Global Scrum Gathering®
Minneapolis
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Agile Governance: Evolution or Revolution
Agile Governance:

Evolution or Revolution

Presented by: Stuart Mitchell and Marty Ruckert
European Agile award winning Coach
Founding member of the UK’s Agile Financial Leadership Forum
Gartner’s top 50 Influencers forum on DevOps
Key note presenter at over 10 Agile Conferences in Europe and Asia
Former Global Head of Agile at HSBC
Responsible for one of the Worlds largest Agile transformations 50,000 over 14 countries
14yrs using Agile at the ‘coal face’

Author of Making Agile Work and contributory author to UK Government Agile Report and National Audit Office ‘Agile Governance’
British Airways plc
BT plc
Innocent Drinks
IBM United Kingdom Limited
A UK manufacturing organisation
Simply Business
Vodafone Group plc
Process is not a substitute for skill.

Jim Highsmith

Colin Powell - Former Secretary of State for the USA
Delivery Creates Outcomes

Bridge of Time

Concept → Delivery Creates Outcomes → Market

Efficiency

Sales

Lights On
Reckless Delivery

What happens when delivery is "blinkered"

Less than Optimal Customer & Company Outcomes
Toyota recalls 625,000 hybrids: Software bug kills engines dead with THERMAL OVERLOAD

Prius owners look less smug

"In the involved vehicles, the current software settings for the motor/generator control engine control unit (ECU) and hybrid control ECU could result in higher thermal stress in certain transistors, potentially causing them to become damaged," Toyota said in the recall notice.

"If this happens, various warning lights will illuminate and the vehicle can enter a failsafe mode. In rare circumstances, the hybrid system might shut down while the vehicle is being driven, resulting in the loss of power and the vehicle coming to a stop."
The Nest Learning Thermostat is dead to me, literally. Last week, my once-beloved “smart” thermostat suffered from a mysterious software bug that drained its battery and sent our home into a chill in the middle of the night.
Red-faced Asda bosses have been forced to apologise to customers after a computer “glitch” resulted in rows upon rows of empty shelves at their 24-hour store in Edinburgh suburb, Chesser.

An IT technician “somehow” deleted this store from the record so no deliveries were scheduled, it only took 24 hours for all fresh produce and high turnover groceries to be gone, it took almost a week for the store to return to normal.

A regular customer described the scene as “like shopping in Russia in the early ‘80s”

It just goes to show with computers, one wrong flick of a switch somewhere in America and we end up with empty shelves here in Edinburgh.”
The Australian Bureau of Statistics was forced to apologise after website crashed during peak time on census night.

It was meant to be the night when the Australian census embraced the technological era at last, instead the system crashed, the process was suspended for days, infuriating the Government and mortifying the Statistics Bureau.

In the aftermath Chief statistician David Kalisch acknowledged a number of poor judgments in the lead up to the bungled census. He said the system should have been more robust and that more testing should have been done, the blame for this lack of robustness has been placed at the door of the provider IBM.
One.Tel Calls In The Administrator

$600m owed to creditors, 1500 jobs lost – Directors and Investors Blame Each Other

While the claims and counterclaims by the founders of One.Tel and their investors over who was most to blame rumbled on for over a decade, academic research has pointed the finger at the IT department.

“........there are strong reasons to suggest the failure is due to IT and IS: poor systems development methods, a billing system that had far outlived its usefulness, ethical values of the IT players which could be questioned and

a failure in IT strategy”

EVERY COMPANY HAS IT GOVERNANCE

The larger the company the more apparent it is!
Goverance is important
Goal 1: Ensuring we execute the right projects.

Goal 2: Ensuring delivery works is compliant with legislation & corporate policy.

Enterprise Agile Governance

The Challenge:

Achieving both goals... Deliver safely with Business Agility.
IT Governance
Is your...

GOALIE!!

Make sure you don't blow up your company
Since 1980 IT projects have been failing....

THWACK
-DORSEY-

'Failure rate of waterfall projects was between 50%-80%.
This is a... CATASTROPHE'

Key academic work studying over 29,000 projects between 1983-2003.
Why Are Projects Failing

PROJECT FAILURE

FIX IT GOVERNANCE

FIX WATERFALL
Plan A → Plan B

Same Same... But... Same! + Bigger
Governance NEW Meetings

- NEW Tollgate: Oct
- NEW Tollgate: Feb
- NEW Tollgate: Mar
- NEW Tollgate: May

Q4
- NEW Approval: Oct
- sign-off: NEW Approval
- NEW Review: Nov
- Reviews: Jan

Q1
- NEW Test: Feb
- Test Control: Feb
- NEW Tollgate: Mar
- Review against Guidelines: Feb
- Reviews: Mar

Q2
- NEW Tollgate: May
- Extra - Audit Lev 2 Review: Apr
your really safe in....

Governance Heights
City Limits

Audit
Market
Finance
Architecture

Compliance
Risk
Legal
WATERFALL

STAGE GATES /
MEETINGS /
ARTICFACTS

AUDIT
SECURITY
TESTING
LEGAL + COMPLIANCE
ARCHITECTURE
INFRASTRUCTURE
RISK
IT FINANCE
‘...It’s less Risk Mitigation. But more Artifact Generation. Giving the illusion of...’

Jim Highsmith
SPRINT

Potentially Shippable Product Increment
OMG! Governance!
PROJECT DELIVERY
POLICE
The Shift

BIG WATERFALL PROJECT

GOVERNANCE

DELIVERY

INCREMENTAL AGILE DELIVERY
Executives continue to struggle to successfully deliver on projects that improve performance, operational efficiency, and citizen engagement. The increased risk and cost of these projects has prompted a move to more modular agile project management approaches.

This shift provides unique challenges in the area of IT governance and IT investment oversight.

Linda Cureton, former NASA CIO

Whitepaper on IT Governance - 2016
'For all the right reasons, for which they were built, IT Governance Teams are no longer just keeping companies safe, they are (by hindering delivery) also putting them at risk.

......We have to CHANGE!'

- Jim Rankin (FedEx CIO)
Wish List for Change

Simplify
Remove Duplication
Reduce excess artifacts / Meetings
Less Stage gates
Co-ordinate Approach to Projects
Begin Transparency
Rationalise
Remove the SILOS’s
Changing A Company's Governance is like having...

"Open heart surgery"

What is wrong... with what we've got?!!

You don't do it often... Get it Right
CHANGE My IT Governance
..Are you CrAzy!!!!
..$$$$, ???, Skills, Risk !!!!!
A Seismic Shift

Disruptors

Your market

Incumbents

Pre Disruptors

Post Disruptors

The Revolution Takes Place.....
DISRUPT!

...a revolution starts
OMG! Disruptors!
Your margin is my opportunity

Jeff Bezos - CEO Amazon
<table>
<thead>
<tr>
<th>Category</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending</td>
<td>OnDeck, LendingClub, Prosper, Kabbage, Prosper, Funding Circle, Lending Club, Evening, GoRefi, Wongai, Lending Club, Funding Circle, Kabbage, Prosper, Evening, GoRefi, Wongai,</td>
</tr>
</tbody>
</table>
WILD EARNINGS FOR DISRUPTORS
Government announced a rate change.

Traditional: Took us 3 months

FINTECH: Took us 3 hours

Quote taken from Agile Governance Conference - Amsterdam 2014
24% of Revenues are at RISK from developments in the FinTech Sector by 2017 - PWC Global FinTech Report 2017
Change or stagnate. Keep moving or die.

Mercedes Lackey
Extinct, disrupted by newer, innovative and more nimble companies

http://bridgesoutheast.com/blog/tech-powered-sales
Every Company Now has to Evolve...

Avoid A Kodak Moment

Deliver, deliver, deliver and quickly!
Ok – we’d better change

CHANGE My IT Governance

..Are you CRAZY!!!!

..$$$$, ?????, Skills, Risk !!!!!
What does Good Governance look like?
REMOVE SECRECY

WASTE REDUCTION

LEAN

PEOPLE

IMPROVE

TRUST EXISTS BEtween GoveRNMENT TEAMS AND AGILE PROJECTS

REMOVE DUPLICATION

DEVOPS

GOVERNANCE CONTROLS ARE EMBEDDED THROUGH AUTOMATION

Automated Testing CI CD

ENGAGE WITH AGILE TEAMS

RISK SECURITY AUDIT COMPLIANCE
Stop this ....
Stop this as well ... Agile TAX
..start this
IT Governance

The New World

RISK  SECURITY  AUDIT  COMPLIANCE

Governance is Part of the Product's DNA
DevOps

Governance Controls are embedded... through...

Automation

Automated Testing CI CD
Create Empathy

Promotion's over 30 years

1987

2017
Trust Exists Between Governance Teams and Agile Projects. Less secrecy and Silo Removal.
No more ‘one size fits all’
AGILE TEAMS are empowered

Governance is not an impediment
Safe to fail
Experimentation to learn
No1 reason for adopting and using Agile is to reduce risk.
Governance will become LEANER and STRONGER
“... we are living through an era of more intense regulations and more intense scrutiny .... It is a new world! ”

“What is acceptable today will not be acceptable tomorrow... it’s time to go from 95% to 99.99% ...”

Fred Tirrell
2
The Delivery arms race will get faster
“Customers don't measure you on how hard you tried. They measure you on what you deliver.”

- Steve Jobs
Disruptors are here to stay
DevOps will become the new NORMAL
Many companies that we know today will NOT be here tomorrow.

My competitor who evolves now becomes a 'super powered' competitor.
‘Agile is the fastest growing Development methodology in the world … it is estimated that within 2 years Agile will account for 80% of all development projects.’

November 2013
## Challenges Experienced Adopting & Scaling Agile

While the vast majority of respondents and their organizations have realized success from adopting agile practices, they recognize that there are challenges to scaling agile. The top two challenges cited were organizational culture at odds with agile values (63%), and lack of skills or experience with agile methods (47%).

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Company philosophy or culture at odds with core agile values</td>
<td>63%</td>
</tr>
<tr>
<td>Lack of experience with agile methods</td>
<td>47%</td>
</tr>
<tr>
<td>Lack of management support</td>
<td>45%</td>
</tr>
<tr>
<td>General organization resistance to change</td>
<td>43%</td>
</tr>
<tr>
<td>Lack of business/customer/product owner</td>
<td>41%</td>
</tr>
<tr>
<td>Insufficient training</td>
<td>34%</td>
</tr>
<tr>
<td>Pervasiveness of traditional development</td>
<td>34%</td>
</tr>
<tr>
<td>Inconsistent agile practices and process</td>
<td>31%</td>
</tr>
<tr>
<td>Fragmented tooling, data, and measurements</td>
<td>20%</td>
</tr>
<tr>
<td>Ineffective collaboration</td>
<td>19%</td>
</tr>
<tr>
<td>Regulatory compliance and governance</td>
<td>15%</td>
</tr>
<tr>
<td>Don't know</td>
<td>2%</td>
</tr>
</tbody>
</table>

*Respondents were able to make multiple selections.*

[https://www.versionone2017.com](https://www.versionone2017.com)
Agile is about to go up the gears
Predictions ....

1. Modern IT Governance - will be leaner and stronger
2. The race to market will accelerate
3. Disruptors are here to stay
4. DevOps will be standard
5. Companies will change there Governance or fade away
6. Agile is about to go up several gears
So, IT Corporate Governance what is it,

OR

Revolution has begun and so too has the evolution of new Governance

PT DevOps - Scot – F1 Future
Wikipedia - Framing

RBS - http://www.flickr.com/photos/alexmartin81/5603382536/

http://www.flickr.com/photos/kilwirraarchitects/4800779023/in/photostream/
http://chronicle.augusta.com/sports/college/2010-12-04/auburn-quarterback-pound-south-carolina


Jay weird - Photo of the Maze -
http://www.flickr.com/photos/44990811@N04/5557042089

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We are writing a book on Agile Governance and we want you to help us.

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We believe in this and will present at your company...just ask