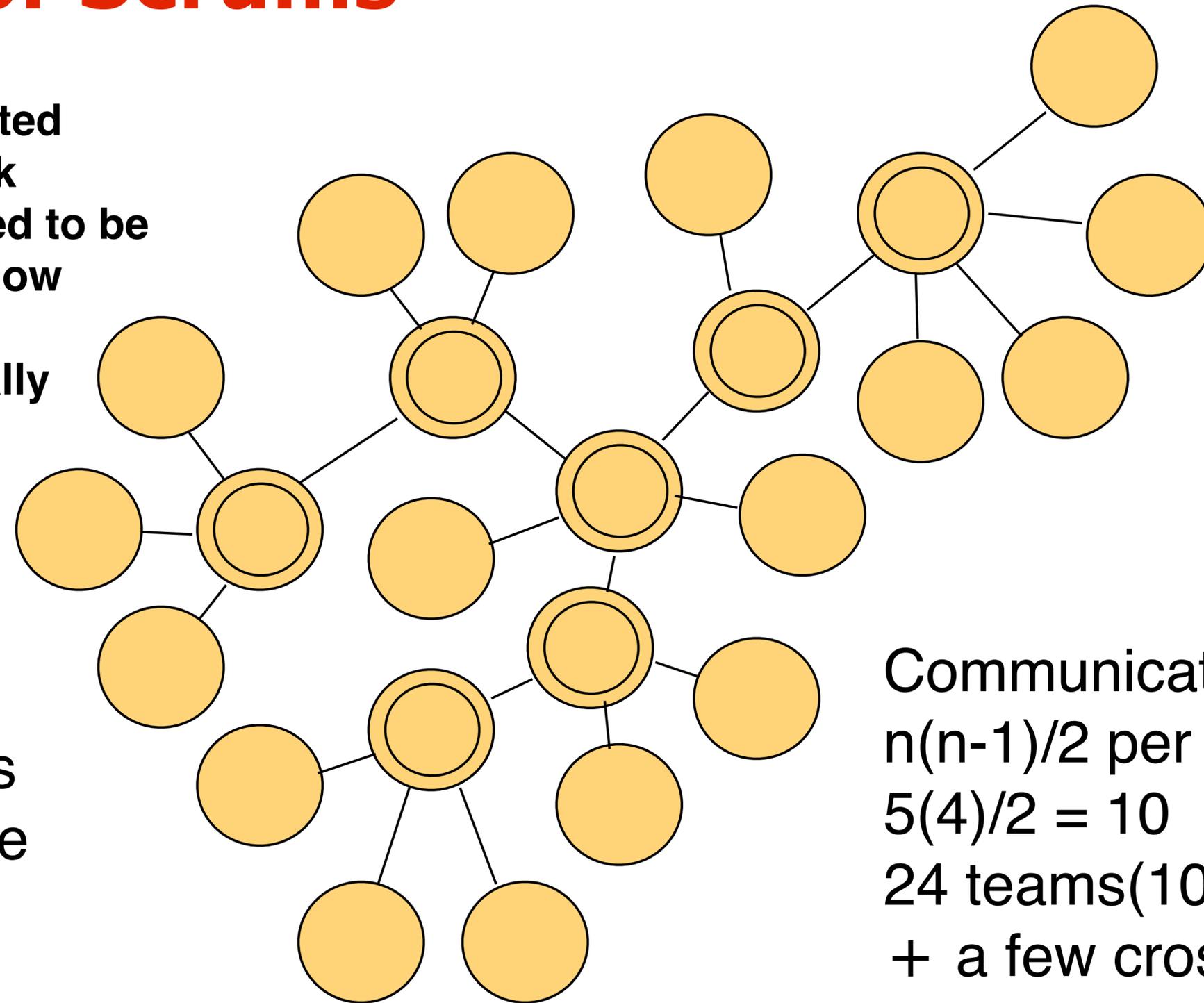
Waterfall Comm Paths
n(n-1)/2 for 120 people
120(119)/2 = 7140

Communication Paths
n(n-1)/2 per team
5(4)/2 = 10
24 teams(10) = 240
+ a few cross team
80% less comm

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Scrum of Scrums as Release Team
Zero Defect Release

*After failed product releases we adopted a program Scrum-Of-Scrums…*
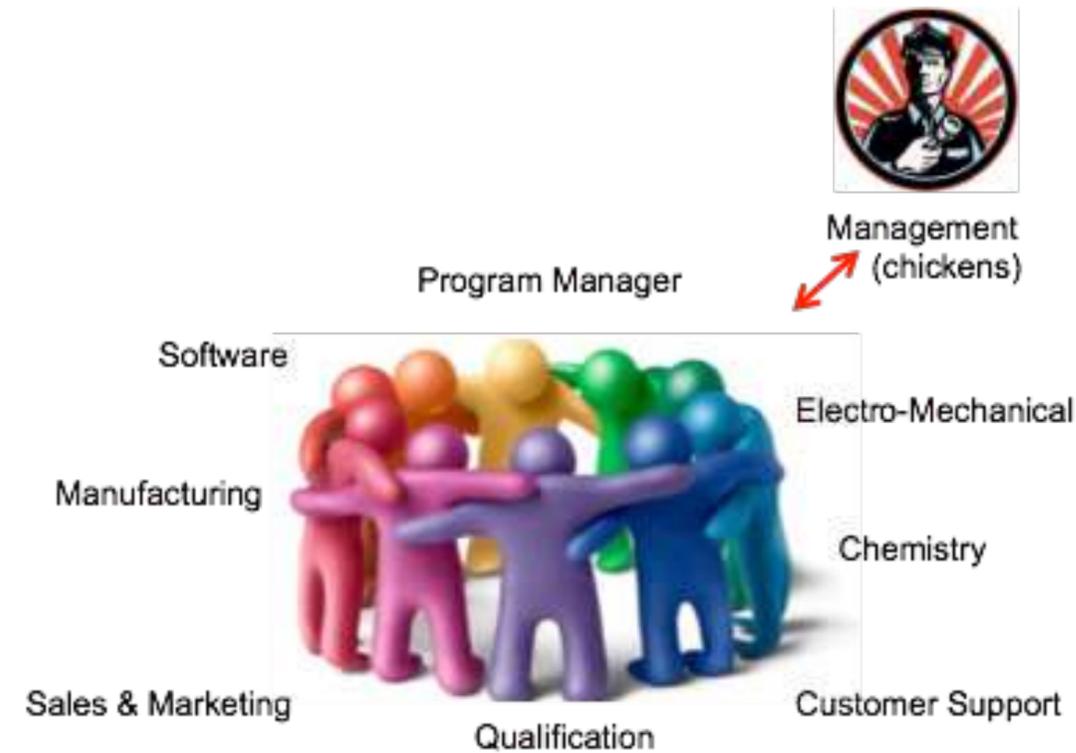
-Very uncomfortable for people in the beginning
-Huge impact on communications and problem resolution

"I was reluctant at first but the Daily Scrum of Scrums was the key reason this is the best launch in our history."

Adapted from Slides By Chris Sullivan

Manufacturing Manager

How one type of Executive Action Team Works

2 If impediments cannot be addressed at a lower level, they are added to Transition Team's Impediment backlog

3 Sponsor and cross-functional Transition Team charged with removing large impediments and communicating back to teams

1 Identified impediments bubble up through successive Scrum of Scrums

Transition Team Impediment Backlog

Impediment

Scrum of Scrum of Scrums

Scrum of Scrums

Teams

Sponsor
HR
Fin
IT
Legal
Finance Systems

4 Transition Team works impediment backlog like a development team works its product backlog

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Agile Leadership understands:

- Product Backlog flows to stable teams
  - ***Not people to projects***
- Measure production per sprint (velocity)
  - ***Not time to produce product that doesn't work***
- Update plan based on real data (velocity)
  - ***Not a GANNT chart***
- Always deliver early
  - ***80% of value is in 20% of features***
- Having a problem is the most important thing to have
 - ***The Kaizen is always the top priority story***
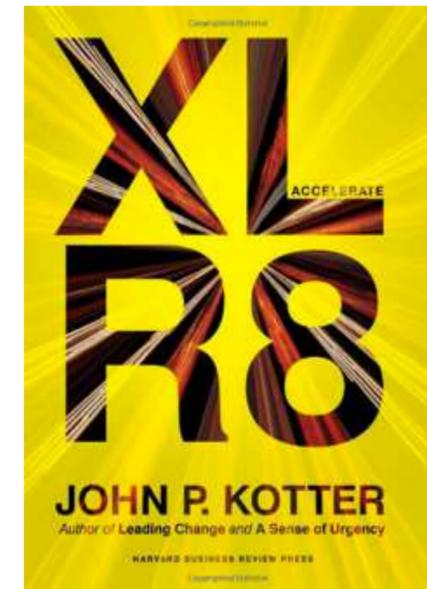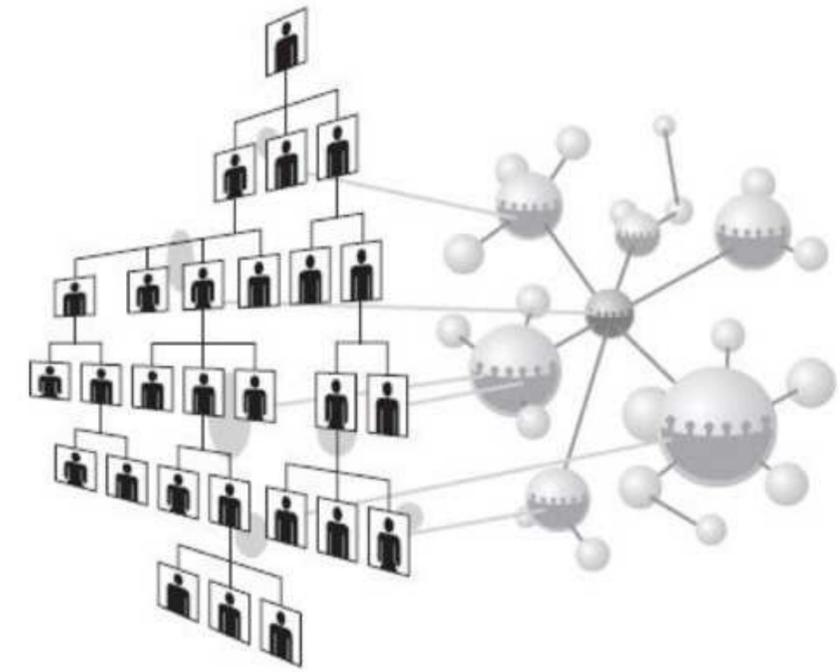
Scaling Velocity is Faster, Cooler and Cheaper than Scaling People

Implementing Aggressive Scrum
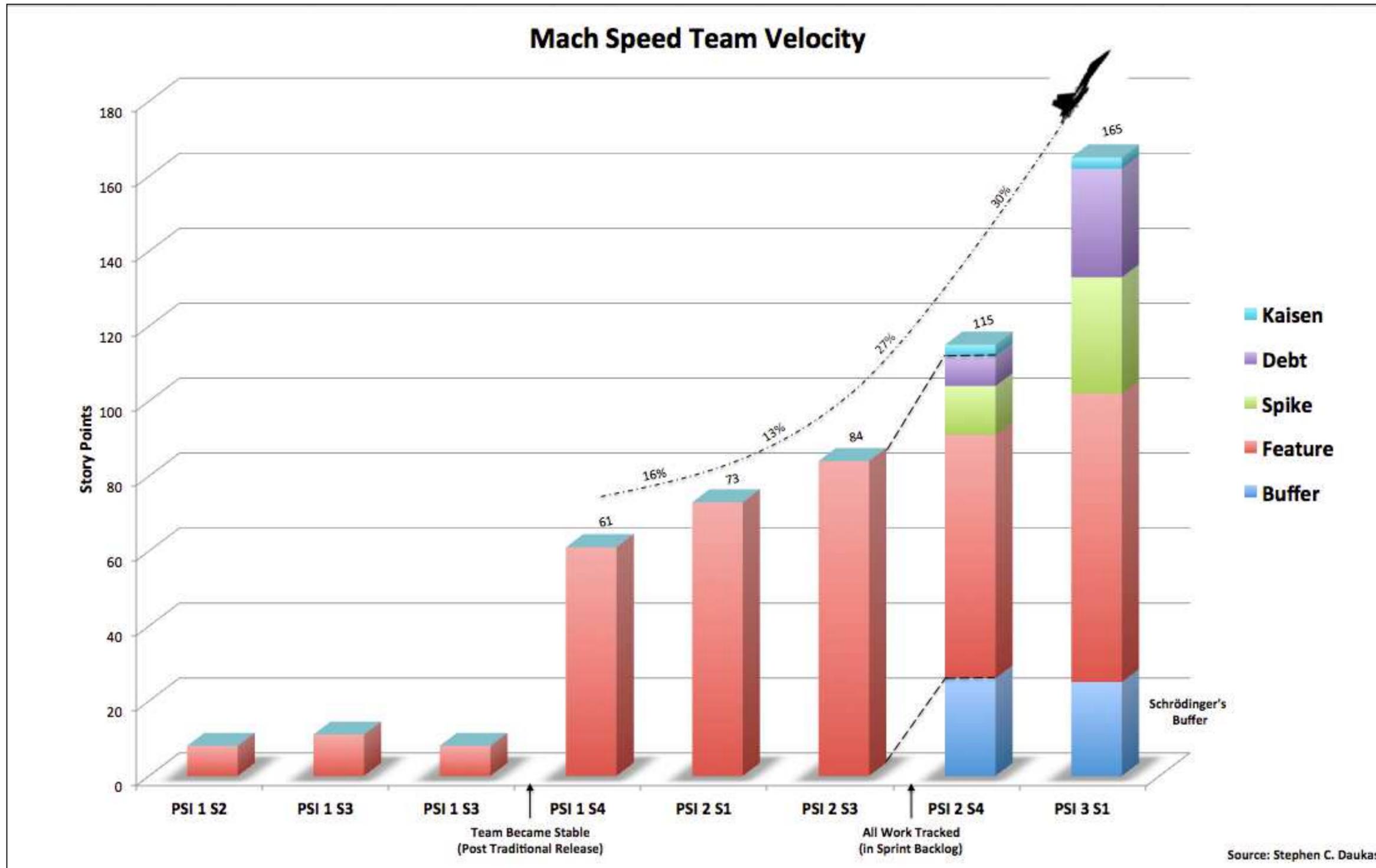
Source: Leading IT infrastructure company in Boston area

9 Teams, 10 3-Week Sprints

Engineering Scrum Adoption
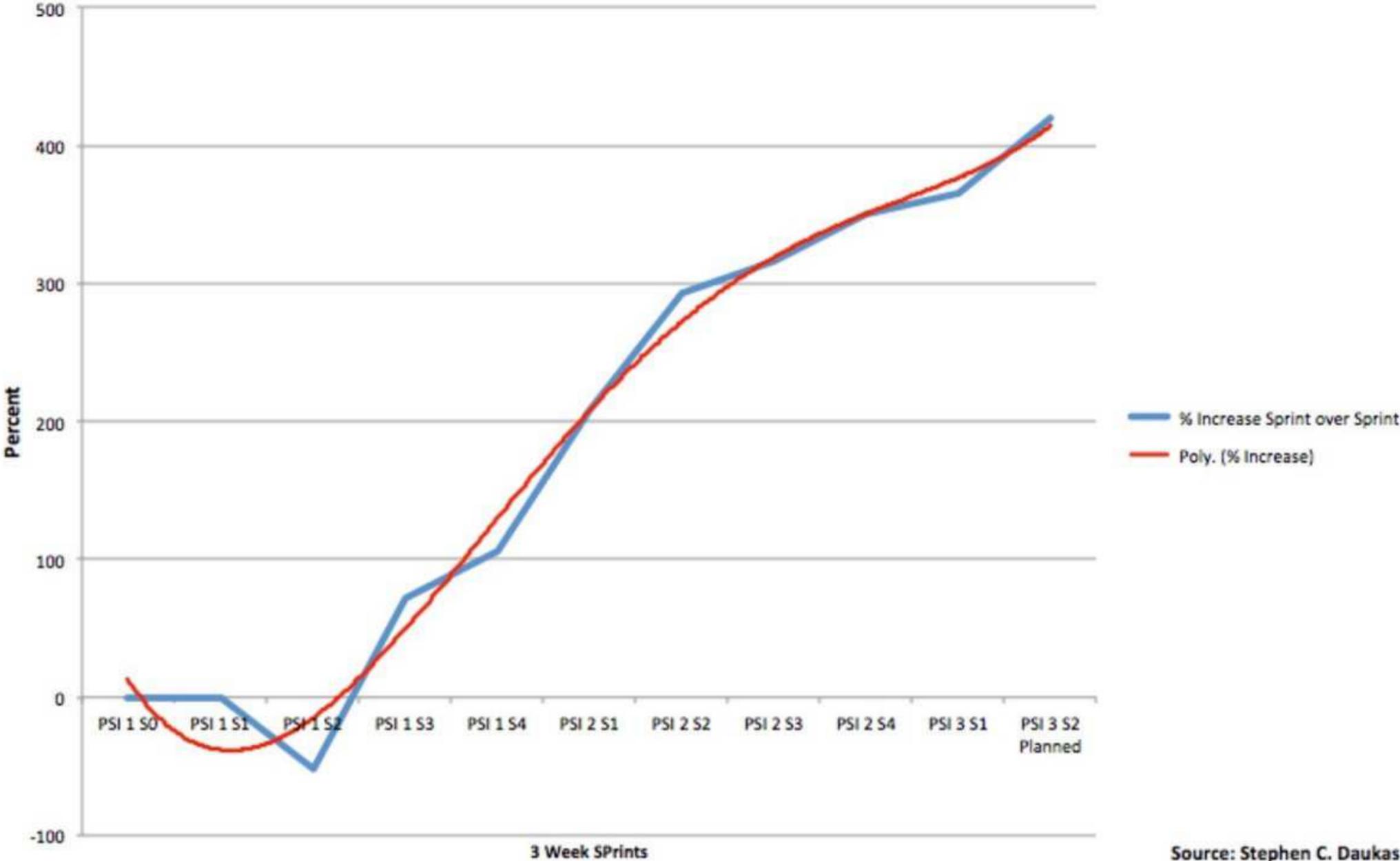
Source: Stephen C. Daukas

Faster, Cooler, Cheaper

- **Aggressive Scrum** team is equivalent to 5 Scrum teams
- **Faster** - only takes a few sprints to boot up
- **Cooler**
  - Product Owner is removing technical debt
  - Points are allocated to innovation
  - Teams are more motivated to produce better product
- **Cheaper**
  - Product is produced at 20% of the cost of competitors products.

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Bottom Line

- **To execute a scaled Scrum you need:**
  - An Executive Action Team that EATs impediments
  - A Meta-Scrum that drives company priorities
  - A Scrum of Scrums that escalates impediments to be EATen continuously
- **These simple mechanisms eliminate:**
  - All non-Scrum meetings
  - Release teams
  - Organizational debt
  - Technical debt
- **They focus the organization on:**
  - Driving value creation
  - Increasing revenue and shareholder value

scrum**inc.**

Questions?
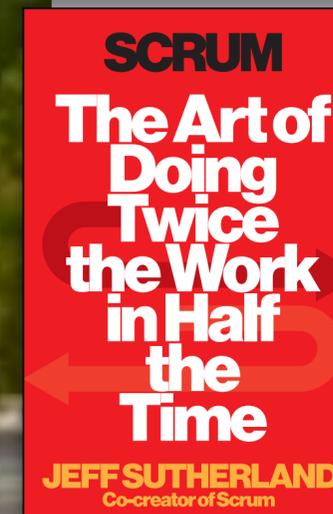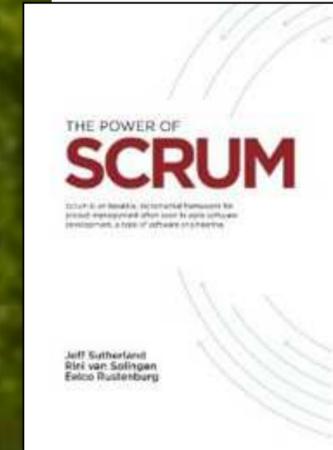
The faster you go, the more resistance you get!