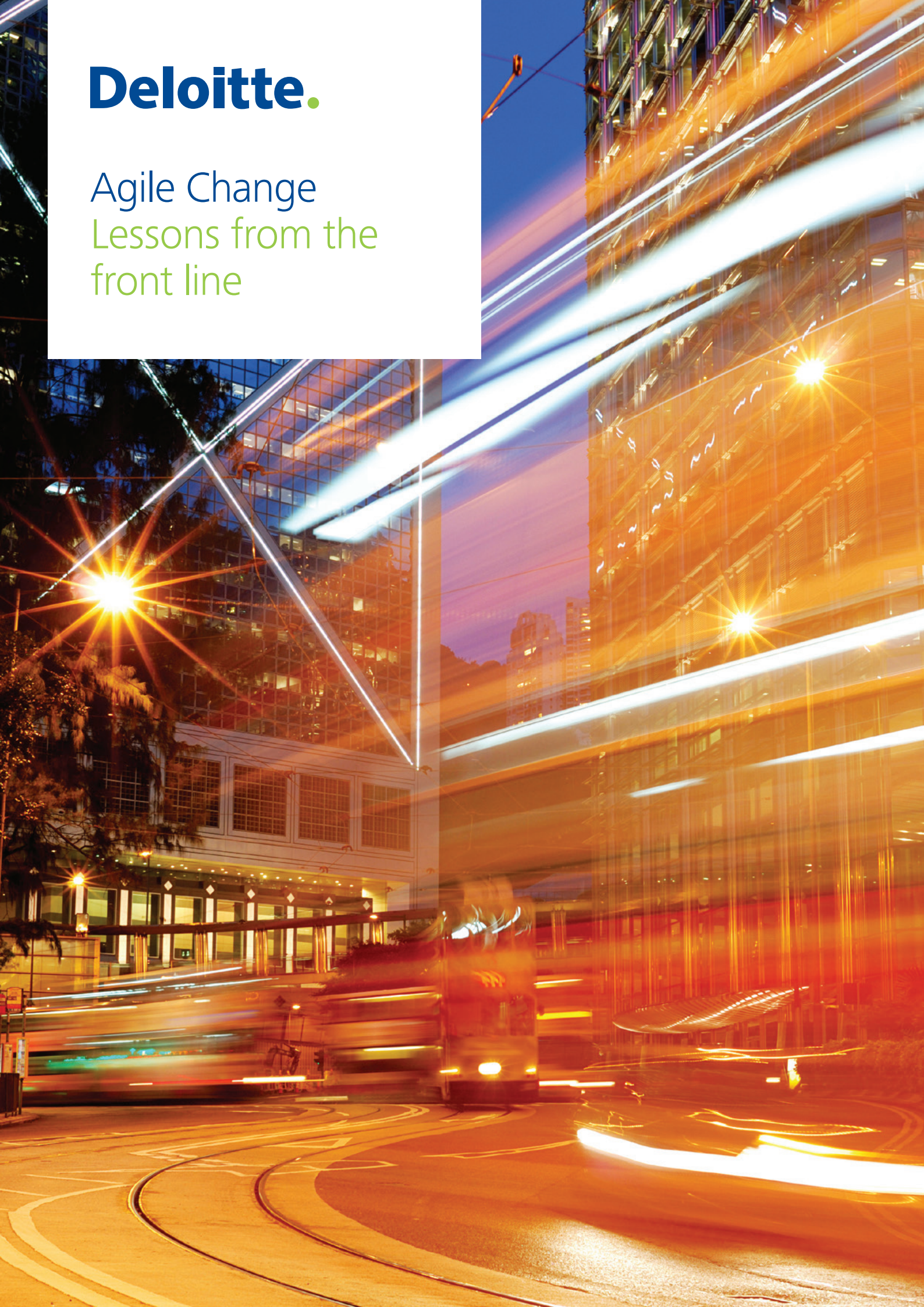# Deloitte.

Agile Change
Lessons from the front line

Foreword

It is said that our attention span as online users can be measured in seconds. In the digital age, immediacy of response is everything.

Delivering transformation is no exception; of course we know that a large scale project won't be delivered overnight but our tolerance level for slow is extremely low. The challenge for change practitioners is responding to the needs for immediacy in the context of a project which will take time. Traditional approaches to change management, with a heavy focus on planning, process and documentation are ripe for disruption.

Agile, with its roots in software development, has leapt to the fore as a viable alternative to approaching change. In sharing five case studies from the front line, this point of view identifies what works and what doesn't.

Introduction

To be successful in today's economy, characterised by globalisation, rapid technological progress and fast changing needs, organisations need to find ways to remain relevant and responsive to the sky high expectations of their digitally empowered customers and employees.

A generation has been conditioned to expect their products and services, like their iPhone Apps – instantly available when they identify their need, an intuitive user experience and seamless updates to address bugs or bring new functionality. This goes for internal customers too. Both leaders and employees want to see solutions and value delivered quickly, design centred on the customer, with continuous improvement, and the flexibility to adapt to changing business needs.

In many ways, responding to these needs is easier for start-ups and small and medium sized enterprises (SMEs) that are more nimble and have less organisational complexity. For large organisations the challenge is significant. Encumbered by siloed structures, bureaucratic processes and complex legacy systems, big businesses can find it hard to respond quickly to changing business requirements using traditional 'Waterfall' delivery approaches. This is why leaders are increasingly turning to Agile, which has outgrown its software development roots and is being more broadly applied in domains outside technology such as process design, product development and business intelligence.

Agile is a group of principles and practices based on iterative and incremental development, where requirements and solutions evolve through collaboration between self-organising, cross-functional teams. It differs significantly from a traditional 'Waterfall' lifecycle as it focuses on flexibility and speed over planning and predictability. Agile can deliver faster, more collaboratively and with greater transparency, bringing enhancements with every release, and with that, the ability to iteratively capture and respond to stakeholder feedback. It can also deliver value earlier and provide decision makers with a more flexible approach, with the responsiveness to adapt if priorities change.

At the same time as rendering traditional software development practices increasingly obsolete, Agile has exposed weaknesses in conventional change management approaches. Much of the strategic change toolkit took shape in the 1990s and evolved to support the people dimensions of change for Waterfall projects, often comprising of rigid change strategies and communication plans, stakeholder analysis and impact assessments and a commoditised, perfunctory approach to change. This approach simply doesn't work in an Agile environment. By the time you have completed your impact assessment and change strategy, the first sprint has been completed and prototype has been released. To paraphrase an old military adage – 'no change plan survives first contact…' in an Agile environment.

This is why many of the values and frameworks that underpin Agile delivery can be applied to delivering change. Agile change management allows change practitioners to work in a more lean, collaborative, flexible and iterative way, adapting to changing priorities to focus efforts on areas where they will have most impact, operating in sync with Agile delivery cycles. Agile change moves away from a classic set of rigid change deliverables and focuses on the right change activities, at the right time, to enhance stakeholder outcomes and ensure seamless, rapid adoption of change.

This point of view draws upon lessons learned to set out some key principles for managing change in Agile environments. Whilst the case studies derive from Agile projects, the principles are more broadly applicable, providing a progressive approach to driving change with greater velocity, responsiveness and impact.

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Agile 101

Agile originated from a group of software development methods based on iterative and incremental development, where requirements and solutions evolve through collaboration between self-organising, cross-functional teams. Agile manages complexity, unpredictability and change through visibility, adaptation and iteration.

In more recent years, Agile has been adopted outside a software development into project management, decision making, product management and now change management. Agile is not just one methodology, but is comprised of several development approaches (e.g. Scrum, Extreme Programming) underpinned by a set of 12 fundamental principles.

The iterative nature of delivery requires a more flexible approach to managing organisational change. A common misconception is that the Agile methodology somehow allows for a lower degree of delivery control. The opposite is in fact true; because Agile provides greater transparency and visibility of progress, it requires greater cross-functional collaboration and discipline than traditional approaches.

Agile principles

01
Customer satisfaction

02
Welcome changing requirements

03
Frequent delivery

04
Business and delivery work together

05
Motivated individuals

06
Sustainable development

07
Output is measure of progress

08
Face-to-face conversations

09
Technical excellence

10
Simplicity

11
Self organising teams

12
Regular reflection and adaptation

What does this mean for Change Management?

Projects delivered using Agile methodologies (such as Scrum and Xtreme Programming) have raised a number of challenges for change practitioners, including the:

- Accelerated frequency of change impacting the business

- Type and frequency of stakeholder engagement required

- Routinely changing nature of user adoption considerations.

Frequency of Change

By enabling faster and more frequent delivery of 'smaller' changes to customers and stakeholders, Agile presents a unique set of change challenges. Delivery cycles are shorter; enterprise change impacts are high despite typically being discreet.

So, the goal for change team is to continually prioritise activities that deliver value to their stakeholder groups. Examples of this might be focusing on creating a positive 'pilot' experience and facilitating feedback loops, aligning different Scrum teams to 'refocus' on the customer's experience of change, or ensuring that the delivery approach is consistent across different stakeholder groups to drive higher levels of adoption. The change team also need to think more than one 'sprint' ahead, ensuring a continually improving stakeholder experience from one release to the next whilst factoring in the broader change narrative.

Stakeholder engagement and project alignment

Unlike conventional projects, where stakeholder engagement is managed through carefully planned information 'drops', Agile engagement is iterative, showcasing progress, seeking and responding to feedback. Because transparency is encouraged; stakeholders have better visibility of delivery progress. The change team must support early and frequent engagement with the impacted groups. Each engagement 'moment' should be positive, from the initial piloting of a 'rough' solution to the delivery of a full feature, while continually evaluating and re-aligning the engagement approach to facilitate fast feedback and improvement. A benefit of this approach is that stakeholders are involved and engaged in the development of the change, giving them a stake in it, rather than just being a recipient.

User awareness and adoption

In Waterfall projects solutions are typically delivered in a big bang with users trained in parallel. In Agile, user readiness and adoption is more iterative; users are trained by piloting basic product prototypes, the Minimum Viable Change (MVC). Users then adopt iterative changes and enhancements in subsequent releases. In principle, the change is designed to be adopted in an intuitive, minimally-supported way.

Learning is faster and more frequent so digital and self-paced learning mediums play a larger role. In addition, there is an ongoing focus on embedding and sustaining the change after the release. Training materials need to be developed like the solutions itself: collaborative, iterative and user centred.

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Agile Change Management

Agile change management is guided by a set five principles that help change practitioners focus efforts on the most important activities, determined by customer value and stakeholder impact. It provides a lean, flexible and iterative approach to achieving sustainable change.

In this section we will use the five real life Agile case studies to bring these principles to life.

01	02	03	04	05
Focus on the moments that matter	Be transparent to build trust	Integrate Change with Agile	Understand the Minimum Viable Change	Embrace an Agile way of working

Agile change management provides a lean, flexible and iterative approach to achieving sustainable change

Lessons from the front line

01

Focus on the moments that matter: **Design the change experience for the stakeholders**
Applying traditional change approaches to Agile delivery would make for a piecemeal customer experience.
If comms, engagement and training activities came with every sprint, stakeholders would quickly become overwhelmed.

Instead, change activities should be packaged and released in a targeted way. Technical solutions can be delivered in a 'silent' way whereby systems can be configured so that it is easy to turn a feature on or off. Rather than communicating and training at every release – change managers can enable features to be introduced 'silently' where they have minimal impact. This helps to bundle changes from multiple releases so impacted users do not become overwhelmed by 'drip fed' change. Focusing on the moments that matter is about ensuring that customers have the right knowledge and skills at the right time to use the new capability.

Lessons from the Front Line – Finco

A Big 4 Bank was delivering a digital transformation program using Agile. Several teams were dependent on the new system so an ambitious implementation timeframe was put in place. The change complexity was high, with impacts both across the business units and within the project team itself. This meant that change was delivered at close intervals often impacting the same teams. Change fatigue quickly set in for impacted teams overwhelmed by the pace of change.

How the Agile Change team responded

The change team acted as the guardian of the stakeholder experience, advising the project team on the key 'moments' – when impacted users were not ready to receive the change or when there was a risk of low customer adoption. They developed a change vision – an overall narrative for the program – and packaged the release capabilities to targeted stakeholder groups to limit change saturation. This allowed for similar capabilities to be bundled in to 'themes', ensuring user readiness whilst not jeopardising tight delivery timeframes.

02

Be transparent to build trust: **Frequent and open stakeholder engagement**
Agile project delivery progress reporting is highly visible, usually through aids such as Kanban boards or visual management boards. This allows the team to break the activities into work packages or user stories and track the progress of each user story, providing a much more engaging, granular view of how the project is tracking. This approach can require a greater frequency of engagement with business stakeholders who become key decision makers during the prioritisation process.

Lessons from the Front Line – Telco

A large Telco company was preparing to introduce a new way of interacting with customers through an online service portal. The project team commenced without engaging key stakeholders or explaining the merits of using an Agile delivery model. Business stakeholders who were used to a highly structured and sequenced delivery approach were immediately resistant. Rather than seeing project showcases as an opportunity to view progress, the business saw them as a waste of time and continuously pointed at the lack of structure and status reporting as evidence of a lack of progress. Because the business was never 'sold' into the Agile way of working, their involvement and participation was irregular and rarely constructive.

How the Agile Change team responded

The first step was to explain the Agile concept to business stakeholders, the merits and requirements on both sides to bring about success. The change team kicked off a series of 'brown bag' sessions for the business to educate them on Agile and showcased some global success stories on where Agile worked well and organisations that have successfully adopted it as a way of working. The change team commenced regular forums to encourage stakeholder participation and elicit feedback on progress. The change in approach quickly helped to bridge the credibility gap between the business and the project.

03

Integrate Change with Agile: Align with the scrum team's ways of working

Regardless of the project type, the change team should always be tightly aligned with the project team. In an Agile context, this integration is even more important. Agile delivery teams have well defined ways of working, including planning and work allocation. Without the right integration into this process, the change team can fall out of sync with the delivery team, diminishing their ability to understand change impacts and provide stakeholders with the right information at the right time. Practical examples of integration include adding change activities to the delivery team Kanban, tagging User Stories with change impact types, calling out key change and stakeholder engagement milestones as part of sprint planning and evaluating change activities as part of the retrospective.

Lessons from the Front Line – Wealthco

An Australian wealth management organisation embarked on a major customer transformation, building a set of user friendly applications to encourage customers to self-serve. It didn't take long to realise that Agile maturity in the project team, as with the organisation more broadly was low, with most employees new to Agile ways of working. During the early phases of the project, the change team was regularly out of sync with the Scrum team – new features were delivered without their knowledge resulting in a poor customer experience and low levels of adoption.

How the Agile Change team responded

The change team introduced shared ownership of change management activities, including business acceptance of the 'Definition of Done' and the delivery team allocation of capacity (or story points) for change management support through sprint planning. The change team also led 'Agile Change 101 sessions', upskilling the delivery team in the value and application of change management. Finally, the change team made it a priority to attend regular Agile ceremonies (stand-ups, sprint planning and retrospectives) and adopt Agile ways of working, building trust and enabling effective collaboration with the delivery team.

04

Understand the Minimum Viable Change (MVC): Define the MVC to achieve the desired outcome

The Agile philosophy encourages early and continuous delivery of working product to the customer. The concept of Minimal Viable Product (MVP) allows for a focus on speed of delivery and getting 'basic' functionality out to users quickly. Change practitioners can adopt a similar philosophy: the Minimum Viable Charge (MVC). The MVC helps to focus efforts on the key change activities that add the most value for business stakeholders and end users. The MVC is typically implemented using 'light weight', easily customised tools, templates and approaches.

Lessons from the Front Line – BankCo

A leading Australian bank was rolling out a new software development tool to enhance internal digital capabilities. The stakeholder landscape was complex – from senior leaders to end users across the online and broader business areas. Challenged by an accelerated delivery timeline, the change team were required to complete detailed change analysis and planning and commence delivery within days.

How the Agile Change team responded

The change team worked with key stakeholders to co-design a fit-for-purpose change approach prioritising 'must have' change activities and outcomes. Change tools were simplified and digitised to drive self-service. Data visualisation tools were used to provide interactive dashboards for change impact assessments and user adoption tracking. Efforts were focused on getting key stakeholders in front of a whiteboard or 'change canvas' to quickly align them and co-create the solution. Plans were retrofitted to become a 'change on a page' (i.e. one page summaries), and the strategic vision of the project and key changes by impacted groups in a given release were built into a 'placemat'. As a result, the change team commenced delivery ahead of schedule with an accurate picture of the key success factors for the project stakeholders.

05

Embrace the Agile way of working: Help the organisation 'get it'

Many organisations have adopted Agile concepts such as scrum teams, sprints and stand-ups – without fully embracing an Agile mindset. Welcoming changing requirements, being comfortable with ambiguity and a relentless customer focus can be challenging for cultures where Waterfall delivery is deeply engrained.

The change team has an important role to play in helping organisations understand Agile – how it might look and feel different to other ways of working and communicating the benefits to both business and customers. This starts with assisting project leaders to determine practices, frameworks and styles that best fit the culture, technologies, processes and governance of the organisation. The change team can also help build change resilience by equipping leaders with a compelling narrative to connect the long term vision with tactical changes.

Lessons from the Front Line – TechCo

A technology services company was using Agile to develop a new Content Management System (CMS) as part of a digital transformation program. The fast pace of the project meant that the delivery team could not respond to all requirements or sufficiently manage expectations. This was compounded by deviating from well-established governance models and devolving sign off to the project team – trading off broad stakeholder socialisation and endorsement for speed of delivery.

How the Agile Change team responded

The change team educated key stakeholders on Agile. Kick off sessions were used to set expectations and co-define ways of working. Business stakeholders became comfortable with the 'light' deliverables as detailed change strategies and plans were traded for a 'change canvas' – a collaborative business aid to visualise the change and define interventions. The time saved on deliverable development was reinvested through more regular engagement with key stakeholders, gaining their feedback and in turn, buy-in to both the solution and Agile ways of working.

Welcoming changing requirements, being comfortable with ambiguity and a relentless customer focus can be challenging for cultures where Waterfall delivery is deeply engrained

Tools and capabilities

Different tools and capabilities are required when managing change in an Agile environment.

This does not mean 'reinventing the wheel' or abandoning sound change principles, but it does require a level of tailoring to fit stakeholder needs and adapt to the changing environment. We have outlined some of the core skills, mindsets and tools which help to set change practitioners up for success in managing Agile projects.

I can...

Prioritise:
Recognising and prioritising the activities that will add most stakeholder value

Collaborate:
Constantly collaborating with the delivery team and stakeholders

Be flexible:
Adapting to changing requirements and not being afraid to change course

Manage ambiguity:
Exposing stakeholders to the thought process to get to the answer, not the answer itself

Be comfortable with 70%:
Recognising when 'done' not 'perfect' is appropriate to move forward

Be succinct:
Summarising complex information with key 'cut through' points

Context switch:
Balancing focus between the detail and the bigger picture

Tell a story:
Visualising and articulating the bigger picture

I have...

Agile change 101:
Materials and sessions to develop Agile change capability in team members

Change wall:
Either separate or integrated with Agile wall to prioritise change activities

Visual tools:
High-impact and visible materials depicting the change vision

A portfolio view:
Holistic view of the impact of all the changes

Governance:
Robust and frequent infrastructure for collaboration

Digitally enabled content:
For stakeholders to self-serve information

Change metrics:
To measure the effectiveness of change interventions

A 'story':
Reiterates the 'why' and bigger picture of the change

Conclusion

In an environment of technology disruption, organisations are increasingly challenged to make change happen at scale and at speed. Their ability to be responsive to customer and stakeholder needs and adaptive to changing priorities will drive competitive advantage. Agile has a key role to play in enabling these outcomes. To play their part, change managers need to adapt their approach, mindset and toolkit.

There is no silver bullet, but the lessons learnt and principles shared in this point of view will help avoid common mistakes when managing change in Agile environments.

- Focus on the 'moments that matter' – Spend less time and energy on creating slides and spreadsheets and more on meaningful engagement with stakeholders, co-designing the change experience around them

- 'Be transparent to build trust' – Open the doors to your stakeholders, shifting focus from a 'comms and stakeholder engagement plan' to engaging stakeholders early with regular feedback and allow them to see more of the process

- Integrate Change with Agile – Embed change managers into the scrum team, align ways of working and delivery cadence and share responsibility for driving change and adoption

- Understand the Minimum Viable Change – Evaluate the Minimum Viable Change required to effectively deliver the desired outcome and embrace 'done is better than perfect' mindset to free up time for meaningful stakeholder interactions

- Embrace the Agile way of working – Set expectations, highlight differences to other delivery approaches and invest time in helping the business get it.

Whether you are supporting change on an Agile project, or a more conventional Waterfall delivery, embracing Agile change principles can make you a more effective, customer-focused and integrated change manager and bring faster, better outcomes.

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