

Concept

Explaining agile change management

Agile change management is designed to realize benefits from change as early as possible, by ensuring that the changes are prioritized according to their business value. The aim for organizations is to be agile in their approach to change – to have the ability to move quickly and easily.

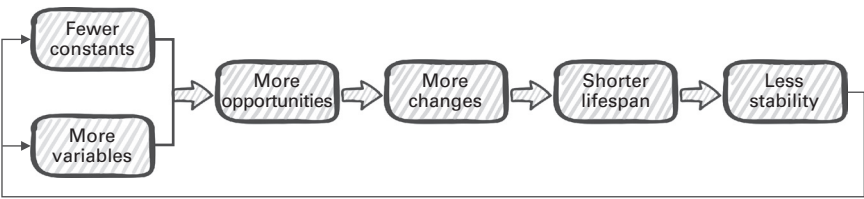
Why are organizations adopting an agile approach?

In a world of complex and continuous change, many organizations have realized that hierarchical structures and lengthy decision-making processes can prevent them from achieving the full benefits of change.

Change is complex because the environment in which we operate has become complex. There are high levels of interconnectivity between data, systems, processes, and performance measures within our organizations and within our suppliers and customers. It is not possible to predict with any certainty what changes will be required, because it is not possible to predict how one change will trigger further changes.

Change is continuous because high levels of uncertainty politically and economically, coupled with rapid changes in technological capability and customer requirements create high volumes of change. As each change triggers further changes, it not only makes the process more complex, but it shortens the life span for how things are done. Existing practices are superseded by new ideas and continuous innovation leads to continuous obsolescence.

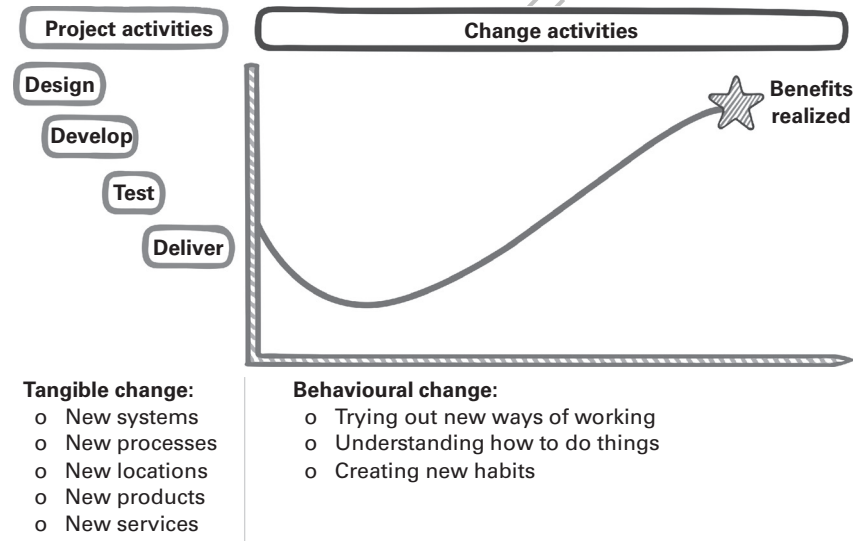
FIGURE 1.1 Increase in the pace of change



Change initiatives are no longer special situations, planned and resourced separately from business. Change is no longer only conceived and implemented ‘top down’. Change involves everyone, as we are all responsible for doing our job and at the same time coming up with ideas for how we can improve our work and response to change. As shown in Figure 1.1, this leads to a continuous cycle of change. These ideas form a stream of continuous improvement, managed by those initiating them, or if the impact will be felt more widely across the organization and its ecosystem, then the initiative is given more specialist resources.

Agile change is a way to identify, plan and implement change, applying principles from the Agile community and techniques from the change management profession. The purpose is to align the project activities that create tangible change with emotional and psychological support that encourages the

FIGURE 1.2 Change is formed of two elements



adoption of new ways of working. This agility ensures that the changes we create continue to evolve to meet the needs of our organizations and have the greatest possible chance of realizing the benefits that are promised and expected.

Project and change activities are often delivered by two different parties and using different methods as shown in Figure 1.2:

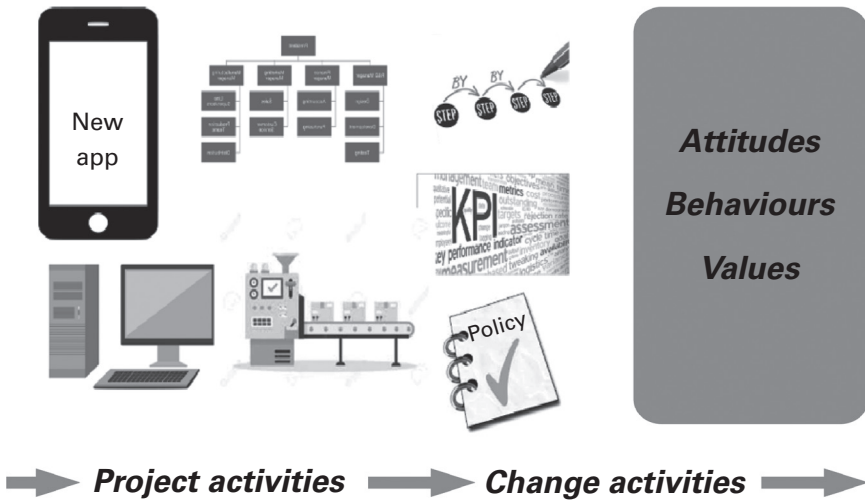
Tangible change is created by project teams, developers, engineers, facilities staff and professional services staff including regulators, HR and accountants. Whatever their role, their objective is to create the deliverables according to technical quality standards. They are often incentivized and/or performance managed on their ability to deliver on time and on budget with the minimum number of errors.

Behavioural change can only be achieved by individuals deciding that they will start doing things differently. This means those responsible for behavioural change are all those required to work in a new way and incorporate the tangible changes into their ways of working. It is a conscious decision to 'forget' old habits and to start practising new ways of working.

Behavioural change is much harder to predict than the creation of tangible change because it is a psychological and emotional process that doesn't follow a linear path. Everyone sees change differently, some greeting it with enthusiasm, full of opportunities and advantages, and some seeing it as a threat to their current ability and status. As shown in Figure 1.2, the vertical axis represents productivity, which reduces at the beginning of a change process, because we go slowly when we do things for the first time, and we make mistakes that take time to correct. Repetition of the new ways of working builds familiarity and competence and productivity rises again, creating more benefits for the organization than before. How many times we need to repeat something, and the period of time before it becomes 'normal', depends on how we learn, the complexity of the new ways of working and our commitment to the change.

Combining tangible and behavioural change is core to agile change management, as benefits can only be achieved when things are used. Tangible outputs, created via project activities, do not realize benefits by themselves. They can only make a positive difference when they become part of how work is carried out, which is the result of the change activities. Figure 1.3 shows examples of tangible change on the left, including new IT systems, new production line or restructuring of an organization, each of which triggers on the right of the diagram the creation of new processes, policies and key

FIGURE 1.3 Project and change activities



performance indicators. These elements formalize the use of the deliverables, but it is the establishment of new attitudes and behaviours and the values that support them that is key to achieving long-term, sustained change.

Five concepts of agile change management

Agile change management is formed of five concepts that use agile principles combined with psychological techniques for creating new behaviours:

- 1 Collaboration
- 2 On-time delivery
- 3 Evolving solution
- 4 Business need
- 5 Iterative approach

Each concept relies upon the application of the other concepts. To select only some of these concepts risks the success of your change. The following sections will explore these concepts in more detail.

Collaboration

Collaboration is a general term derived directly from the Latin words for 'working together'. It means organized sharing of information and activities.

WHAT DOES IT INVOLVE?

- Collaboration creates shared understanding of what is needed between those creating the tangible changes, those involved in designing the new ways of working, and all those who will need to work in new ways. It involves joint participation in the creation and implementation of new ways of working.
- The level of participation varies from person to person but making the change a reality is a team effort. It's important that it is not forced upon others; it is their choice to become involved.
- Collaboration relies on relationship building and teamwork, where everyone is responsible for building relationships with everyone else. It involves curiosity about the ideas and perspectives of others and a willingness to listen. It means setting aside attitudes characterized as 'it is quicker to do it myself' or 'I haven't got time to explain why this is important, I am just going to tell people what to do'.
- Collaboration means completing tasks and making sure that all the work necessary to implement the change has been completed irrespective of who originally agreed to do it and who actually does it.

WHAT ARE THE BENEFITS?

- Increasing the usefulness and relevance of the project deliverables, as they have been shaped from the start by those who will be using them, ensuring that when adopted as new ways of working, business benefits will be realized.
- Creating a 'one team' approach, reducing the 'them and us' environment that is prevalent in many projects where the project team create a solution and simply send it on to the users at the end of the project, hoping that it will be implemented by them and benefits will be realized.

- Reducing the delay between creating the project deliverables and their implementation, as those impacted have been involved in their creation, so do not need to be brought up to speed on what has been developed.
- Increasing the knowledge and skills of all participants as it creates shared responsibility for problem solving, information sharing and continuous learning.

On-time delivery

WHAT DOES IT INVOLVE?

- The timeframe must be agreed between those who need the change and those who will implement the change, taking into account the needs of their marketplace, their customers and their own internal deadlines.
- Failure to deliver on time can eradicate the benefits that the change is expected to realize. This is because delays to the implementation of change delay the start of any improvements, which are the benefits that will pay for the changes.
- The time allowed for the change initiative must be divided across each of the iterations of the change, and then flow down to control each of the processes of the change. Finally, it must also flow down into each of the timeboxes, ie periods of concentrated effort when the changes are created. The roadmap explained in this book shows how this is achieved.

WHAT ARE THE BENEFITS?

- On-time delivery leads to early and frequent return on investment, as the accurate use of time creates dates at which the realization of the expected financial benefits can be measured, and set against the costs of implementing the change.

RETURN ON INVESTMENT

This term refers to the measurement of the expected financial benefits from making the change, after the costs of planning, implementing and embedding the costs have been subtracted.

- Certainty of when change will take place allows those affected by it to prepare themselves and their environment for working in a new way, enabling benefits to be realized as soon as possible.

- On-time delivery enables the business to plan the most effective use of resources between implementing the change and maintaining acceptable levels of service for customers through business-as-usual activities. This reduces the risk that the benefits of the change will be at the expense of customer satisfaction elsewhere in the business.

Evolving solution

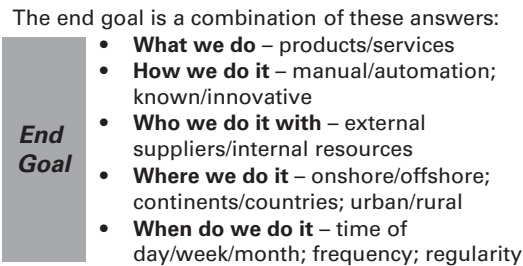
WHAT DOES IT INVOLVE?

- With an evolving solution, new ways of working are adopted piece by piece, building new achievements as each new capability becomes the norm. The alternative is to create all aspects of the tangible change and then hand it over as a complete solution. This means change is not experienced for a long time because everyone is waiting to receive the change as a single delivery. Figure 1.4 shows how benefits are reduced by this wait, as there is the danger that what was a good idea at the start of the change journey is no longer as relevant or useful, further depressing the level of benefits.
- An evolving solution begins with a description of an end goal, which is what the organization will be capable of when all aspects of the change have been adopted. As shown in Figure 1.5, facilitate conversations using these questions to define the culmination of all the change activities. Repeated delivery of an evolving solution maintains the agility of the change, because it does not define in detail at the start exactly what will change. There is freedom to select new elements and amend requirements as circumstances change.

FIGURE 1.4 Benefits of an evolving situation



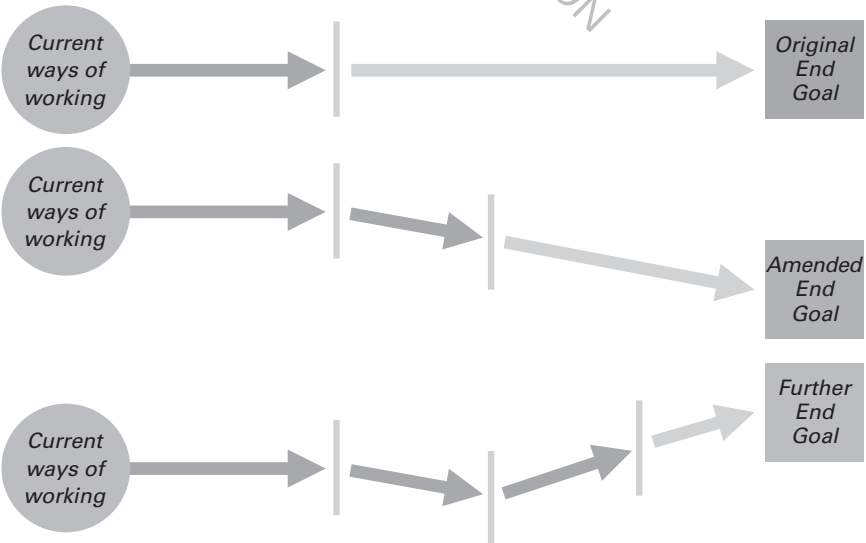
FIGURE 1.5 Defining the end goal



WHAT ARE THE BENEFITS?

- An evolving solution is a commonsense response to our fast-changing world. It gives us a way of benefitting early from good ideas, and helps us test if they are as good as we think they are. If we are right, our early experiences of the benefits motivate us to keep going. If we are wrong, we have avoided the waste of a fully developed idea that just doesn't work.
- An evolving solution offers the opportunity to change course in response to new information, making it ideally suited for ever-changing end goals, as shown in Figure 1.6. For example, if an organization has the end goal of 'digital first', what is required will evolve over time as the understanding of digital becomes clearer.

FIGURE 1.6 Flexibility of the evolving solution



Business need

WHAT DOES IT INVOLVE?

- The business need is the purpose of the change. It explains why the change is necessary and is a mixture of the expected improvements (benefits), the level of quality that the change must meet (acceptance criteria) and the features and functions that the change is expected to have (requirements).
- Change is costly and its disruption to business as usual can be very risky for the organization. There must be strong reasons for changing the status quo and it must have the commitment of senior managers who will authorize and fund the changes.
- To ensure that the perceived need for change is real, it's important to test the ideas against internal requirements and external market and/or customer requirements. Assess the impact of the change so that where possible it has a positive impact on those working in the organization and external parties that rely on the organization for the provision of products and services.

WHAT ARE THE BENEFITS?

- An understanding of the business need by all those collaborating in the change ensures that what is delivered is genuinely needed and will lead to the realization of benefits.
- Careful selection of change based on scale of benefits to be realized reduces disruption and loss of productivity from non-essential change. This ensures changes are not implemented because of the authority of the requester, or the surface appeal of the change, where real improvements to business as usual are in fact minimal.

Iterative approach

WHAT DOES IT INVOLVE?

- Iterative means repeatable. In the case of agile change, it means developing one aspect of the change, applying it to real business conditions, then learning from this experience to improve the next iteration where another aspect of the change will be developed and implemented.

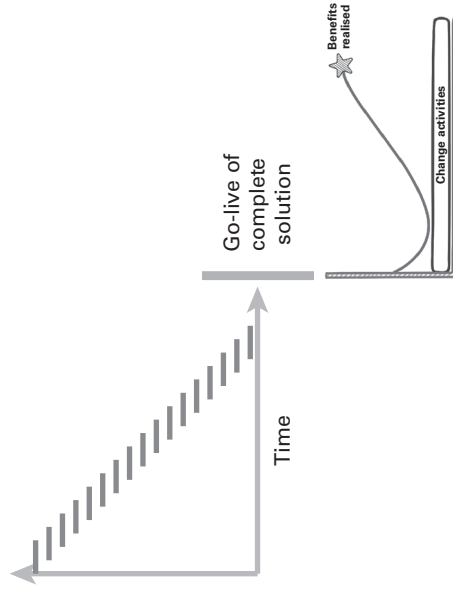
- We can apply iterative to change initiatives in two ways:
 - An iterative process means allowing changes to be adopted by the users as soon as they have been created, rather than waiting until the end of the change initiative and bundling them all together as a complete solution.
 - Iterative development which develops the change as a series of versions, created sequentially, where each version builds on the content of the one before it.
- An iterative approach means there are more changes to manage, as each iteration results in the adoption of new ways of working, but this is balanced by:
 - The scale of the changes is smaller than if we were implementing a complete solution.
 - The momentum created by early improvements creates the energy and enthusiasm for subsequent iterations.

WHAT ARE THE BENEFITS?

- The continuous nature of change increases the chances that requirements identified today will be out of date before they are implemented. It is more effective to create an environment where there is regular and frequent discussion of what is needed, which is acted upon immediately. It releases those defining the change from the pressure of trying to predict every aspect of the future.
- As this iterative approach delivers an evolving solution, the benefits are similar. The timeframe for implementing the change is reduced by avoiding detailed planning upfront – less time is spent creating plans that will invariably change as circumstances change. However, these benefits can be lost because of the frequency of disruption to day-to-day operations caused by an agile approach. This is shown in Figure 1.7, where the traditional approach provides a long lead time to prepare for a single change, but the agile approach means that there are repeated interruptions.
- The length of the funding cycle between initial investment and payback is shorter, reducing the overall level of risk associated with the change.
- Encouraging those involved to implement the change iteratively, planning only the outline of the change at the start, with details defined as more becomes known about the situation, ensures that the changes are fresh and up to date, which improves the quality of the change.

FIGURE 1.7 Multiple changes

Traditional approach creates the illusion of control



Agile approach creates multiple waves of behavioural change

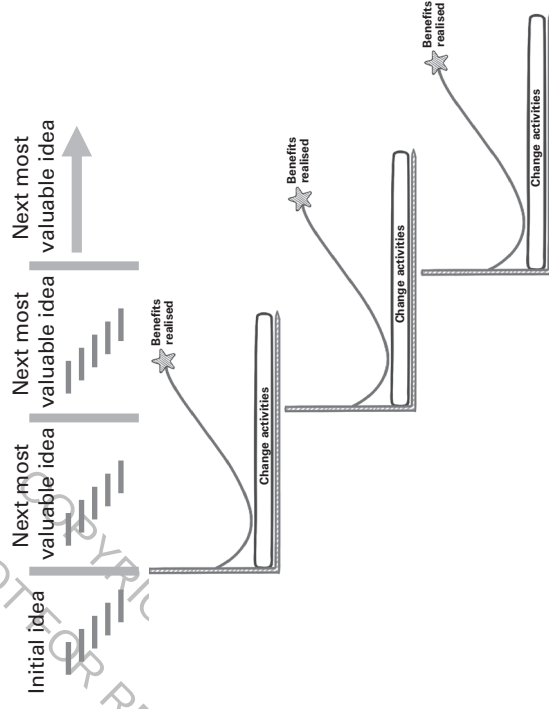
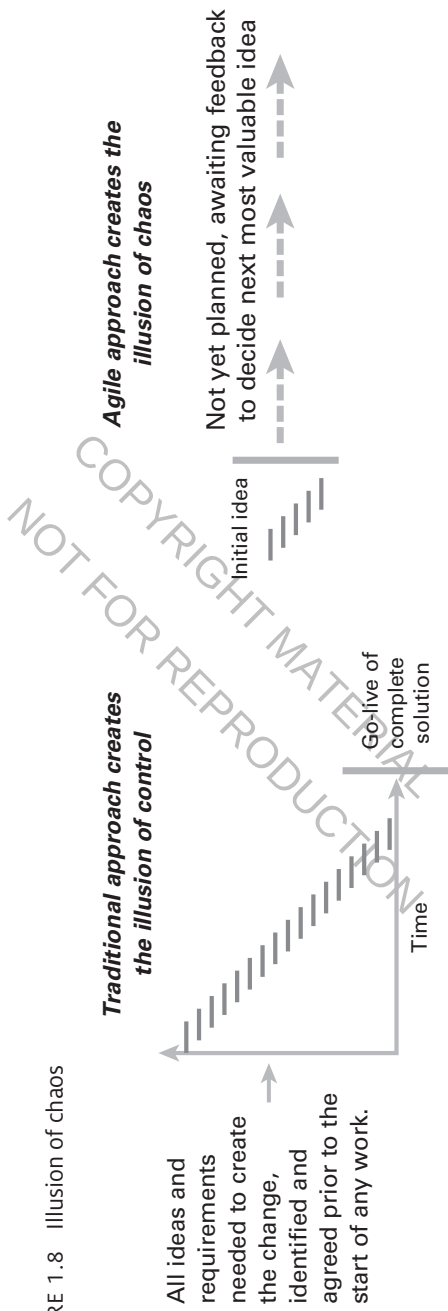


FIGURE 1.8 Illusion of chaos



- Only the immediate future is planned in detail; the rest of the change is defined using the feedback from the early implementations. This creates the flexibility to respond to new developments. Figure 1.7 shows this flexibility by comparing the traditional and agile approaches. The agile approach creates an illusion of chaos, because there is less clarity over the steps involved in achieving the complete solution. Those authorizing the change cannot be given certainty over the details of what they will receive. This is shown in Figure 1.8, where the planning in detail up front on the left of the diagram implies greater certainty than the agile approach on the right of the diagram. The traditional plan assumes there will be unexpected impacts from change. We know this is untrue, but the implied certainty is comforting, explaining why those in positions of authority are often nervous of adopting an agile approach.

This potential for chaos is addressed by the roadmap explained in this book, which ensures that whilst the details of each iteration are not defined at the start of the initiative, the outcomes for the iterations are identified. Of course, as the change progresses, these initial decisions on outcomes may change, but they form the basis of the original roadmap which demonstrates how the end goal is expected to be achieved.

Conclusion

The emphasis on business need and on-time delivery, with frequent iterations and the collaboration of all those involved, makes an agile approach a powerful tool for the effective implementation of change and the realization of benefits. The rest of this book provides activities and techniques to enable us to apply these concepts to any type of change initiative, in any industry, over any timeframe.

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