cprime

Jira Align

THE ENGAGED ENTERPRISE'S GUIDE TO SCALING AGILE WITH JIRA ALIGN

PART 2: SCALING FROM THE TOP DOWN

INTRODUCTION

Agile software development is decades old and well-established in many areas of the business community. The idea of scaling Agile practices and principles across business units to the enterprise level is a relatively new concept that many organizations are considering, and some have attempted. In many cases, It's either unknown or misunderstood, and in others, this gets completed without recognizing it. What eludes most organizations, however, is a truly organized, efficient, and strategic approach based on value, business needs, and corporate vision.

In this two-part series of whitepapers, we're exploring how organizations can scale Agile most effectively. It requires both a bottom-up and a top-down approach, the former starting at the individual team level and the latter starting with the C-suite.

In Part One, we laid a lot of the groundwork and described what scaling from the bottom-up involves. We also highlighted features within Jira Align that can readily facilitate doing so. If you haven't already read the first whitepaper, you probably should before diving into Part Two.

Click here to get your free copy of: Part One: Scaling From the Bottom Up

In Part One, we likened scaling Agile to a building project:

- It has to start with a strong foundation.
- There's a particular set of skills required, including how to choose and use the right tools.
- It pays to follow a quality set of plans.
- And every step of the process requires concerted effort.

These whitepapers are for those rare few organizations that are willing and able to put in the hard, sometimes painful, but ultimately rewarding work required to implement Agile at enterprise to scale effectively.

Here's what we'll be covering in Part 2, Scaling From the Top Down:

Section One: The Business Case for Top-down Scaling

Where bottom-up scaling efforts fall short

The benefits of scaling from the top down

Section Two: A Blueprint for Success

Success Pattern: Define Enterprise Strategy Using OKRs

Success Pattern: Embrace Lean Principles

Success Pattern: Implement Lean Portfolio Planning

Success Pattern: Support Decentralized Decision Making

Success Pattern: Incorporate Investment Funding

Success Pattern: Track Performance Metrics

Section Three: Pursuing Organizational Agility

SECTION ONE:

THE BUSINESS CASE FOR TOP-DOWN SCALING

In Part One, we likened scaling Agile to constructing a building, so we'll continue that analogy.

Scaling from the bottom up — beginning with individual development teams adopting and honing their agile practices and moving up to a team of teams and longer-range planning horizons — is a necessary aspect of scaling, and it usually includes the first steps toward success.

Effective bottom-up scaling builds on a solid foundation of established team agility. It usually incorporates a scaling framework of some kind, which serves as a robust inner skeleton on which the rest of the structure builds. Like a physical construction project, a lot can be accomplished using this methodical approach of building something that works, then expanding upwards or outwards from there.

But, on a real construction site, there's a lot more going on than just building work:

- Workers and supplies are coming and going constantly
- Someone is connecting the building to local utilities
- Someone else is grading the surrounding land and paving a driveway or parking lot
- The landscaping needs grooming

... and more.

Beyond that, there are a lot of other activities happening offsite as well:

- Someone had to design and plan the building.
- Someone else had to obtain zoning and building permits, and report to local authorities periodically.
- Someone's making sure all workers and supplies are coming and going at the right times and price.
- And, of course, someone must pay the bills while making plans for how the building will be put to profi able use once construction completes.

When considering the statements above, something becomes immediately apparent: creating a solid foundation and erecting a building from the bottom up is a vital piece of the puzzle. But, the further that project scales, the more complex and harder to manage it becomes. That's why general contractors exist.

The role of the C-suite

In a large enterprise, individual development teams are usually a tiny cog in a giant wheel. Whether there are eight or 800 developers on staff, they likely make up just one department out of a dozen or more that are required to keep the business afloat and productive. Even those organizations that were built solely around software need a growing web of ancillary roles in place to support the ongoing growth and success of the development, including marketing, sales, human resources, and more.

And, as the business becomes larger and more complex, the more likely it is to get bogged down in bureaucracy and red tape. At least a limited amount of administration is vital to a large company's success. Like that large construction project described above, someone has to handle all that "offsite work" that allows the developers to keep pounding away at the code day in and day out. It all needs expert coordination if the actual building work is to be completed on time and within the budget.

On a construction site, handling all that coordination and planning is the responsibility of the general contractor. In an enterprise-scale business, the long-range planning and multi-departmental coordination required to keep the organization moving forward comes down from the C-suite or a Board of Directors. An established chain of command involving VPs of this-and-that, unit managers, and leads or supervisors at multiple levels. Eventually, business goals, rules, and requirements trickle down from the executive decision-makers to the workers "on-site" and work progress.

Where bottom-up scaling efforts fall short

Many times, the bureaucratic nature of large companies is considered a necessary evil. And, there's no arguing the fact that the sheer size of large organizations, and the red tape required to keep them together, is what generally makes them slow to change and adapt to new circumstances.

In other words, bureaucracy and top-down leadership are often the enemies of agility. And, therein lies the difficulty with trying to scale Agile solely from the bottom up:

Despite the best intentions and hard work of the individual development teams, they are obliged to follow plans and rules that come down from above. This impacts the goals they're required to pursue and the budgets and personnel they have to do the work.

In Part One, we described the nature and impact of successfully scaling agile this way:

"In practice, this means moving from individual Scrum or Kanban teams to coordinated efforts across multiple teams and products. It means expanding Agile practices to other teams throughout the organization beyond development, so everyone is speaking the same language and working toward the same goals.

Extending will involve adjustments to how entire layers of the organization think about, plan, and execute their daily work. It will impact culture, collaboration, and reporting functions at all levels.

And, when done correctly, it will dramatically change the customer's perception of what the company offers in terms of intrinsic value."

Affecting real change on "entire layers of the organization... at all levels" will be frustratingly difficult, and ultimately impossible, if leadership is not behind the effort 110%. After all, the best-laid plans at the product and program levels alter or wholly scrapped if and when overarching business goals change and funding gets diverted.

To achieve agility across the entire enterprise, the "general contractor" and the on-site "construction workers" need to work in harmony. That's where scaling from the top-down enters the picture.

The benefits of scaling from the top down

When an organization pursues agility from the top-down — starting at the C-suite of executive decision-makers — all impediments can be removed. The overarching mission and vision of the organization, the goals, and initiatives that spring from them, and every product, feature, and task created to accomplish those goals will be in sync. Long-term planning, scheduling, budgeting, and personnel decisions get made in pursuit of the same objectives. Most importantly, all decisions will be made based on core agile principles, including a fundamental dedication to continuous improvement based on data.

This results in an entire organization — no matter how large — that is able to pivot as needed to create optimal value for its customers and maximize the impact of every initiative.

SECTION TWO:

A BLUEPRINT FOR SUCCESS

As you've probably guessed, the businesses that achieve agility fastest and most effectively are building in both directions simultaneously. We've already established that the effort usually starts from the bottom up as the core Agile principles are easily applied at the team level, providing a solid foundation on which to build. However, you'll note that the sooner leadership can be convinced to begin top-down efforts, the more effective the scaling effort will prove to be.

In the first of this two-part series of white papers, we went in-depth into the strategies and tactics that have proven most successful for development organizations looking to scale Agile from the bottom up. What follows is a similar treatment of Success Patterns that have proven successful for organizations scaling from the top down.

Editorial Notes

For clarity, we established the following notes in the previous white paper, but we wanted to summarize here:

- The principles, practices, and tools described are applicable regardless of which scaling framework you choose (even if you decide not to use one, or create your own). However, most of the terminology we've settled on comes from the SAFE 5.0 framework because it's the most familiar to most of our readers. Including typical Agile roles, ceremonies, and levels of the enterprise hierarchy.

- We've chosen to be very sparing in the use of external links in these white papers, limiting them primarily to additional content available on the Cprime website. However, we gratefully acknowledge and highly recommend these other sources if you'd like to explore these topics further:

  - OKRs - What Matters
  - Jira Align - AgileCraft
  - Josh Seiden - Amazon Author Page
  - Patrick Lencioni - Amazon Author Page
  - Scaled Agile Framework - Big Picture

Two Power Tools You'll Want to Build With

These two software applications are part of the Atlassian suite of solutions, and we believe they are the best options available for effectively establishing and scaling an Agile practice in any development organization.

JIRA - The Jira ticketing solution has proven to be a powerful, flexible task management system that functions perfectly as part of any Agile workflow. With hundreds of available integrations and the ability to endlessly customize, Jira can quickly become the "one source of truth" every organization needs to scale their Agile practices effectively.

JIRA ALIGN - Jira Align takes the awesome power of Jira and multiplies it infinitely by tying together all levels of a scaled Agile enterprise. With near real-time data flowing in from Jira as teams do the work, Jira Align's robust planning, monitoring, and reporting functions facilitate the work of Program Managers, Portfolio Managers, and executives at every level.

Throughout the next section of this whitepaper, we'll be highlighting how these two powerful tools can help make your scaling journey more manageable, faster, and more successful. This is not just because we work with these products every day, but because we know they're the best tools for the job.

Success Pattern: Define Enterprise Strategy Using OKRs

The primary function of those at the top executive level of an organization is to establish clear goals for the business.

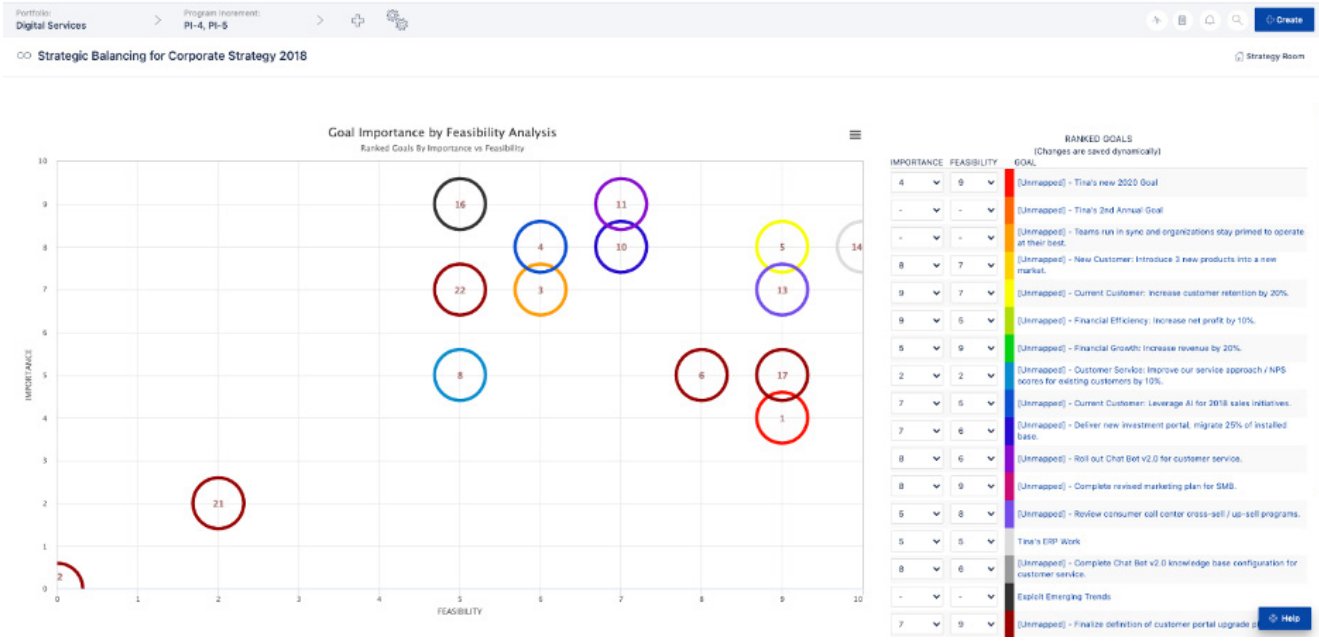
At that level, these are not merely task-oriented accomplishments, like finishing the coding on a feature so it can be tested and released. Or, even time-spanning initiatives like building a new product. Instead, the highest level goals the executive team needs to set give direction to every other decision made and purpose set in the organization. They include strategic business goals, like the desire to enter a new market or improve an aspect of the current business. And, they also include softer internal objectives, such as those around culture and values.

Establish strategic themes

These overarching goals get organized into strategic themes. Themes are clarified and prioritized into groups. For example, internal and external goals would belong to different themes. External goals involving distinct markets or significant market segments would fall under separate themes.

These themes define the various long-term, wide-ranging initiatives the entire business will take over one or more years. Some will never go away as they live at the heart of the organization's mission, vision, or values. Others will have distinct points at which they achieve the intended value, to be replaced by new themes going forward. Strategic themes serve as "buckets" with which the executive team can dole out available resources, identify growth opportunities, and earmark areas for future investment as needed. At a 30,000-foot view, these themes provide a strategic way for leadership to "steer the ship" in terms of investment and long-term planning. Then, all finer-grained decision making — from the top level of each business unit to the day-to-day operations within a team — springs directly from the goals represented within the strategic themes.

In all cases, if the executive team wants to support scaling Agile to the enterprise level, the most effective way to build these strategic goals is through OKRs.



Goal Balancing – *This report reflects all goals on the importance vs. feasibility bubble chart and is a visual representation of most important goals the probability they will be achieved. Most important and feasible items appear in upper right corner of chart.*

Tie each theme to specific key results

Objectives and Key Results (OKRs) is a collaborative goal-setting tool pioneered by John Doerr, championed by his What Matters organization and adopted by many of the most successful organizations in operation today. Here's how the What Matters team defines OKRs:

"An Objective is, simply stated, what has to be achieved, no more and no less. By definition, objectives are significant, concrete, action-oriented, and (ideally) inspirational. When properly designed and deployed, they're a vaccine against fuzzy thinking—and fuzzy execution.

Key Results benchmark and monitor how we get to the objective. Effective KRs are specific and time-bound, aggressive, yet realistic. Most of all, they are measurable and verifiable. You either meet a key result's requirements or

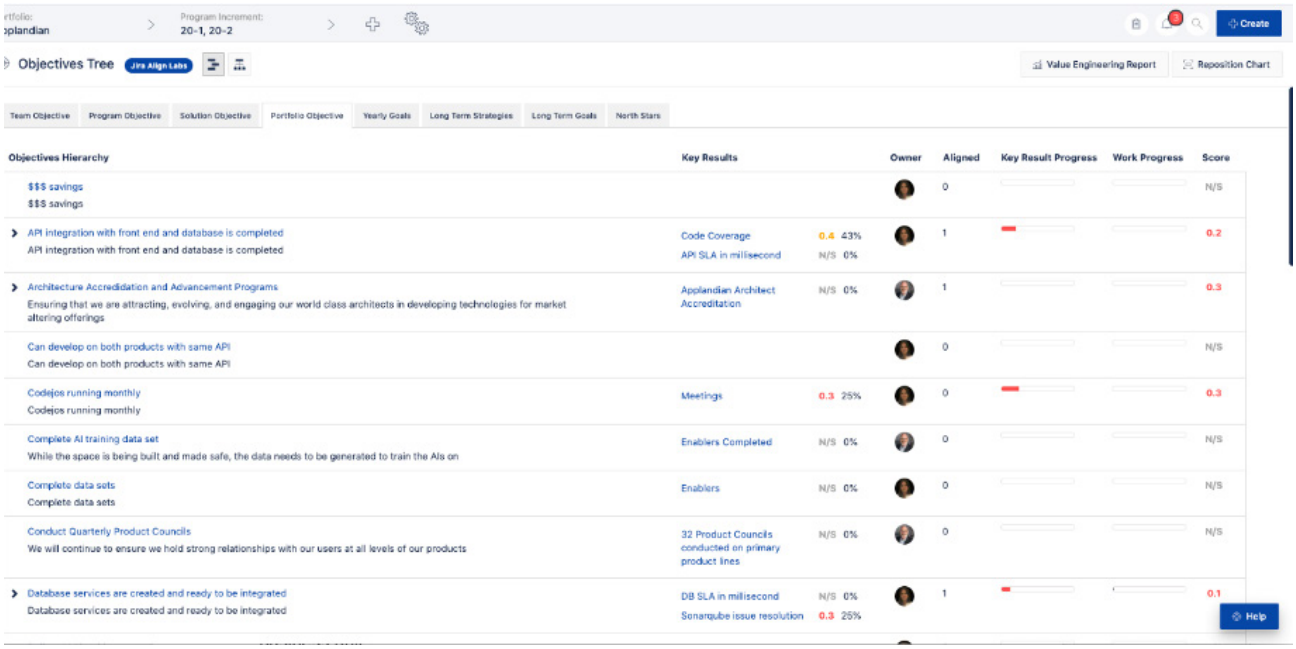
don't; there is no gray area, no doubt of achievement. At the end of the designated period, typically a quarter, we do a regular check and grade the key results as fulfilled or not."

By using clearly defined OKRs to break down, each initiative within a strategic theme (and even the theme itself, if necessary) executives can place clear structure around the successful accomplishment of each goal. Mainly, OKRs provide a "definition of done" that everyone can agree on and work toward in concert.

OKRs also aid in the ongoing prioritization and vetting process that needs to be done at every level to groom backlogs effectively, prioritize initiatives, and estimate required work. With clear OKRs in place — within prioritized strategic themes — everyone in the organization will always have one clear top priority.

The use of OKRs ensures that every effort, at every level of the organization, is aligned with the ultimate strategic business goals set by leadership. And, down to the team level, all work produces the maximum customer value at all times.

Jira Align supports the creation and honing of the highest level initiatives guiding an organization, and the strategic themes used to organize them. Every OKR is established to break down, from the portfolio level down to each team's backlog of tasks and stories. By housing all strategic objectives in the same system for planning and analysis at every level, it is easier to ensure that all work aligns with top-level business goals. To explore this functionality, start with this support article: Build a Strategic Hierarchy.



Objectives Tree – *This report provides a visual representation of hierarchy between related objectives and their overarching strategic goals at various levels in the organization, linked together in either a list of family tree view. View the progress bars at the top of each card to quickly scan completion status.*

Success Pattern: Embrace Lean Portfolio Management Principles

Taking a top-down approach to scaling Agile throughout the enterprise depends, to a large extent, on a set of principles and practices known as Lean Portfolio Management (LPM).

If you're not familiar with LPM, review this primer before going on.

Five core principles make up the Lean methodology. By understanding and applying them to planning and decision making at the enterprise level, executives can effectively translate overarching strategic business goals to the day-to-day operations of every business unit.

1. Define Value

Defining customer value means understanding for which work or product the customer is willing to pay. It starts with identifying the actual or latent needs of the customer. Sometimes customers don't know what they want, especially in regards to products or technologies they've never seen before. Interviews, surveys, demographic information, and web analytics, among other techniques, can help an organization discover what customers find valuable. Both qualitative and quantitative methods are needed to uncover what customers want, how they want it thoroughly, and their acceptable price.

From the standpoint of LPM, the purpose of defining customer value is that the most valuable work is always prioritized highest. This priority not only ensures that a minimum viable product (MVP) is on its way to release, but that teams will never spend egregious amounts of time or money pursuing features and enhancements that won't mean anything to the customer. In many ways, this is the basis of agile development.

Jira Align allows for the entire lean business case to be captured, including the most recent quantified and qualified definition of customer value. Various reports provide actionable insights into customer value for specific decision-making scenarios, including an entire Value Engineering module.

1. Map the Value Stream

The goal of mapping the value stream is to use the customer's value as a reference point and identify all the activities that contribute to that value. Work that does not add value to the end customer is considered waste. Waste can be viewed in two categories: necessary (minimize to the extent possible) and unnecessary (eliminate at all cost). By understanding which activities add value for the customer and which do not, the organization can ensure that customers are getting what they want while at the same time reducing the cost of producing that product or service. Using LPM, mapping the value stream allows leadership to effectively allocate resources to those activities that add that most value to the end customer. This metric is often invisible to the executives in organizations not focused on agility and quality to the detriment of the entire business. When this process starts at the top, it effectively aligns

value as the whole stream, from the initial concept behind an initiative to the outcome in terms of customer satisfaction.

Logically, this principle is also behind a host of adjustments made along the way in the name of efficiency. In Agile terms, this is how continuous improvement thrives.

In Jira Align, value streams can be created and defined during intake setup, then honed or replaced over time. These value streams, and the metrics used to define them, remain housed in the system and are visible from the backlog Kanban board at any level. In that way, decision-makers can always understand the flow of the value stream and use that understanding to support decisions to proceed, postpone, defer, or abort an ongoing initiative. This information also is used to measure and evaluate the impact and cycle time after an effort is complete.

1. Create Flow

After removing wastes from the value stream, the flow of the remaining steps should be made as smooth as possible by eliminating interruptions or delays. Some strategies for ensuring that value-adding activities flow smoothly include: breaking down and reconfiguring steps, leveling out the workload, creating cross-functional departments, and training team members to be multi-skilled and adaptive.

The key to creating flow in LPM is optimizing cycle time — how long it takes to proceed through each step of a value stream. Sometimes, this is a question of more effectively defining an MVP. In other cases, it comes down to limiting work in progress (WIP) so that resources aren't spread too thin or working on tasks that will become obsolete with the next iteration. Minimizing handoffs and removing bottlenecks are also important procedural considerations that can optimize the operational value stream.

In all cases, the goal is to optimize the full flow — from idea to delivery — so you get to "done" as quickly as possible without sacrificing quality. The quicker value gets delivered to the customer, the faster feedback gets obtained, improvements made, and added value produced the next time around.
While much of the WIP-related decision making takes place at the team level in Jira. Jira Align contains powerful reporting functionality that can identify blockers and dependencies, aid in reallocating resources appropriately and keep entire portfolios aligned adequately from top to bottom to ensure flow is maintained.

1. Establish Pull

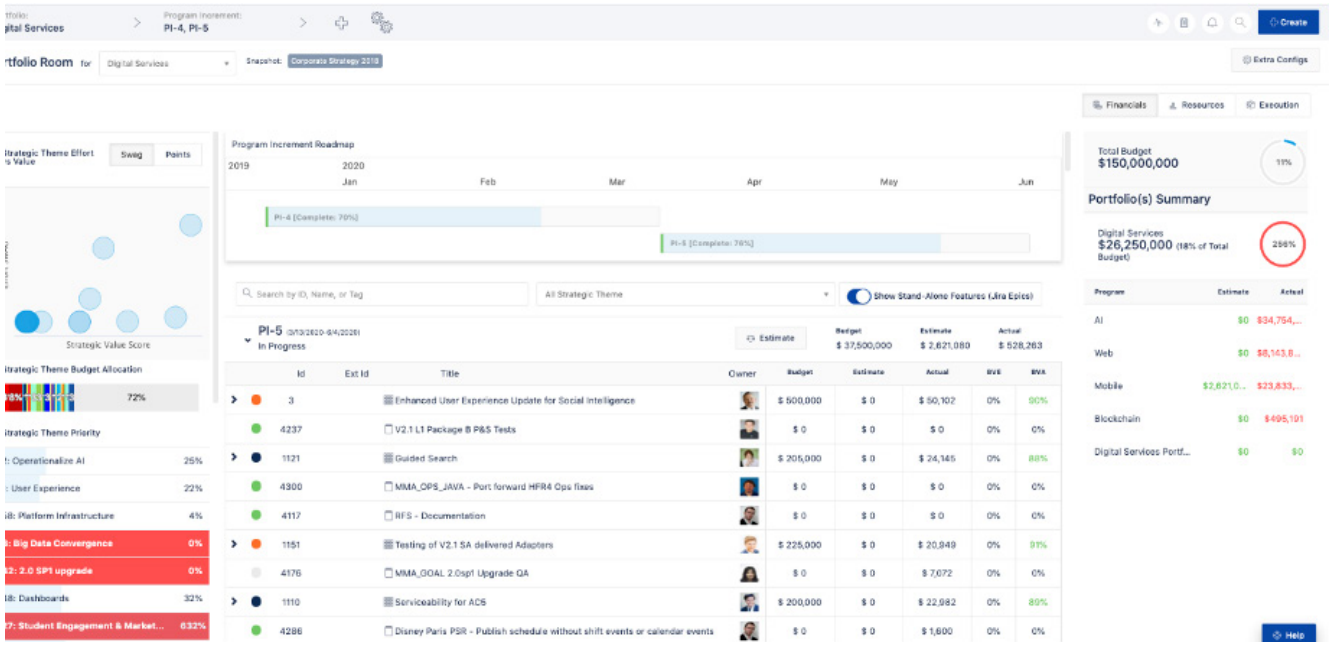
In manufacturing — where the Lean movement got its start — inventory is considered one of the biggest wastes in any production system. The goal of a pull-based system is to limit inventory and WIP while ensuring that the customer's needs are always met because needed materials and information are still available for a smooth workflow, and no excess inventory needs to be purchased or stored.

In LPM, this principle is applied by utilizing the various backlogs created at every level of the organization (enterprise, portfolio, program, and team). These backlogs are populated, groomed, and prioritized in alignment with the strategic themes and OKRs established by leadership, ensuring that they only include the right objectives, listed in priority order. Then, as appropriately-skilled teams have the capacity, they will pull work from the requisite backlog, ensuring the flow is maintained.

Jira Align supports this process using the same reports and functionality described above: value streams and backlogs that are visible and accessible at all levels of the organization. Then, as work gets pulled and completed, the seamless integration of Jira and Jira Align allows for real-time monitoring of WIP, continuous backlog grooming as needed, and the opportunity to analyze completed or planned work in context.

1. Pursue Perfection

Simply put, Lean thinking and continuous process improvement must be a part of the organizational culture if it's going to stick. Everyone in the company needs to be striving toward perfection while delivering value to the customer. The company should be a learning organization and always find ways to get a little better every day.
Again, the reporting and monitoring functions within Jira Align supports continuous improvement. But, they're only as powerful as the commitment and perseverance of those using them. They're available and beneficial to stakeholders at all levels of the organization, but the greatest success comes when executives take the lead in driving relentless improvement.



Objectives Tree – *This report provides a visual representation of hierarchy between related objectives and their overarching strategic goals at various levels in the organization, linked together in either a list of family tree view. View the progress bars at the top of each card to quickly scan completion status.*

Success Pattern: Implement Lean Portfolio Planning

Lean Portfolio Planning (LPP) is an essential aspect of LPM, and it's unfortunately easy to get it wrong. As noted above, bottom-up scaling efforts can quickly be derailed by planning efforts coming down from above when not aligned with the plans made below. Unfortunately, many executive teams with the best of intentions will decide to move toward organizational agility, then jump too quickly into the planning stages. In many cases, the result is a traditionally rigid set of goals and plans to reach them, dressed up in Lean or Agile planning guise.
Both the planning process and the resulting plans must align at every level of the organization to scale Agile practices successfully. The approach to planning must be made in a very specific way to accomplish this:

Proper Use of Roadmaps

The Roadmap is an Agile planning tool that can help maintain delivery vision over time. It shows how various programs within a portfolio (or, epics within a program) align, so you can get a quick snapshot of which epics are of the highest value, and what the planned delivery dates are for each.
Jira Align includes a robust roadmapping tool for use at all levels of the organization. With visibility across levels, long-term plans are referenced, evaluated, and adjusted regularly to keep value production paramount while maintaining a manageable schedule.

The Epic Intake Process

An effective intake process will speed up the planning and estimating tasks while ensuring only the best ideas make it to implementation. Under LPP, a successful intake process includes four factors:

- Establish a separate intake backlog that sits above the production backlog. That can serve as a catch-a for every idea without cluttering up the production backlog from which actual work is pulled.
- Vet the initiatives in the intake backlog against set criteria before putting them into the productio backlog. Doing so keeps the production backlog clean, and ultimately, saves time and effort on items that should never have been pulled.
- Define the Lean Business Case, a formal, value-based explanation of why a given epic is worth pursuing.
- Define roles and processes to support demand management. In this context, available resources, times, and capacity dictate the demand.
- With the demand management process as smooth as possible, most bottlenecks get removed from an epic's idea-to-customer lifecycle.

Jira Align provides all of these options and more, making it the optimal solution for housing and referencing all details surrounding a new epic, before, during, and after implementation. The resulting records can prove invaluable in post-mortem analyses as well.

Analyzing Epics

The vetting process doesn't end once an epic makes it onto the Portfolio Backlog. All initiatives should be analyzed routinely in light of the latest available data, even if work has already begun.

Quarterly steering meetings can be a powerful tool in the agile executive's toolbox. These meetings bring together leaders in sales, marketing, operations, product management, PMO, and engineering about a month before the quarterly PI planning meeting.

The meeting provides the broadest range of input on the current state of the market, feedback from customers, and other factors that may impact the validity and importance of initiatives sitting in the backlog. The staggered schedule allows time for informed grooming of that backlog before the next planning increment planning meeting begins.

When analyzing these initiatives, the following questions need to be asked, and satisfactorily answered:

- Is this initiative aligned to its strategic theme?
- How does it rank from a value perspective, both on its own and against other initiatives?
- How much money will this initiative require?
- What, if any, are the financial risk factors involved with pursuing it?
- How much effort will this initiative require?
- Which features are vital to a successful release (MVP), and which can be postponed (non-MVP)?

The key to practical analysis is a reliance on the latest data and a willingness to pivot in whichever direction the data dictates. This pivot point sounds simple enough, but it's not always easy to follow through.

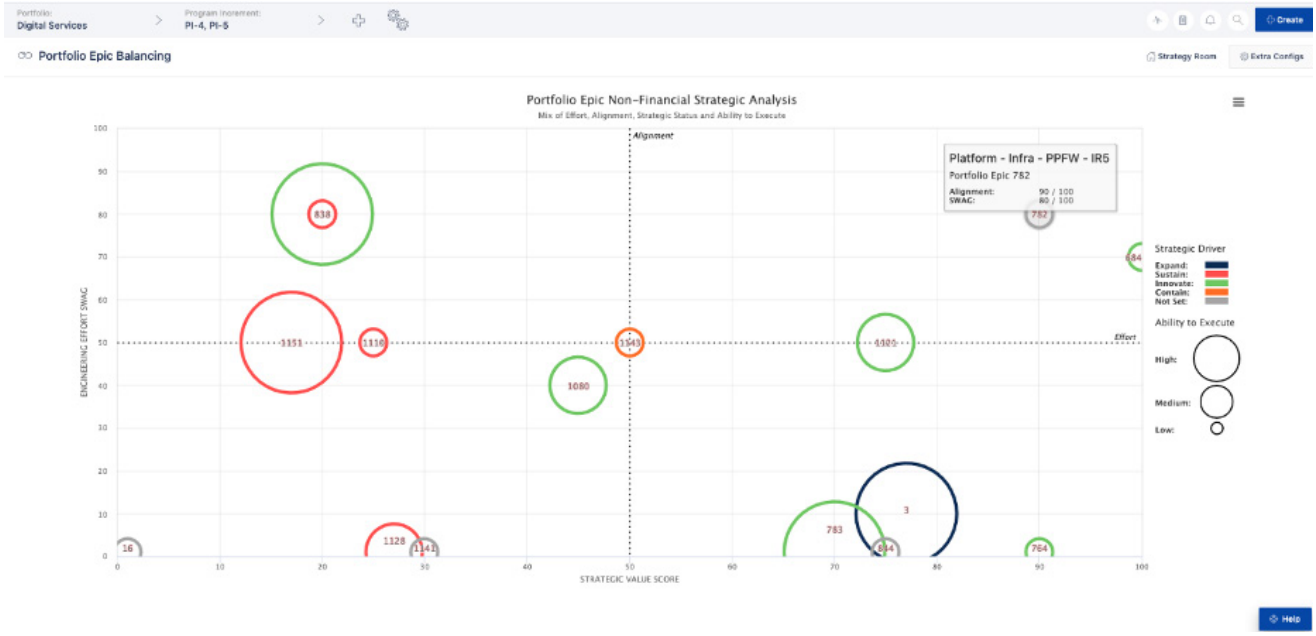
For example, we're familiar with one large insurance company that had been working on a particularly high priority initiative for upwards of 15 months when new federal guidelines were ratified that made the solution they were developing effectively illegal to use. There was no way it would ever see the light of day. But, it was a pet project of someone in the C-suite, and they had already sunk hundreds of thousands of dollars into it. So, work continued for several more months until they released a finished product, then summarily scrapped, to the tune of $1.5 million invested after the laws changed.

In that instance, one of two things occurred:

1. No one bothered to analyze ongoing work in light of the latest data, or
2. Someone realized there was going to be a significant problem, but they or someone above them lacked the willingness to make the changes that data dictated.

Either way, agility was tossed out the window in favor of maintaining the status quo. That's, admittedly, an extreme example. But, it highlights the importance of continual analysis based on established criteria and the importance of the pivot/persevere decision.

LPM is about getting something out to the market that adds value to the customer. Being able to make those tough decisions as early as possible, and following through is hugely beneficial to the business.Jira Align can help executives and portfolio managers answer all these questions based on past activity as well as work in process right now. By adding these steps to daily routines, work that is no longer valuable gets identified earlier and hopefully stopped.



Epic Balancing: *This report is a bubble chart where bubbles in bottom right represent epics that are low effort and high value as well as high ability to execute (no financial analysis). Bubbles in upper-right quadrant also have a high value and high ability to execute, but will require higher effort.*

Success Pattern: Support Decentralized Decision Making

Much like parents, being willing to let go is one of the hardest lessons top executives need to learn when scaling Agile from the top down. Specifically, it's vital to allow stakeholders at the program and team levels to make critical decisions without running a request up the chain of command and waiting for a response. Agility depends on it. A situation we've seen a dozen times provides a simple example of why this is necessary:

An initiative has passed all the vetting processes and is ready to be pulled so work can commence. It is estimated, budgeted, and just one in a series of related initiatives making up a strategic theme, so a lot is riding on a smooth first phase. However, once it gets to the delivery team, they realize that starting the work will require updating the server software, so everything else is blocked until that update occurs.

Now, if no one below the VP of Software Development has the knowledge or authority to greenlight the unscheduled, unplanned server update, how many other plans could come crashing down?

Successful organizations learn this early in the scaling process, and they never look back. They share at least three crucial factors that support this effort:

1. A culture that encourages constant learning, experimentation, and intelligent risk-taking, allowing people to make mistakes without fear of repercussions.
2. Investment in tools and resources that support knowledge sharing and ongoing professional develo ment, so those same people have the information and confidence they need to work autonomously.
3. They bring work to long-standing sets of teams that have worked together for a while, rather than pullin individuals into the job based solely on immediate capacity.

The primary role Jira Align can play in this process is the transparency and access to all levels of the organization. Someone on a development team can look through all the decisions made at higher levels, up to the strategic themes, vision, and mission of the organization. With access to all that information — and, assuming the right culture exists — they can confidently make the call that's most in line with the whole organization's strategic direction. And, they can feel good about it.

Success Pattern: Incorporate Investment Funding

Funding has to be of prime concern at the executive level. As noted in the introduction, someone needs to pay the bills if the building project is going to succeed. When businesses fail, it almost always comes down to some sort of financial problem, most of which could be avoided with better management and decision-making.

But, in an agile organization, leaders take a slightly different view of funding than in more traditional companies: they "invest" rather than "budget."

It may seem like semantics, but the attitudes behind investment and a budget are different:

When you set a budget at the beginning of the year, you're setting aside a finite amount dedicated to a given department or initiative. If additional money is required to make a success of that segment of work this year, it becomes an awkward, uncomfortable process of chipping away at the budgets of other departments or projects to fill the gap.

As a result, department heads and project managers become incredibly cash conscious, and decisions quickly become about controlling costs rather than producing value. If it turns out a given budget was more abundant than

necessary, they'll be sure to find a way to spend every last dime for fear of being handed a smaller budget next year. On the other hand, when you invest in something, you're thinking about the eventual return. Money is simply a tool with which to produce value. You recognize that additional investment may end up being necessary before realizing the return. Still, you're willing to invest further because you know the return will be even more significant.

Stakeholders under these conditions are free to focus clearly on the value produced — the return on investment — because that's what everyone focuses on, including executives at the highest level.
They're funding value streams, not projects. Value streams are perpetual, not finite. So, a reallocation of funds is not removing money. It's merely shifting funds temporarily — as directed by the latest data — to produce the highest value at all times. As various initiatives get completed, and others reassessed, the investment will always come back around to work, that's sure to add value. If it turns out an initiative is no longer a value add, there's no reason to invest anything more into it, no matter how far along it is or whose pet project it is.

Of course, this doesn't mean that agile organizations don't need to worry about money. Fiscal responsibility still needs to be a primary concern for anyone who values their job and the company's continued health. But, organizational agility offers a significant advantage that traditionally budgeted businesses can't claim:
In an Agile organization, everyone is continually striving for improvement and added value. As a result, the work that's going to offer the best ROI is always the top priority. And therefore, it's clear where it's best to invest available funds.

Jira Align contains numerous reports dedicated to finances, but they all keep the focus on value streams and strategic themes rather than business units or projects. The funding features are designed to aid with planning, real-time assessment, and post-mortem evaluation. The ultimate goal is to ensure that agile organizations are always strategic, value-focused, and fiscally responsible.

Success Pattern: Track Performance Metrics

Tracking performance is the key to knowing if you're being successful, failing outright, or deluding yourself and others. As with funding, performance is a prime concern of executives in every company, whether constructing a new building or coding a new web application for your customers, measuring the return early, and often is a crucial indicator to the overall success of the organization. Measuring only the velocity and predictability of the agile teams doing the work is rarely sufficient for a large enterprise.

For example: In our construction scenario, it's easy to see progress as the steel girders go up, and sheeting and exterior walls get installed. We know the projected is making progress. Is it the right progress? How do you know? Let's presume that we measure the development of the building construction using KPIs of Day to Day project completion ratio (actual vs. baseline) only. Our plan shows we are 30 days ahead of schedule. That's good, right? Maybe!

But if project completion is the only thing we measure, the results of endeavor may be our last.

For example: While we are 30 days ahead, our costs are 70% over the plan, the number of accidents per supplier on-site is 25% above standards, and our customer satisfaction is non-existent.

Using Jira Align Value Engineering and OKR functionality, you can measure leading and lagging indicators to get a full picture of the value delivered incrementally. Dollars, counts, percentages, scores, and NPS measures provide trends on the overall value of your investment. Tracking more than one metric at a time, we can see patterns and make decisions as early as possible to pivot or persevere.

SECTION THREE:

PURSUING ORGANIZATIONAL AGILITY

Now we come to the crux of agile at scale: Organizational Agility. As we continue to try to scale, more and more articles are being written on this topic. As with most 'new' concepts in Agile, many conflicting viewpoints have been published, and opinions vary as to where organizational agility fits and provides value to the organization as a whole. From a framework, selection to decision making authority. The one thing they all agree on is that organizational agility is necessary to thrive in today's ever-changing global market;

Common theories:

- Market conditions for business Changes Rapidly
- Globalization adds complexity
- R&D must be fast and efficient
- Change processes are complex and systemic
- Agile is not just for software development

Common constraints:

- Stability
- Work sized for appropriately for the team
- Collaboration
- Strong willingness to course-correct

Let's take a look at some of these theories and constraints in terms of our construction project.

Stability - strong foundation of the building

City ordinances change, now our building must shrink by 12 stories. Since we had planned to build an 80 story building and made our foundation accordingly, we can adjust our plans quickly. The same applies to other areas of the business when leaders provide a strong foundation with a clear "North Star," teams can adapt as market conditions require.

Right-sized work

• When work is not size-appropriate or aligned with the company goals, teams struggle to complete the job quickly.
• Five people and a ladder cannot construct a skyscraper; however, five men with a crane can, or are at least better equipped to do so.

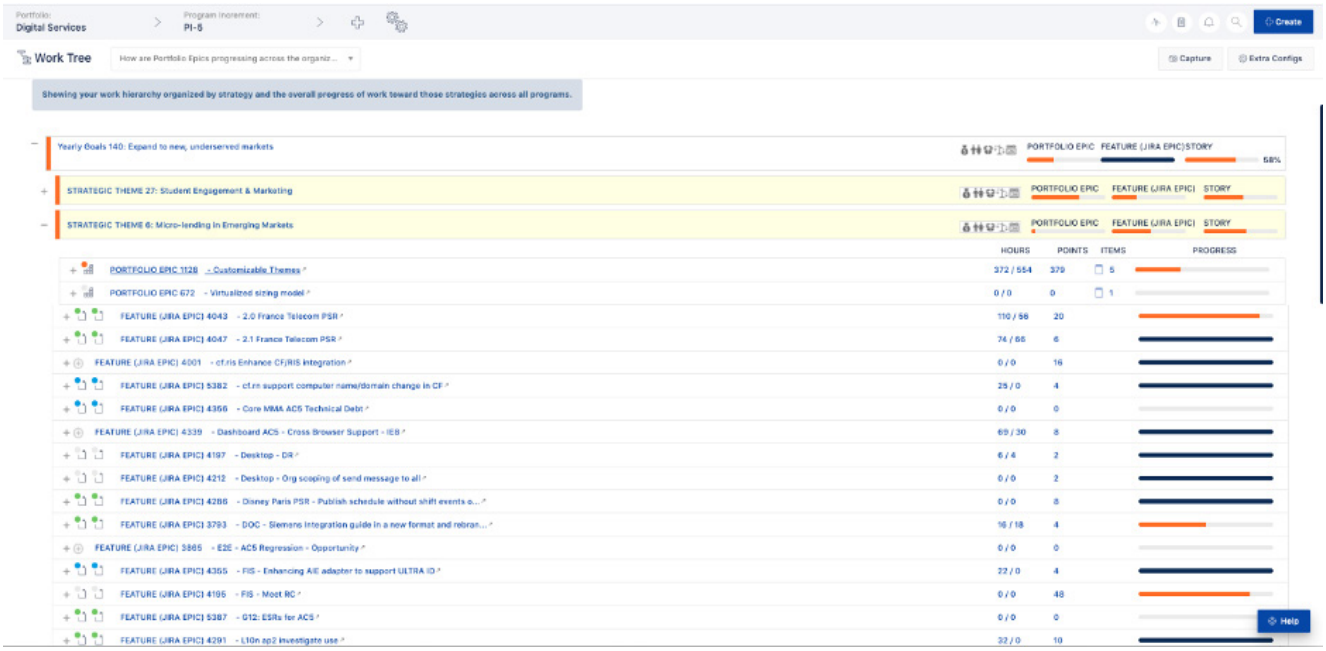
Collaboration

• A fundamental construct in agile; however, in a recent Gartner study, more than 50% of workers felt their work was slowed and made more complex and harder because they had to collaborate with too many people to get a consensus on decisions.

• The electricians find a quicker, more cost-effective way to complete the necessary electrical for our building. Management dictates, they must collaborate with the city, even though their quick way is within code and with the architect, although no changes to the structure are needed as a result of the change. Is that effective? For businesses to achieve organizational agility, the need to decentralize decisions to the lowest levels possible is essential.

Ruthlessly course correct

• Our developer was likely very unhappy with the change the city forced on the project. Had our construction company followed the same pet project scenario as our executive in the example above, what would have happened to the business?
• Possible consequences range from not receiving an occupancy certificate to substantial fines for violating the ordinance. Either one of which could irreparably harm the company.



Work Tree *– This report provides an overview of progress on all work items in a selected PI, as well as a drill-down hierarchy of progress at each work item level. Release train engineers and portfolio managers can use this report to track progress of all work items in a PI. Includes 5 comprehensive reports: Strategy, Top Down View from Epic, Bottoms Up View from Story, Team, and Theme Group views*

Using our hypothetical construction project, it should be clear that success requires the ongoing cooperation of the general contractor and all the boots on the ground erecting the structure. Similarly, scaling Agile effectively across the enterprise requires both bottom-up and top-down effort. It's both a functional and a cultural change that will affect everyone in the organization.

Most importantly, though, it's possible and highly beneficial — a goal worth setting if you're not already there. As we've mentioned throughout both volumes of this series, Jira Align is an excellent tool that can support those efforts.

When you're ready to start your Agile scaling journey, we invite you to **partner with Cprime** and let us help you.