# ENTERPRISE AGILITY: THE JOURNEY FROM AGILE IN IT

## TALKING AGILITY PODCAST EPISODE 5 TRANSCRIPT

Welcome to Talking Agility, a podcast from Accenture. Your host is Elitsa Nacheva.

**Elitsa Nacheva:** For many of us, inevitably we first started hearing about agile in the context of software development or, as I am sometimes reminded, in the context of rugby. Small, cross-functional teams will be formed to develop better software, to do it faster, get feedback quickly and ultimately release quicker. Flash forward nearly 20 years later and we see that agility has become a strategic imperative for the entire business.

I'm Elitsa Nacheva and I'm here with the Talking Agility podcast by Accenture Talent and Organization. My guest today has been talking agility since the beginning. We'll be talking about the journey from agile in IT to enterprise agility. Charlie Rudd is the former chairman and co-owner of Solutions IQ, which became an Accenture company in 2017. He and his brother John entered the market as an agile consultancy in 2003 after 15 years in the IT industry. Charlie is a member of Accenture's leadership team whose work focuses on employee experience and development. We reached him near Seattle.

**Charlie Rudd:** Thanks for inviting me.

**Elitsa:** John Rudd is the former president and CEO of Solutions IQ. John is now the global lead for enterprise transformation within intelligent engineering solutions and leads agility services within Accenture solutions IT globally. John joins us from Florida today and I think we can all agree we're a bit jealous of John's location given the cold temperatures both in Seattle and London.

**John Rudd:** Thank you. Glad to be here.

**Elitsa:** Thank you both. So, to kick off, perhaps could each of you start by briefly describing the kind of work that you do with our clients?

**John:** What we do is around what we call transformation services. What that means is helping organizations change from traditional practices into New IT-driven practices with the ultimate goal being their need and desire to improve their response in the marketplace. So, it's about reducing cycle time, it's about being able to understand more clearly what is going on in the market, what the client and customer needs and then being able to take an organization, sometimes in many countries with many thousands of people, and have it respond in a very nimble manner so that it can very quickly jump into whatever market opportunity that is. The other concept is you jump into that market opportunity with a limited investment and prove out the market before you continue to expand the investment. And what's interesting about this is it's very different than traditional practices which were very big design up front, build it right the first time. There might be a very long cycle time, but the concept was based on the fact there was going to be market stability and you'd be able to enjoy a return for a very long time given the disruption that continues to take place as

technology improves. What we're finding is our clients need better ways of going forward.

**Charlie:** That's great John. I think what I might add is I think this need to focus on business transformation and to be more responsive and adaptive is really driven by really radical change in the external and operating environment which is much more volatile than it was 10, 20, 30 years ago. And kind of the general shift from what we might say an industrial-based economy to a knowledge worker-centered economy, so there's a lot of adjustments that businesses need to make in this manner to be able to effectively respond to a very volatile marketplace.

**Elitsa:** You've written in an article that you kindly shared with us that agile is a social movement in 3 ways. I was wondering, could you outline those 3 stages for our listeners?

**Charlie:** Sure, be happy to do that. Usually when I think about agile, how most people think about agile, especially how it originated in IT, they start with the Agile Manifesto which was published in 2001. That really launched what I call the first wave and the real focus there was to stand up in a small software development team. And the focus was actually to establish and develop teams that empowered people that worked in a highly collaborative, iterative way to produce software. This was a radical change from the practices, the traditional IT software development practices, that preceded this agile initiative. There was a lot of, instead of people outside the team or not even having teams in the first place, task masters would tell people what their assignments should do and they'd work in semi-isolation as if they were doing piece work on a construction process but the big transformation in this first wave was get people to work together as very intimately, collaboratively and kind of learn as they go,

iteratively make progress and understand that they're focusing more on design decisions than more on construction decisions. And through that first wave, there were really kind of 2 key practices: scrum and XP. And this kind of new type of consulting developed which is called team coaching because essentially what we're doing with agile teams and helping them is guiding their practice, not tell them what to do, and coaching their behavior so they become autonomous and independent. That kind of led to the next phase which was essentially what often was called agile at scale. And it started out with this idea that what we're trying to do is integrate workers across teams. So, all well and good that we can do stuff on a small team of 7 people but what about a really big initiative, how do we integrate work across teams if we must do work in small teams? And so, initially peoples' idea of what needed to be done was a pretty limited technical idea of actually integrating that work somehow but frankly what happened as we attempted to do that is that we started to recognize that there were a lot of changes that needed to take place outside the teams so that in organizational context those teams could exist. And this led to organizational changes as we stood up cross-functional teams. It led to changes in the work environment so that teams could exist. It also changed how people interoperated in those teams, how people were supervised as we put more operational control into the teams themselves, it changes the nature of how you would do line supervision in an IT environment. And what also became clear was that focusing on software development teams was really just one step in a broader value stream and if you were really trying to focus on delivering in an iterative fashion, client value, you have to look across the whole value stream. And so, you need to consider how to incrementally respond to feedback, not just in software but upstream and downstream in terms of product management, in terms of delivery to

production, etcetera. And once we started to do that, we started to see that agile really went beyond scrum and XP and started to bleed into other types of work such as product management. We then recognized that agile isn't the practice itself; agile's actually a smaller set of principles and values that we apply to different types of work. In the first case, it was project management in software engineering but as we went further up and down that value stream we started to get into other areas and at that time, it was kind of an interesting thing that happened is people that sponsored these initial agile projects, they thought that what they would do is just have an agile fit within the software development teams behind walls in IT but what they found out is that agile is like a viral weed that digs under the walls, over the walls and invades the rest of the organization. If you happen to think that the weed is noxious, you have no choice but to root it out or what you could do is start to change your mind and say, you know, this isn't such a noxious weed after all. It's actually a pretty nutritious herb, it has fragrant flowers and frankly, it's kind of transforming the rest of our business in a positive way. And this kind of led us to the third stage which is really looking at agile across the enterprise and this trend of moving up and down the value stream started to get more broad. We started to realize that agile can really be applied with benefit to any form of knowledge work across the enterprise. It includes management, leadership, portfolio management, engineering and in all cases, this same set of values, this operative, iterative feedback-driven operating principle is applied across these different work domains.

**Elitsa:** When you were talking about the kind of work you do with our clients, you mentioned you help them visualize the roadmap, so I wanted to take the next question to John to tell us a little bit more about how you're co-creating a roadmap to

agility with our clients and if you can describe what the process looks like.

**John:** Sure, it's part of what we call the initiation process and as often is the case in life, we'll have clients that show up with very specific requests in terms of what they're looking for and one of the things we always try to drive for before we try to respond to a specific request is we try to get to the why associated with what they're trying to do. So, there's a skilled agile framework safe which is known in the industry and we'll have a lot of clients in, say financial services, we'll say is being used quite a bit that they'll come in and say, can you help us initiate safe within our organization. So what we try to do is we try to take it a step back and initially with the client and say, what is the pain that you're trying to address, what are the whys associated with what you're doing and before we get into responding to a specific solution, let's find out and make sure we understand what the real need is. From identifying what the real need is, we work, and again on a co-creation basis with the client in a very iterative way, toward a vision of what tomorrow might look like for the organization based on this why. And then we do what we call an alignment session and that is taking the various stakeholders from the various functional areas and pull them together so that we can get the appropriate organizational feedback through this process and that starts to shape, again, the vision of what's being done, why it's being done and it actually starts to get to the point of expressing some of the organizational concerns that might not come up otherwise when you're doing a broad base initiative like this. And then, ultimately what that ends up turning into is a fairly collaborative, stickies-on-the-wall with a timeline, building various swim lanes and what are the high-level things we need to accomplish to start to move to this vision. It takes various shapes but what it's meant to do is it's meant to get that senior level alignment around this is what we need to

do, this is why we need to do it, this is what the vision looks like and here are the initial steps and we find by getting that kind of consensus building and shaping it in a real way like that, once we get into execution and we start to move into the organization, work with the organization, we don't have to get into the politics of convincing each part of the organization everybody's on but already aligned and onboard.

**Elitsa:** While I was listening to you, I was kind of reflecting on my own experiences and although a little bit separated from agile, I read a book by an author called Simon Sinek and in fact actually met him yesterday and that kind of brought me to the title of the book which is "Start with Why" and I think it's a really nice connection that he also says start with why whenever you're thinking about your purpose and what you're doing and you're also bringing things back to the basics, start with why, know why you're doing things, what you're doing, start shaping the vision from the why. That really resonated with me so thank you very much for sharing.

**John:** And I would say this, right? If people want to walk away with value listening to this today, go Google Simon Sinek and do the Youtube, I think it's about a 7-or 8-minute TED Talk that he does on this which is really excellent, and it sums it up quite well.

**Elitsa:** Yeah, when I met him yesterday, I told him that I watched that video many years ago and he was quite pleased.

**Charlie:** What I would add to that is what really compliments the discussion of why, is Dan Pink's motivational model.

**Elitsa:** Oh yes, absolutely.

**Charlie:** You know, as far as what motivates the knowledge worker and yes, people need to understand why an organization needs to

change but also the leadership in the organization needs to appeal and get the willing commitment of the knowledge workers to say yes, that's something I want to be part of. And so, this idea of vision when we talk about co-creating vision and deploying vision in what we hope is going to be an agile enterprise, it's very important that leadership acts what we would say in an agile way, inviting people to commit, not demanding but inviting and talking and asking for contributions to create that truly co-created vision and inspire people within the organization to be part of something greater than themselves that they feel really good about.

**Elitsa:** Absolutely. Now in describing that roadmap to agility and working with our clients, you talk about co-creation, shaping the vision, alignment with stakeholders, collaboration and I assume all of these have led to some lessons that you have learned along the way and I really wanted to ask you both, what have been those lessons that have stuck with you throughout the journey. What have been the challenges? Was there something that really surprised you while you were working with clients in that sense?

**John:** Yeah, I can jump in. The reason that we've kind of gravitated to this process is not based on brilliant inspiration but simply by going through the school of hard knocks. Without getting the alignment, there—again when you're talking about enterprise transformation, when you're talking about an organization that's functionally structured, you're talking about an organization that oftentimes has been steeped in failure and what I mean by failure is that the ability to deliver a development project or a big development project that is either on-budget or on-scope or anything else has been historically not very good, which is what's led them to try to seek another way of doing it. In an organization like that, what you have is you have a lot of the people that survive, survive because

they can survive in a political environment. So, the nature of the beast is we're going into very complex situations with, a lot of the times, not a lot of track record of success, a lot of people that are in functional slots that have evolved in a political organization and the ability to get something done without going toward alignment on the first front is really just doesn't happen because along the way you're going to find somebody that's potentially got a different agenda. And unless you've got as high as you can get in the organization, somebody pointing we're going to go in this direction, these things will oftentimes you're planting seeds of agility but the ability for it to actually achieve that level of ambition that's on the front end of the design, it's very difficult to reach that unless you've got that senior level sponsorship, alignment across the functional areas and the ability for people that are experiencing the change to be able to, in a transparent way, provide feedback about where things might go right or go left and then iterate continuously and shift the plan accordingly. So those would be, and again that's based on lots of initiations and inspecting and adapting and inspecting and adapting and that's been a pattern that we've use that's been quite successful.

**Charlie:** What I'd add, another point which I think has been extremely valuable to us in our ability to help clients was actually going through our own agile transformation as a consulting company. We were actually challenged by our staff years ago: if we're actually going to provide agile consulting services, then we need to adopt these agile practices ourselves, internally, and we kind of thought that we were but we were constantly challenged by our staff and it really led to our own introspection and rethinking about what we thought our roles as managers and leaders should be. And I think that type of knowledge of gone and going through it yourself is very helpful for clients to talk to somebody who has a sense

not just of what's happening on the ground but also what's happening internally inside the leadership's minds, etc.

**Elitsa:** And the conversation is kind of bringing me to my final question and I wanted to ask you, we know there are some industries that are further along their journey towards agility than others. What would be one piece of advice you would give to someone who perhaps knows they need to be transforming in this way, but they aren't really sure where to start.

**John:** Yeah, so I would say this and Charlie talked in the front end a little bit about the evolutions we've seen in the agile space and what really, I think, is now kind of second nature to us but I think is new for organizations is the concept that, the idea of implementing scrum in my organization isn't necessarily going to help me get to where I want to get to. DevOps by itself isn't really the solution. I've got this legacy architecture that is really slowing me down. So, it almost becomes fairly overwhelming for a client to take a look at all of the aspects associated with retooling their organizations so they can build this responsiveness they talked about. And the thousand-mile journey starts with the first step and that's why the way in which we engage is an iterative one and it's one that is actually comprehensive. So, when we come and we're working with our clients and thanks to the depth of expertise that we have across the board, both globally and various areas at Accenture, we have the ability to help with that element of DevOps transformation, putting the elements of how do you do the teamwork, how do you address scaling, how do you do something like digital decoupling so we can still leverage our legacy systems but still have real time data access and those kinds of things. It's overwhelming to try to assume what all the steps would be to get from where we are today to the finish line but as it becomes emergent and as we have that vision so we kind of know what our true

north is for our clients, that then helps us stay in the right direction, and again we take it one step at a time on an iterative path.

**Charlie:** What I'd add is, and we've kind of been talking about this a little bit throughout this conversation, but what is absolutely fundamental is the mindset change, the cultural change and to give you an idea of what that means, John talked a little bit about before, is if we come out of what we might call a traditional management value system where you do it right the first time or you apply our rational decision making process where analyze the options and choose the best one. That's a different mentality than learn as you go. Do it right the first time and learn as you go are different strategies, they're really opposed to each other. The agile approach is learn as you go and you choose that approach because you really have no other choice, so those mindshift changes, they happen one person at a time but affect an organization there's the collective when more and more people have those mindshift changes to what we would say, an agile mindshift, then you start to affect the corporate culture. As John pointed out, this is not merely business process change, it's not a technology change, it goes deep into the organization, both in terms of its purpose in terms of why it exists and then how it's going to operate so this new set of principles can be appropriately applied.

**Elitsa:** Brilliant. I really, really like all the examples that you gave and the book reference. I think that was a—thank you both very much for this response. And this brings us to the end of our interview. I would like to sincerely thank you for taking the time to join me.

**John:** Great, thanks for very much. Enjoyed it.

**Charlie:** Thank you.

**Elitsa:** Whether you're just starting your agile journey with small teams or you're well on your way towards enterprise agility, I hope you enjoy this episode of Talking Agility. I'd like to say, huge thanks to my guests Charlie and John Rudd for sharing their experiences on the inside and to you, our listeners, for joining us. Your feedback is important to us. Therefore, please visit Accenture.com/TalkingAgility where you can read more and let us know what you think. Please also subscribe to iTunes and Soundcloud so you don't miss an episode. I'm Elitsa Nacheva, your host, and I hope I'll speak to you next time. Thank you for tuning in.