Recognizing the 12 Failure Modes in Agile Transformation

Agile is worth it, but it takes work. Learn how to avoid the most common pitfalls of agile transformation.

Let's get started ▷

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When Agile Isn't Working

Agile may be simple, but it still takes work.

Often, organizations fail to adopt agile methods for similar reasons, and many of these reasons are cultural. From checkbook commitment and lack of executive support to ineffective retrospectives and bad product ownership, this e-book describes the 12 agile failure modes to avoid so you can succeed with your own agile transformation.

Agile disenchantment
You're in the midst of an agile transformation and you've hit a wall. Despite all your best intentions, you're still not seeing those promised benefits of agile:

Speed   Quality $ Value   Sustainable growth across your organization

And your problems don't stop there. You aren't responding to market threats; you can't even see market threats. You're unable to retain great employees, and you're not an industry leader. In fact, your agile transformation has brought cynicism and distrust.

From adoption to transformation
It's imperative that you move beyond implementing agile principles within your IT groups to business agility. Success depends on agile transformation, not just agile adoption.

To do this, you need to make a critical change—from just doing agile to being agile. While agile adoption missteps exist at the team level, the threat of failure at the organizational level is farther reaching and has a bigger impact.

Let's start with the first three failure modes, which center around leadership.

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Often, organizations fail to adopt agile methods for similar reasons, and many of these reasons are cultural. From checkbook commitment to an overt lack of executive support, we have good reason to identify the first three modes of failure as leadership gaps.

⚠ Failure Mode #1

Lack of Executive Sponsorship

You'll see this mode of failure show up in several different ways; ultimately, it warrants its spot as the number-one failure mode and drives all the other failure modes. Also known as buzzword buy-in, a lack of executive sponsorship can come at you from two directions.

Under the radar
Imagine a small group of techies eager to adopt agile. With no executive sponsorship, they work under the radar, hiding from management, which could shut down their effort. Within the team, the project may gain some temporary momentum, but its sustainability is improbable. Lack of executive sponsorship will limit visibility into the team's success and provide insufficient support for adoption across subsequent teams.

Checkbook commitment
In the second scenario, an executive decrees a switch to agile delivery across the entire IT organization, but there's no real follow through—it's simply a checkbook commitment. Without changing the metrics for success, these proclamations for agile adoption will likely never result in true business transformation. Without the executive's continued engagement, the organization will only have pockets of agile success at best, typically limited to the team level.

How do you prevent this failure?
To avoid these pitfalls and affect a transformation with a broad, sustainable impact, your leaders must accept that a successful transformation is a journey. They need to:

- Seek guidance and input from teams.
- Make a personal commitment to their teams.
- Recognize the personal commitment they're asking of their employees.
- Commit to measuring success differently.
- Celebrate setbacks as opportunities for growth.

⚠ Failure Mode #2

Failure to Transform Leader Behaviors

How your managers work with their teams can also make or break agile adoption. Too often, managers rely on a top-down approach, driving projects forward with little regard for input from the team.

Such a management style is a classic agile transformation failure mode. All the team-level agile practices in the world mean nothing if the manager doesn't embrace a behavior that is more in service to the team than an attempt to control the team. Robert Greenleaf identifies the characteristics of what he calls a servant leader: one who serves by leading, and leads by serving. Servant leadership is the key to successful agile transformation.

Traits of successful leaders

An agile transformation success story hinges on the ability of the organization's leaders to take on these characteristics:

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System neglect

Knows the limits of how much focus can be allocated to issues; learns what to focus on and what to let go of in order to support the team and achieve goals effectively

Acceptance

Knows when to let go and trust the instincts of the team; accepts the wisdom of the team and is prepared to support it

Listening

Facilitates useful and necessary communication, pays attention to what remains unspoken and is motivated to actively hear what others are saying

⚠ Failure Mode #3

No Change to the Organizational Infrastructure

What is your current organizational structure? How many layers of management exist around each agile team? How is governance perceived, and who is ready to break down walls to make sure that value flows through your organization?

These are key questions because failed agile transformations suffer from an inability to change the existing organizational structure. Organizations set up to measure success by departmental performance versus overall value delivery limit visibility of their overall effectiveness. They also zero-in on a specific team's performance at the expense of success for the organization.

Pushing the boundaries

True agile transformations push the boundaries of these existing organizational hierarchies. In an effective agile transformation, you know what the true value is and who needs to be involved in order for the value to be delivered. What's more, everyone associated with the value delivery has visibility into the current state of the value stream, including its blocks. They see the goal as successful delivery of value to the customer, and they coordinate as a whole to deliver that value.

You need to expand your idea of efficiency, revisit the way your organization appraises work and invite frequent feedback to sharpen your focus on team effectiveness.

> If you're not feeling the discomfort that change brings, you aren't truly transforming. If your transformation isn't requiring you to invest in technology and culture to support a new mode of visibility and collaboration, you aren't truly transforming.

The next three failure modes center around **workflow**: effectively flowing work decisions, setting work boundaries and factoring in the costs associated with work across distributed teams.

⚠ Failure Mode #4

No Business View of the Value Stream

Most organizations embrace silos. And even when they do make the decision to adopt agile practices, they do it based on an existing organizational model. The result? Agile silos.

The crippling problem is that there's no view across the value stream—that is, organizations aren't tracking the concept-to-cash flow of value through a system.

Successful agile transformations ask you to accept a few basic truths and practices about value streams:

- First, recognize that you do indeed have a value stream—go find it.
- Map your system at whatever level of detail best articulates your sense of handoffs and bottlenecks.
- Start where you are in the value stream; taking on an entire system will exhaust you and your teams, which will lead to abandonment of the agile transformation effort.
- Every system has one primary constraint; find yours, crush it, and then look for the next primary constraint that emerges. Rinse and repeat.
- Be ruthless in your vision to expand the boundaries of your value stream: upstream from the neighbor processes that feed your work, and downstream where you feed your work into your neighbor process.
- Include everyone in identifying the value stream, its bottlenecks and its potential flow
- Broaden commitment up and down the stream, not in localized silos.

Next page: Why decentralizing control is vital to success. ▷

⚠ Failure Mode #5

Failure to Decentralize Control

Consider this scenario: a tech worker speaks up in a team meeting and offers a relevant solution. At a break in the meeting, the manager pulls them aside and asks, "Why did you disagree with me in there? Don't you trust that whenever I make a decision, I've thought of all other possibilities? You're disrespecting me."

Unfortunately, this scene is all too common, and there are a few dynamics at work here:

- The manager's sense of significance is somehow wrapped up in the decision-making control.

- Due to this strict, centralized control, decisions are not as informed as they could be.

- Waiting for a decision because of centralized control wastes time and human potential.

- This control style ultimately lowers morale and fosters cynicism.

Agile transformations can fail depending on whether you centralize or decentralize control. It's important to recognize when to accept the decisions of the team and when to withdraw your control so that the team owns decisions that impact their way of working.

You can use some simple guidelines to steer you toward appropriate control modes. Long-term decisions with extended impact that include dependencies across many constituents warrant a centralized mode of control. Short-term and low-impact decisions merit decentralized control.

The scale principle: Centralize control for problems that are infrequent, large, or that have significant economies of scale.

The perishability principle: Decentralize control for problems and opportunities that age poorly.

Striking the right balance is essential—the successful leader will be the one who can decentralize control to move decisions closer to the worker, the one who knows the work best, but know when to centralize control as a service to the flow of value.
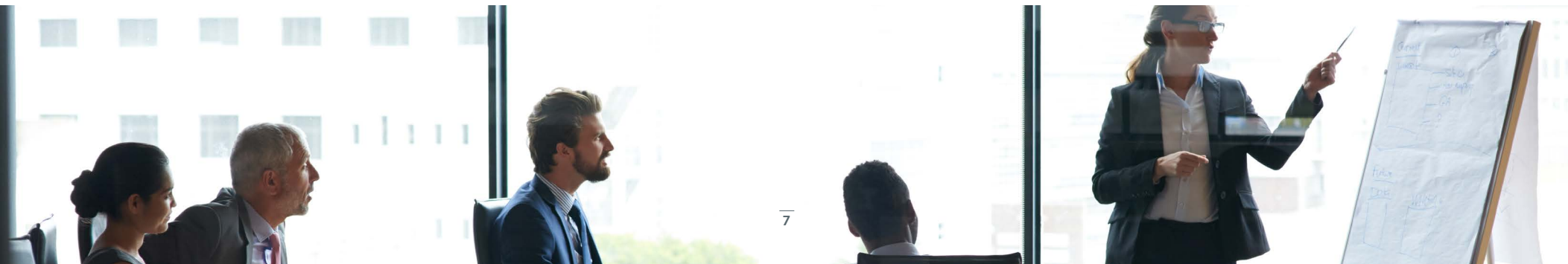
⚠ Failure Mode #6

Unwillingness to Address Illusions Around Distributed Teams

Organizations with distributed teams have become the norm. Teams are dispersed across many time zones, and even 80/20 rules are guiding projects—where 80 percent are offshore teams and only 20 percent of teams are located in the same building (or the same city).

Want to fail at your agile transformation? It's easy. Follow these simple rules for distributed teams:

- Set up a complex geographic maze based on the economics of resource utilization.
- Ensure a time zone difference between 7–11 hours.
- Rely heavily on emails and large documents (especially detailed test plans) for your communication.
- Definitely don't invest in bringing people together to collaborate or train.

Organizations in this distributed bind have essentially made deals with the devil, trading off fundamental agile success principles, like face-to-face collaboration, for the promise of speed and lower costs.

Dealing with the distress of the distributed model
Here are some changes you can embrace to cope with the challenges of widely dispersed teams:

- Hire a coach who's well-steeped in distributed team success.
- Ensure all team members receive the same agile training; for maximum effectiveness, get everyone in the same room for the training.

Invest in high-definition, large-screen video technologies. Accompany these with a top-notch sound system that figuratively brings all the voices into the room.
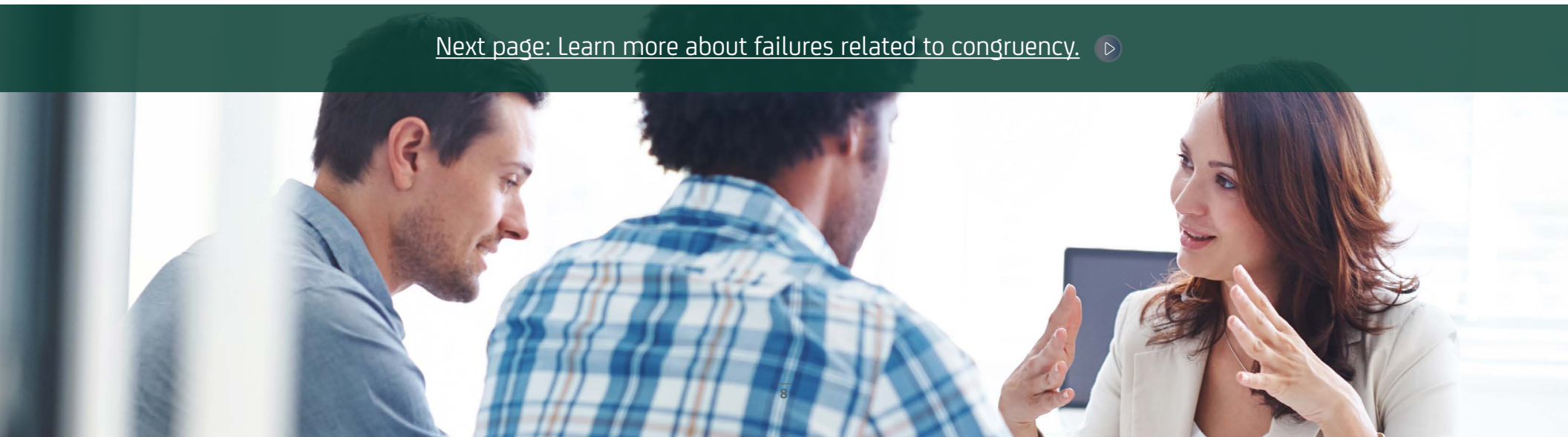
The following modes of failure have to do with **congruency**. In the agile world, congruency evidences itself through changes in behaviors across the team. Congruent team members move away from a yes-no, black-white, us-them mentality and abide by norms that prize close relationships. Blaming team members and placating leaders are replaced with an emphasis on equal stature and equal voice. In environments of congruency, each member is heard, understood and valued.

⚠ Failure Mode #7

Lack of a Transformation Product Manager

What would your business look like with no product management team? An absurd notion, but one that underscores the importance of a dedicated team that focuses on your company's services and solutions.

This is also connected to the reason that many agile transformations fail. The organization doesn't dedicate a transformation product manager. To succeed, you need to imagine your transformation as a product.

As such, it requires the discipline of product development. You need to identify a transformation product manager to be your scout leader in delivering a high-quality transformation. Have this person work in a tight relationship with the executive owner of the transformation. Together, they define the disciplined exploration and execution to deliver a world-class transformation, and they serve as the models of congruency among all players in the transformation.

Applying a holistic approach

Think of congruent teams as family systems in which the whole matters. As you move through the bumps of your agile transformation, your transformation product owner helps the teams be attentive to the incongruent behaviors that can eat away at the sense of "us" and "among."

What behaviors are creating distrust or lack of safety in your transformation? If you walk around your teams and notice tendencies toward blaming, placating, distracting or being overly focused on process and structure, you're smack in the middle of incongruence.

Next page: The importance of fast feedback. ▷

All the process in the world is not going to move your agile transformation into a healthy, sustainable state.

⚠ Failure Mode #8

Failure to Create Fast Feedback

Sir Isaac Newton surely didn't realize the impact his physics would have on software development in the 21st century. Through the Industrial Age and into the Age of Information, we've been clinging to cause and effect in how we build our organizations and how we expect them to work. Frederick Taylor and Henry Ford took advantage of this principle, too. At its core, the assembly line uses cause and effect to create sequential, predictable, repeatable processes. Feedback loops on quality were less important or nonexistent compared to how many items came off the line at any given point.

But now, the nature of our knowledge work is inconsistent with the predictable, sequential work Newton helped foster. Yes, gravity still exists in a congruent world, but there's much more going on. This is particularly true in an agile transformation.

How would you know that your agile transformation remains largely informed by Newtonian physics?

Think about these behaviors:

- Clinging to a strict sense of predictability for when feature work will be completed

- One centralized organization deciding all standards and rules for every team at the start of the transformation

- Relying on large-batch delivery of feature sets

Fast feedback is the unsung hero of congruency

Seek feedback on guesses, value, behavior, risk, culture and agile practices. Healthy agile transformations crave fast feedback on every aspect of how the transformation is progressing. For this to occur, ensure you deliver feedback both ad hoc and on a cadence, the latter being more formal and facilitated. The ad-hoc feedback reduces the waste of waiting for direction on very transactional decisions; the cadenced retrospectives ensure regular inspect-and-adapt sessions across the organization.

Next page: Why you need to establish a core belief. ▷

⚠ Failure Mode #9

Short-Changing Collaboration and Facilitation

When forming teams, you need to balance how to be a team member with how to remain an individual. How can you speak up, be valued and not have fear of recrimination, while at the same time work toward the good of everyone? This is where some sense of congruency can help.

Establishing a core team belief

How do you hold your insights dear and precious and necessary? You must seek a core team belief that collaboration makes you greater. And to collaborate, you recognize the value of objective facilitation. The work of the facilitator guides a team of individuals to decisions that integrate diverse perspectives in order to converge on actionable decisions. Good facilitators devote themselves to bringing out the best in the team. They do so by addressing incongruent behaviors and creating divergence and convergence processes to safely buoy the team to sustainable decisions.

Be clear with yourself and your teams. Collaboration does not mean groupthink, despite what people may infer. Rather, be explicit and intentional about when to bring voices together for the greater good of the team. These voices can disagree. You need them all so that you can uncover risks, opportunities, puzzles and surprises. Armed with this knowledge, teams can bring this caution into their commitment and move forward with their work.

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The last three failure modes concern the overall sense of **transition**: How are you tending to your sense of change—not just as steps in a process but as humans and teams in transition? When you leave the context behind—when you ignore the time, safety and direct experience required to get through change—you have failures in transition.

⚠ Failure Mode #10

Ineffective Planning for Transforming Beyond IT

So often, executives are looking at how to build products faster: getting to market faster with more innovation by making their engineering teams more efficient. They bring this "work order" to their product or IT group and declare that an agile transformation is in play. But speeding up value delivery by concentrating your transformation on product development is suboptimal.

Concentrating agile transformation in the development organization looks slick. Its practices have a sense of speedy efficiency around them, and that's enticing. It can grab the hearts of people who thrive on heroics. But is this truly transformative?

Sustained transformation
Given the state of your business—your whole machine—how can you be transformative in an enduring way? Top-down decrees from executives, rolling out teams simultaneously and other steps will be useful, but might only take you to a good enough state.

An agile transformation is far bigger than the efficiency of delivery teams; it goes beyond IT. Instead, imagine your transformation being guided by these qualities:

- Visionary leadership
- Lean principles of value flow
- Reduced organizational friction
- Employee respect
- Transparency and collaboration

⚠ Failure Mode #11

Viewing Transformation Solely As Process and Structure

To be clear, process and structure are important, but alone, they are insufficient—and worse, can lead to a false sense of success in the transformation. Checklists, quarterly reports and other measures will only yield limited success. Transition must start with empathy: you must invite ideas that depart from the normal mode of creating and executing. As you move through your agile transformation, empathy must be the driving force guiding how you engage with individuals.

Powered by people
It's important to consider how people's personal values will align with the aspirational values of your agile transformation.

Psychologist Natalie Baumgartner talks about "fit" for people in their work. As she describes it, this idea goes far beyond role descriptions and responsibilities. It guides whether you're willing to engage in a new view of work that supports your values, your personalities and your communication styles.

A great agile transformation feeds off of people's positive perspective of the change. There's no question that agile transformation involves myriad risks. However, these are important situations, and successful leaders need to use these risky situations as an opportunity to reflect on what's going on beneath the surface of the process and structure.

⚠ Failure Mode #12

Ignoring the Path of Individual, Team and Organizational Transitions

This failure mode is last because it's the least understood, and the least addressed.

In any large transformation effort, even when you just know it's good and for the right reasons, there's always someone who has something to lose—whether true or imagined. This can happen at the individual, team or director level.

Acknowledge three key stages of transition
To succeed, you need to first recognize the underlying organizational unease the agile transformation can set in motion. Then, acknowledge these three stages of transition, in this order:

1. Endings

People can find themselves disoriented and disenchanted. In this stage, it's important to guide team members to let go of what they've believed or assumed about themselves or about how they see themselves in their work environment and their attitudes toward others.

2. The neutral zone

To move forward, accept the reality of the gap between what was and what may be, sort of standing in the middle of the street. You can't stay here forever, but you know you need to be here to get to the other side. In this organizational and process wilderness, you can begin to craft a different reality that can enhance or expand what might not have seemed plausible before.

3. The new beginning

You finish with a new beginning. How do you know you're moving out of the neutral zone? You begin to gain greater clarity about the path of your transformation. You'll have the sense of emerging engagement and dedication to the success of the transformation.

Pulling it All Together: Be Your Kindness

Agile transformations are hard for systems, for organizations, and most important, for humans. Acknowledging the potential ways that a transformation can fail helps you build awareness of where your best intentions either engender success or perpetuate deflating failures.

Take this brief quiz to see where you stand in your agile transformation.

And, once you understand where you are, think about where you want to be.
Contact one of our Agile Transformation Consultants to talk about your next steps.

Jean Tabaka (Nov. 9, 1954—June 6, 2016)

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