How to Start With an Agile Transformation

Experience Reports of LeSS & LeSS Huge Adoptions

LeSS Conference, Singapore, 4th of November 2024, Sofia Pelzl

Who I am

Sofia Pelzl, Agile/Organizational Coach from Munich, Germany

My LeSS journey began in 2017 with the intention of helping companies stay competitive and develop an organization capable of succeeding in an ever-changing environment

Certified LeSS Basic Trainer, CLBT, Candidate Certified LeSS Trainer. CCLT
Certified Scrum Master, A-CSM & CSP SM, Certified Agile Coach
Certified Agile Leadership, CAL-O, -T, - E, Certified Product Owner, CSPO
ICF Professional Certified Coach (PCC)

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Let’s dream!

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Let's dream!

Martin Luther King, August, 28th 1963

What does the perfect product organization look like?

A Vision for Agile Transformation

Wouldn't it be great,

- if **resources** could always be **utilized** to **create** the **highest customer value?**
- if **scaling** in the organization takes **easily** place in **both directions**
- if the **hierarchies are flat** for **fast decision-making** and employees are **self-organized, while aligned with the overall strategy/goals**
- if we could **change on low costs**

Agile Transformation

in LeSS context

What is LeSS?

LeSS is an organizational system for product development aimed at maximizing an organization's adaptiveness.

LeSS is multi-team Scrum

Agile transformation with LeSS

Agile Transformation in the context of LeSS refers to **comprehensive change a large organization** undergoes to adopt and implement the structures, principles, and practices of **Agile at scale**.

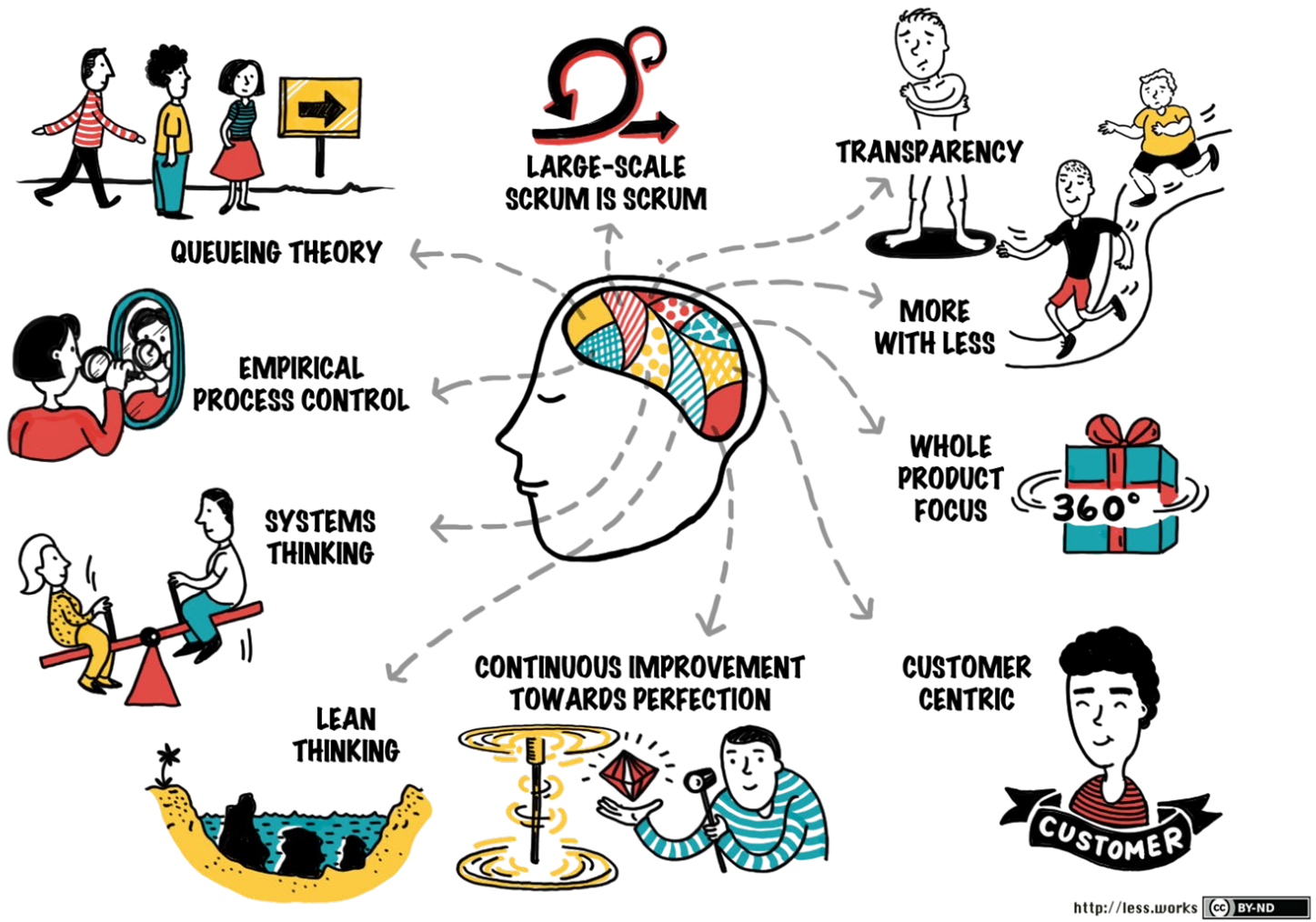
This transformation involves a significant shift in

- **strategy and organizational structure**
- **processes**
- **people and rewards systems**

to better align with Agile values like transparency, adaptation, and iterative progress.

Culture follows Structure

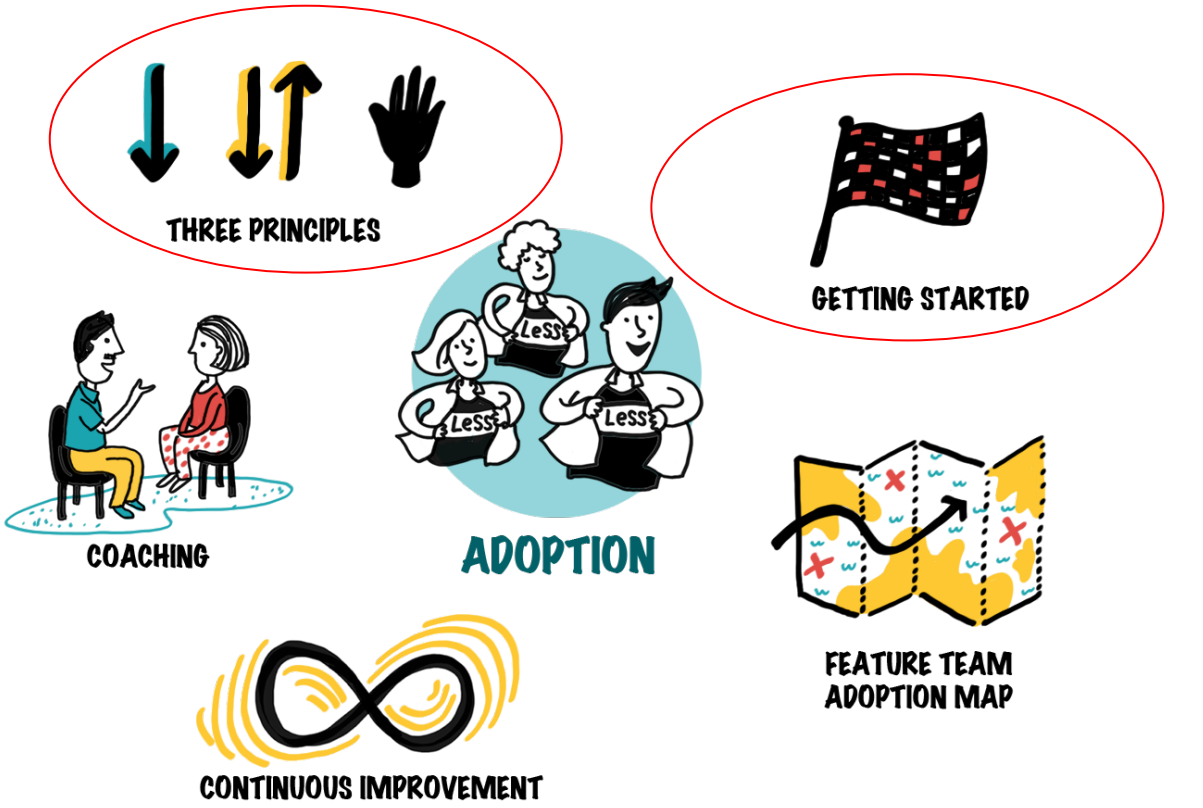
LeSS principles



How to start

LeSS Guide: getting started

Adoption principles and guides



http://less.works BY-ND

Getting Started

The three adoption principles include that it's best to start with one product adoption. How can you increase the likelihood of its success?

1. educate everyone
2. define 'product'
3. define 'done'
4. have appropriately-structured teams
5. only the Product Owner gives work to the teams
6. keep project managers away from the teams

Sustainable Change

These **LeSS Adoption Principles** are crucial to an organizational change:

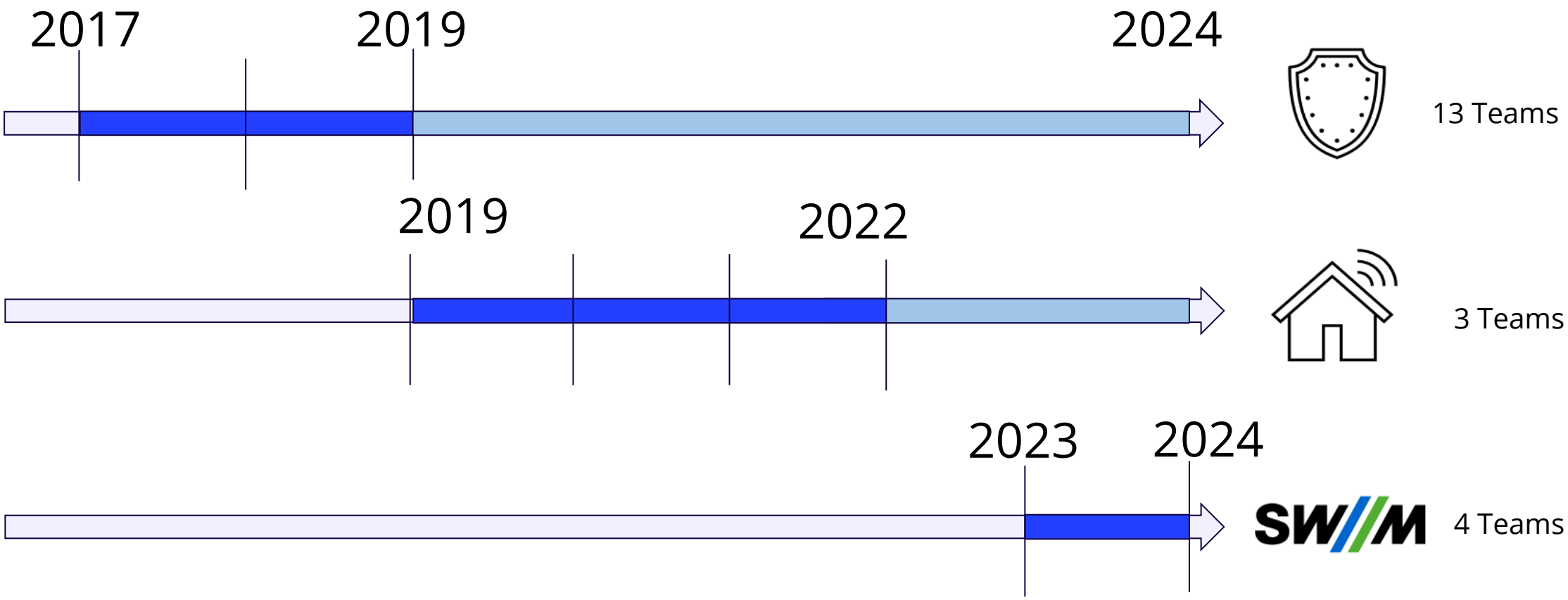
- deep and narrow over broad and shallow
- top-down and bottom-up
- use volunteering

Owning vs. Renting

Insights

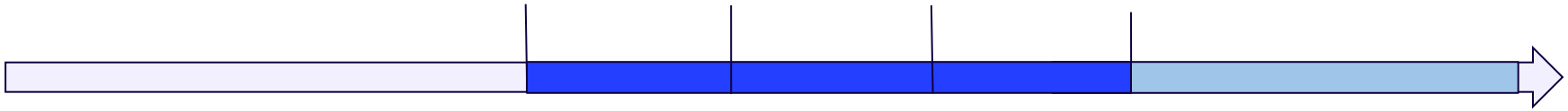
Sharing my experiences

My experiences in LeSS (Huge) Adoptions



Internet provider Bavaria*

2019 2022



THREE PRINCIPLES

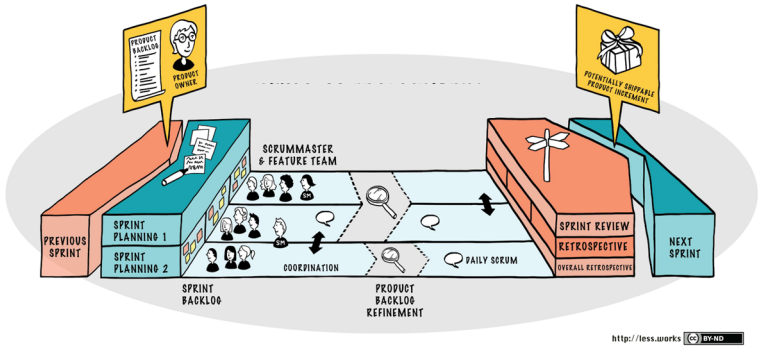
1.200

Product: Service & Customer Portal (Webpage)

21

3

1



- Scrum Master (SM)
- Agile Coach
- Management Coach
- Mentor SMs

*Case Study in review process of the LeSS Company

The Start of the Journey

It always starts with the Question:

Sense of urgency

- Multi-project landscape with concurrent priorities in teams
- Traditional resource planning, percentages of employee capacity per project
- Heavy loaded traditional processes (contract game) between Business and IT

Motivation/Optimization Goals:

- Reduce time-to-market for new features
- Need for increased flexibility and adaptability in a rapidly changing market.
- Increase team productivity through improved collaboration tools and practices.
- Improve customer satisfaction

The Journey

What we did or still do:

Organizing Multi-Team Learning

- **Management support**
  Management by-in for LeSS Branded Scrum-Adoption in IT
- **Volunteering from bottom-up**
  for LeSS branded scrum Team - fast growth of Team and Product
- **Product Structure**
  4 Product Owners from Business Units, one Single Backlog
- **Scrum & LeSS Education**
  Continuous trainings and knowledge sharing
- **Team formation during the pandemic**
  The LeSS-branded feature teams (self-designing workshops, remotely)
- **Growth and Scaling**
  Others department followed our approach
- **Team-Building**
  Multi Skill learning inspiring growth, using Team Knowledge Model by Mark Bregenzer
- **Cross Team-collaboration**
  Communities are established and working. UI/UX as Traveller in teams and in Multiteam-Events

Key achievements

- **IT Alignment with business objectives**
  One IT backlog that is directly linked to the company's overall backlog
- **Improved collaboration**
  between teams through regular multi-team meetings
- **Increased transparency**
  with visibility for teams and the stakeholders
- **Faster time to market**
  increase of about 20%; increase number of releases from 4 to 6.
- **Higher quality of deliverables**
  through the shared code environment
- **Greater flexibility and responsiveness**
  by prioritising the product backlog
- **Improved employee engagement**
  volunteer employees and increased ownership in feature teams
- **Sustainable improvement culture**
  repetitive inspection & adaptation sessions with business at all levels.

Public Utilities: SWM IT-DA

2023 2024

THREE PRINCIPLES

11.000

45

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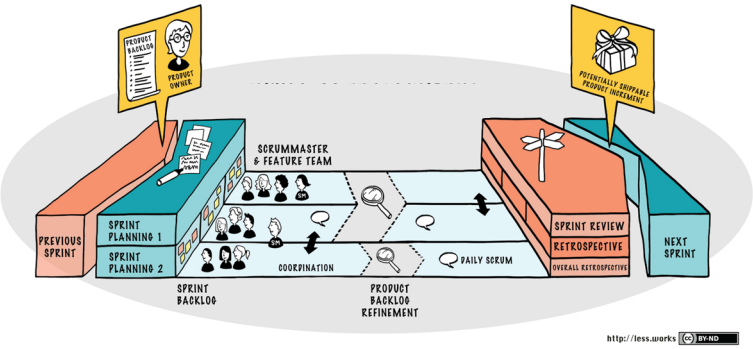
1

Product: Reporting Analytics Platform



Agile Coach

Mentor

Trainer

The Start of the journey

It always starts with the Question:

Sense of urgency

- Increased flexibility and adaptability to pivot quickly in response to new business requests, aligned with business goals
- Hugh collaboration effort due to the team growth
- Lack of transparency and visibility

Motivation/Optimization Goals:

- Increase transparency to get more control
- Desire to improve customer satisfaction and engagement
- Employee Retention and Attraction

The Journey (ongoing)

What we did or still do:

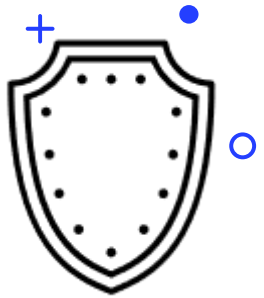
- **Management support**
  fully support from management (division/department) to change the structure towards feature team driven product organization
- **LeSS Education**
  Continuous trainings and knowledge sharing
- **One Product Backlog**
  a single PO (Product Definition)
- **Team Responsibility E2E**
  from analysis to delivery
- **Team Forming**
  from component teams to the feature teams (internal open source)
- **Team Building**
  e.g. Team-Knowledge Workshops, for Multi-Skill learning, individual and collective growth as a real team.
- **Team-Events**
  Working in LeSS mode with 4 teams, Multi team events
- **Cross Team Collaboration**
  Communities for cross team collaboration

Workshop to 100 days of LeSS (Overall-Retro)

Key Achievements

- **Working on highest customer value**
  Backlog prioritization based on business needs, not on resource utilization and close Customer and Stakeholder collaboration.
- **More efficient and effective team and cross team collaboration**
  by Multi-Team-Events: e.g. Sprint Planning I, Overall-Retro, Review, Product-Backlog-Refinement (PBR)...
- **Faster Time-to-Market**
  4 teams working in parallel on the end-to-end customer centric product backlog items (customer value), therefore - greater Flexibility and Responsiveness
- **Employee Satisfaction & Engagement**
  by applied self-determination in self-organisatized feature teams
- **Sustainable positive Working Culture**
  Open communication and transparency with more learning and sharing the new ideas, leadership support, Trainings and development

Big Insurance Company: Key facts



2017 2019 2024

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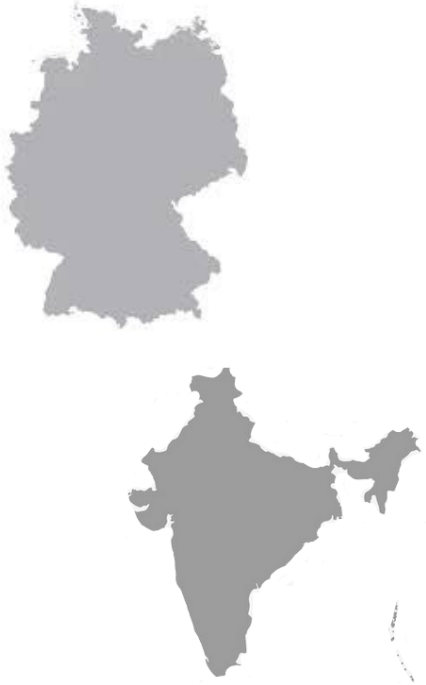
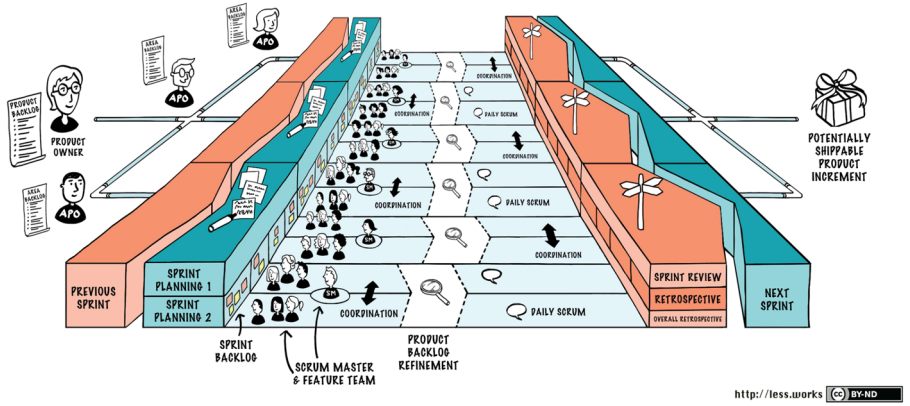


Product: Car Insurance Application



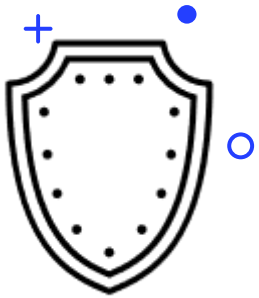
Scrum Master

Agile Coach

Management Coach

*Case Study “German Big Insurance”

The start of the journey



It always starts with the Question:

Sense of urgency

- Increasing costs
- Huge organizational overhead (coordination chaos)
- Complicated collaboration between the organisational entities

Motivation/Optimization Goals:

- Reduce time-to-market for new features
- Need for increased flexibility and adaptability in a rapidly changing market.
- Increase team productivity through improved collaboration tools and practices.
- Improve customer satisfaction

The Journey

What we did or still do:

e.g. Multi-team Refinement

- **Management support**
  top down and bottom-up from the beginning
- **LeSS Education**
  Continuous trainings and knowledge sharing
- **One Product Backlog for all product areas**
  with a single PO and APO (Area Product Owners)
- **Team Forming**
  Transformation was done from component teams
  to the feature teams in a self organized team workshop.
- **Team Building**
  e.g. Team-Knowledge Workshops, for Multi-Skill learning and individual and collective growth as a real team.
- **Team-Events**
  Working in LeSS-Huge mode with 10 teams, Multi team events
- **Cross Team Collaboration**
  Communities for cross team collaboration
- **Team Responsibility E2E**
  from analysis to delivery

Key achievements

- **Working on highest customer value**
  Backlog prioritization based on business needs, not on resource utilization
- **Efficient and effective team and cross team collaboration**
  Multi-Team-Events:
  - e.g. Sprint Planning,
    Overall-Retro
  - Review
  - Product-Backlog-Refinement (PBR)...

- **Faster Time-to-Market**
  10 teams working in parallel on the end-to-end customer centric product backlog items (customer value), therefore - greater Flexibility and Responsiveness
- **Close stakeholder collaboration**
  joint refinements, reviews, and retrospectives

General Challenges

and Problems in Agile Transformations

Overview of common challenges

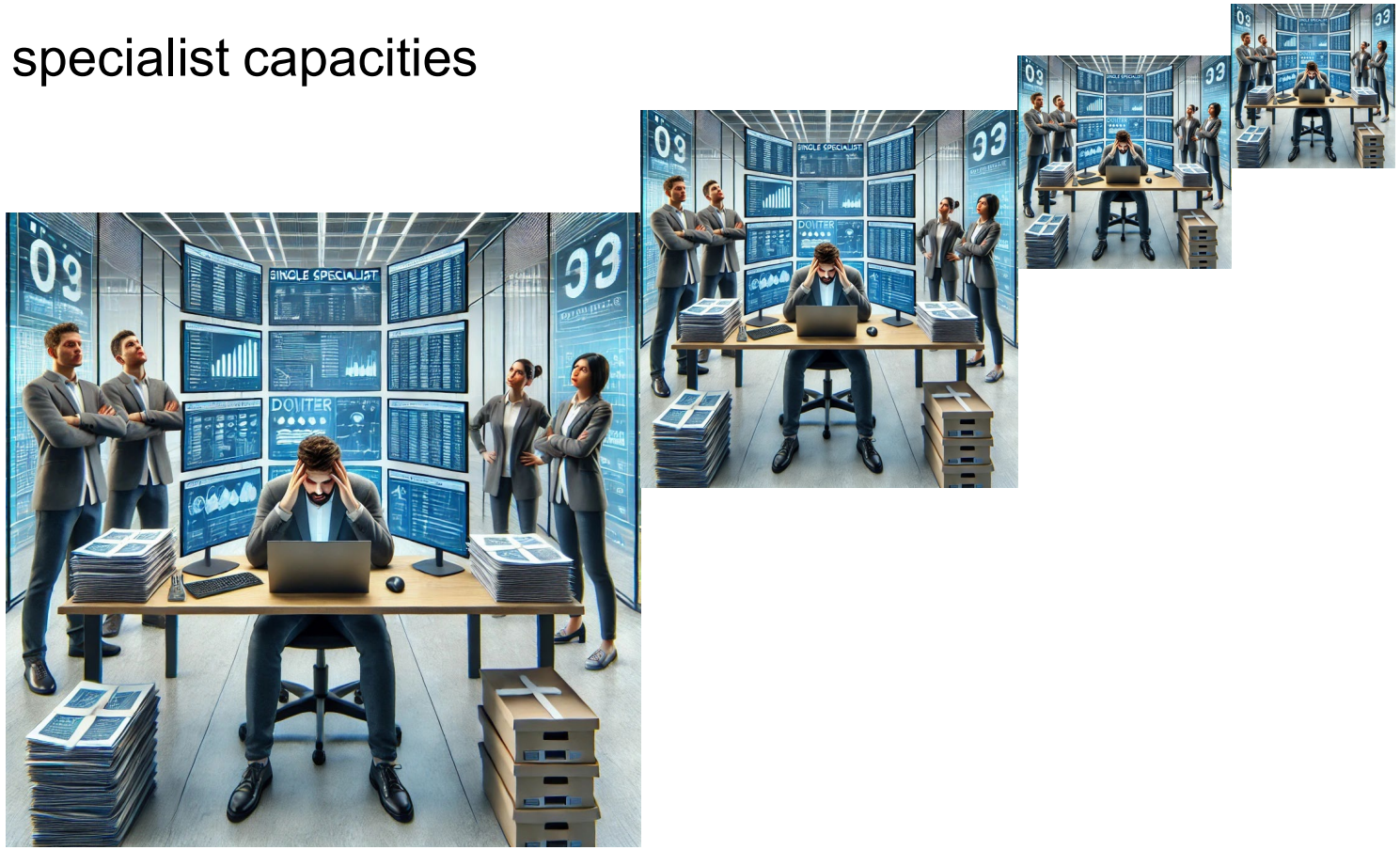
- Resistance to change
- Overspecialization
- Legacy IT Landscape
- Lack of Automation
- Lack of System Thinking
- Suboptimal HR Policies

Resistance to change

Every change brings uncertainty and this often generates fear, which can then lead to resistance on the part of those affected.

Overspecialization

Bottlenecks by limited single specialist capacities



Legacy IT Landscape

The complexity of the system landscape: heterogeneous tech stack

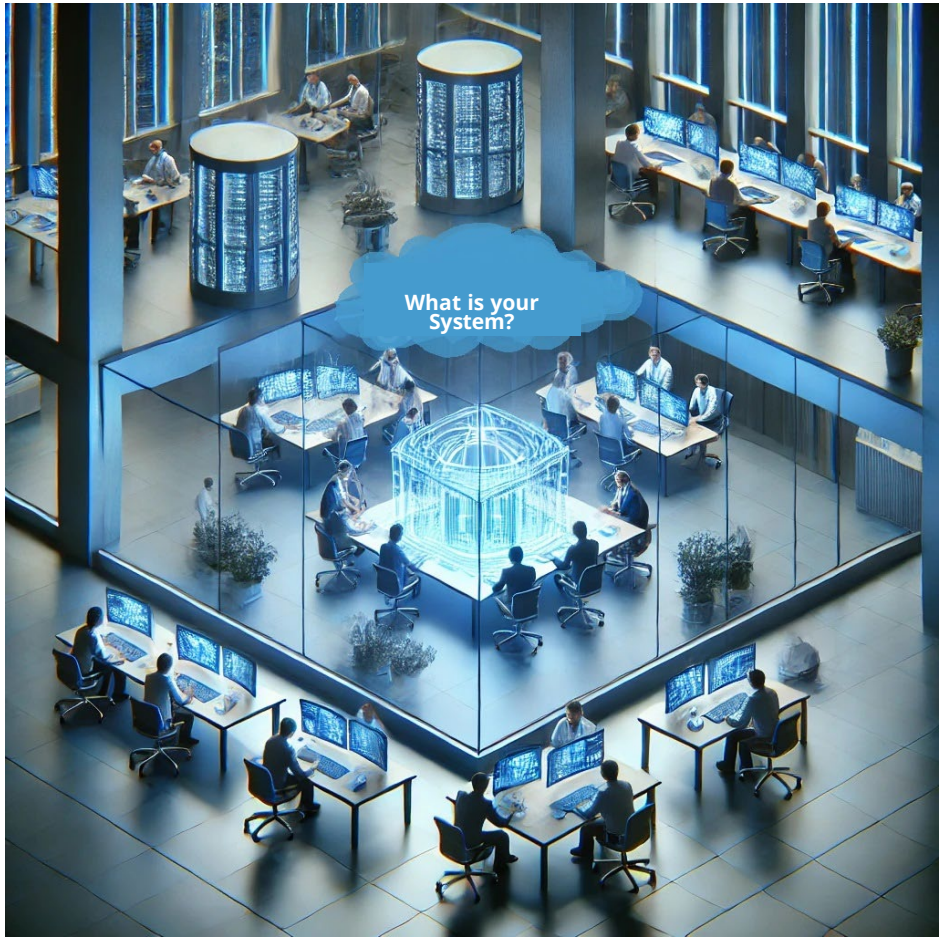
Technical - Lack of Automation

Lack of automation, **Test automation** and fast feedback loops of the **build-deployment system**

Technical investments are often forgotten in Transformation Backlogs

Lack of Systems Thinking

Local optimization in the organization and at the individual level



Suboptimal HR Policies

HR policies

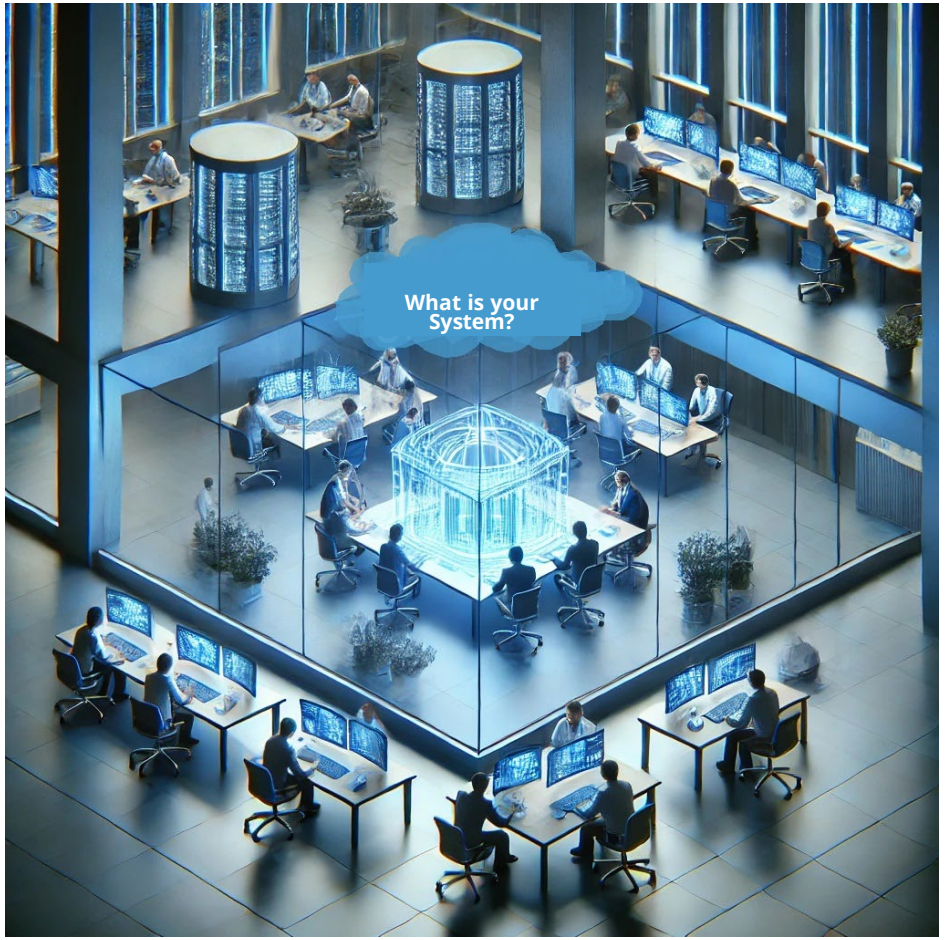
- fostering single specialists over multi-skilled people
- lack of non-disciplinary career path

Strategies

to overcome obstacles

Strategies to overcome obstacles

- Owning vs. Renting
- Education & Coaching
- Technical investments
- Get HR on Board
- Continuous Improvement
- Use Feature Team Adoption Map



Owning vs. Renting

Without ownership, there is no continuous improvement.

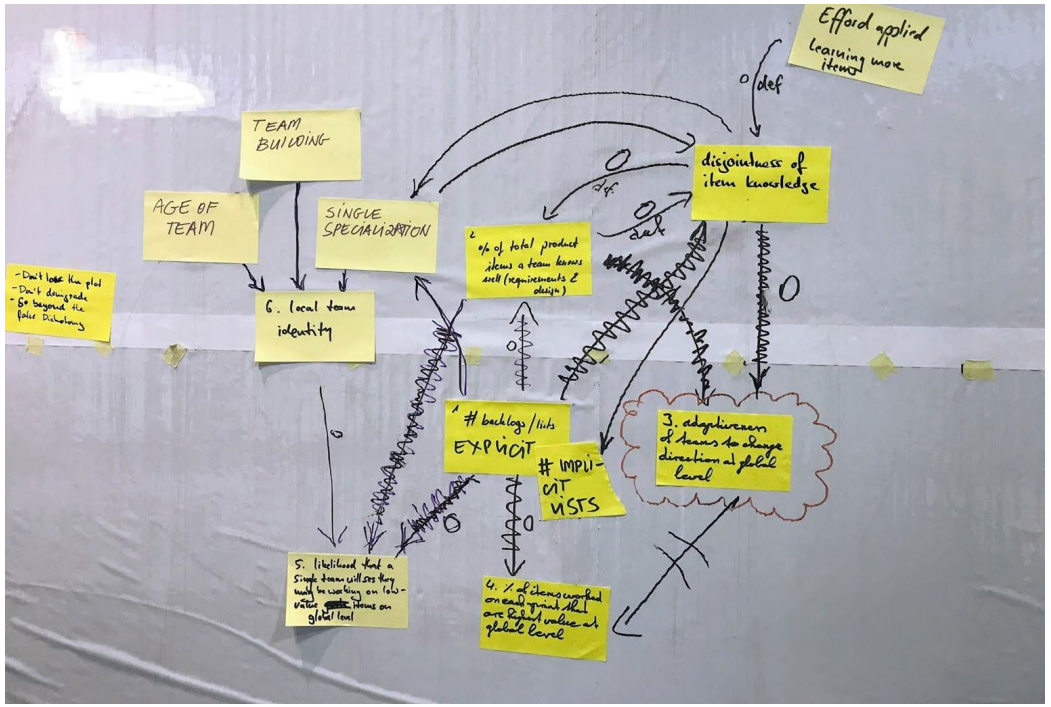
Picture source: Rent Vs. Own? – Sente Mortgage

Co-Developing Team & Individuals

- **by using Second LeSS adoption Principle -** Top down and bottom up!
- **by Product Definition -** start small and grow it over time (stay healthy, so not overwhelm people)
- **by Increase Cross-functionality of Teams and Team members** to overcome silo-thinking and bottlenecks

Education & Coaching

- **Educate** Management and employees in **Systems Thinking**.
- **Use Systems Modelling** to overcome <u>local optimization</u>
- Learning from experience



Coaching

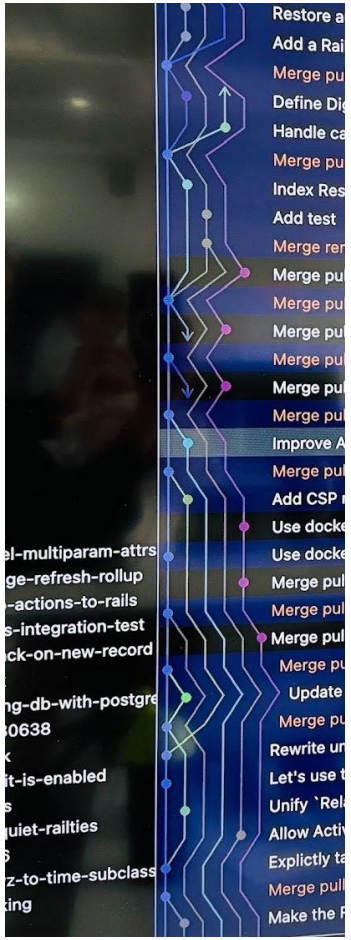
Coaching involves an **experienced coach** working closely with an organization to enhance product development by shortening feedback loops and emphasizing quality improvement.

This accelerates feedback cycles, boosting productivity and flexibility.

Technical investments

Your technical agility can and will limit your business agility.

- Invest into the build system for automated parallel builds and deployments (CI/CD)
- Invest into test automation for fast feedback loops



Get HR on board

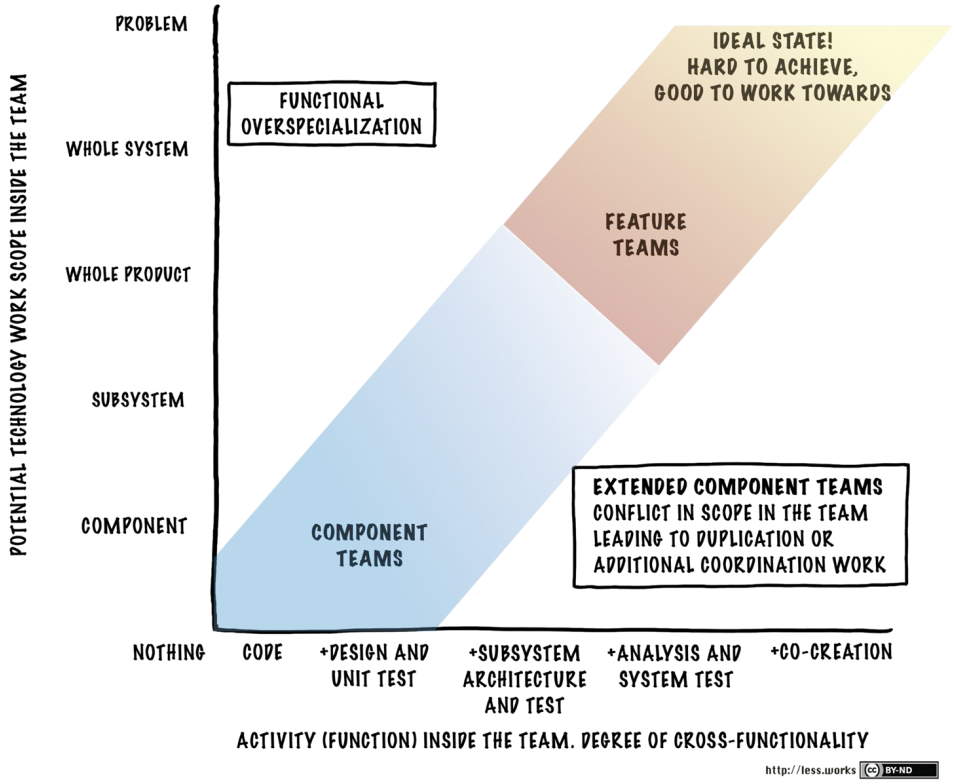
Include HR in the transformation team to provide adequate career paths from the beginning, which encourages multi-skill-learning in parallel to pure professional career paths

Continuous Improvement

In Lean Thinking and LeSS, the philosophy is one of continuous improvement rather than viewing adoption as a finite goal. This mindset contrasts sharply with traditional models of discrete, controlled changes.

Feature team adoption map

Feature Team Adoption Map is THE tool for management to initiate an organizational change



Source: Valtech

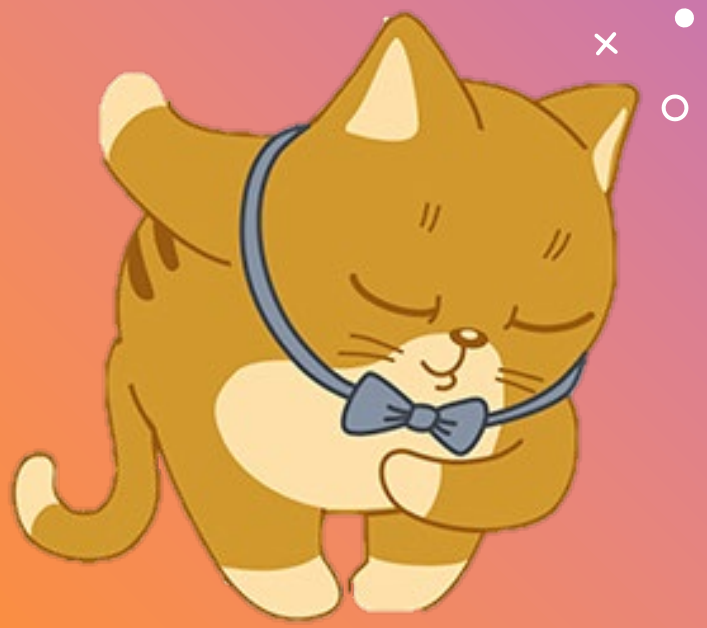
Feature-Team-Adoption-Map (FTAM)

Use FTAM to bring top down and bottom up together

- Define healthy steps for teams to develop themselves toward REAL Feature Teams
- LeSS experiment: Self-Designing-Team-Workshop (SDTW)
- Use Team Knowledge Model or similar

FEATURE TEAM
ADOPTION MAP

Conclusion and Final Thoughts



Thank you!

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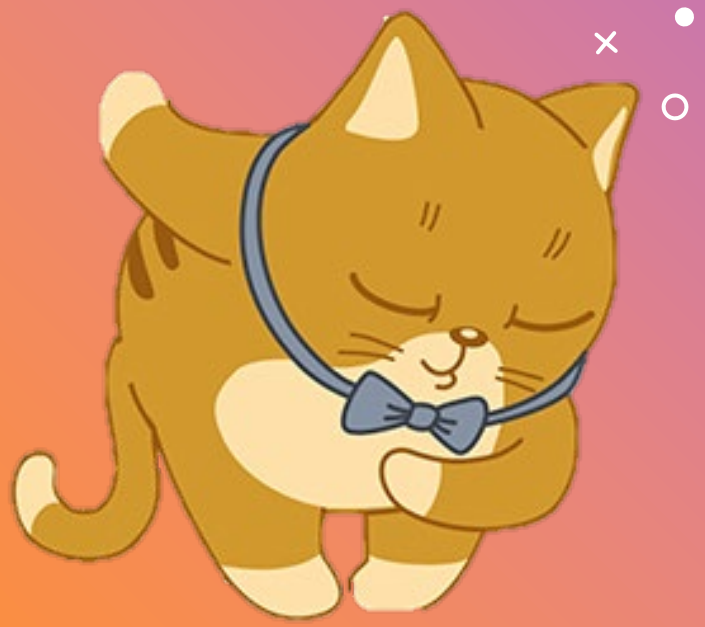
Q & A Session