

Agile TODAY

PERSPECTIVES FOR THE ENTERPRISE INNOVATOR

Volume #5 | MARCH 2013

How CBA,
Qantas,
Deloitte and
NAB foster
internal
innovation

SCRUM MASTERS! Banish
"NEW YEAR'S EVE FACTOR"
from your Retrospectives

Ryan Marten's Turning business into a force for good
Keith Dodd's Repeatable framework for digital innovation

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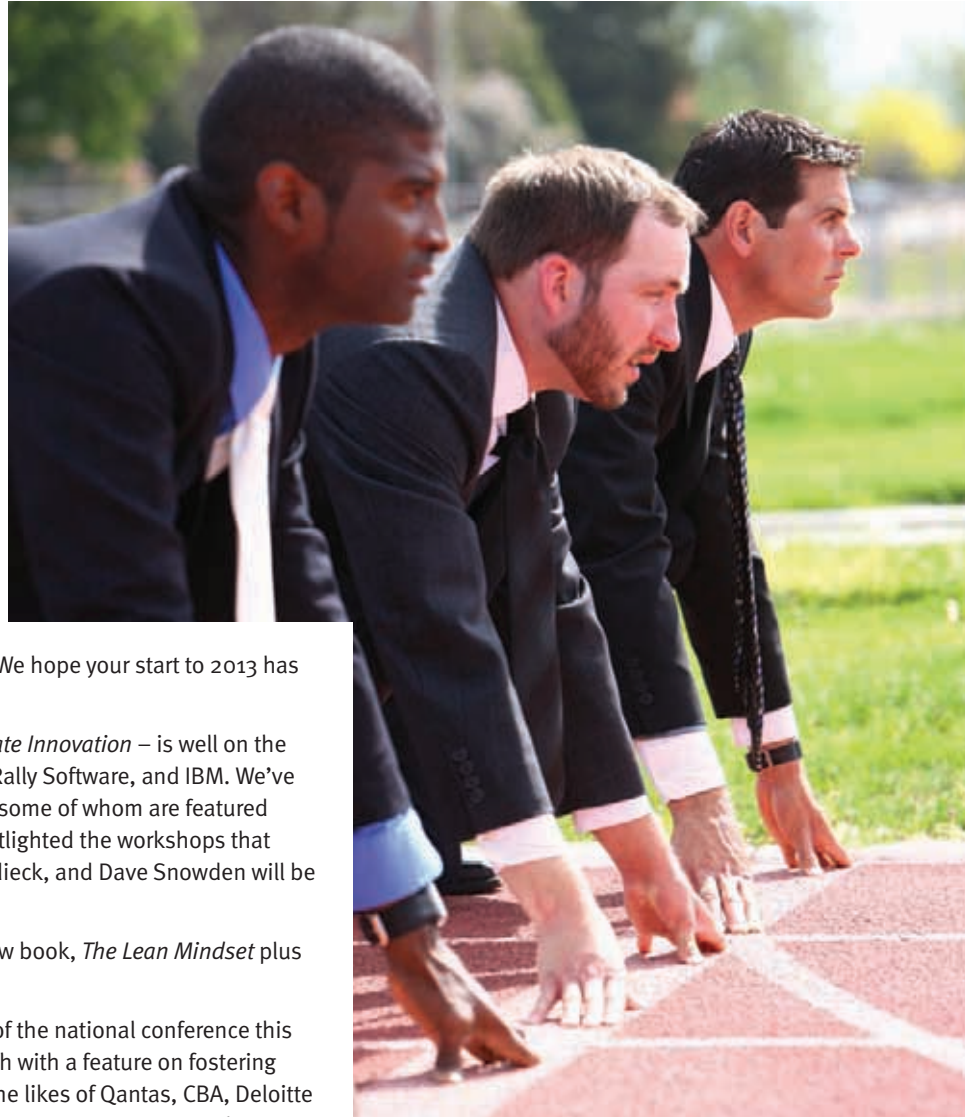
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Letter from the editor



Welcome to another addition of AgileTODAY! We hope your start to 2013 has been as exciting and interesting as ours.

The next Agile Australia conference – *Accelerate Innovation* – is well on the boil with thanks to sponsors ThoughtWorks, Rally Software, and IBM. We’ve lined up some stellar international keynotes, some of whom are featured in this edition of AgileTODAY. We’ve also spotlighted the workshops that Bjarte Bogsnes, Ryan Martens, Mary Poppendiek, and Dave Snowden will be presenting. Check them out on page 7.

Mary Poppendiek reveals more about her new book, *The Lean Mindset* plus her favourite place to travel on page 15.

Accelerate Innovation is of course the theme of the national conference this year, and AgileTODAY looks at it in some depth with a feature on fostering innovation within large enterprises. How do the likes of Qantas, CBA, Deloitte and NAB encourage internal innovation? Find out on page 4. We’ve also included a framework for repeatable digital innovation on page 10 to get you started.

Part of the reason we’re passionate about innovation, is to help make the world a better place. We love Ryan Marten’s take on social entrepreneurship, which you can read about on page 12.

Keep in touch with agilists in your community via our helpful meetups map on page 8, or gain some new ideas for innovation from prominent Aussie bloggers. Our blogroll on Page 14 lists all our favourites.

We’re also giving away a free ticket to the Agile Australia 2013 conference, valued at \$900! Check out the competition details on page 16.

As always, we love hearing your feedback and article ideas. Please send your comments and suggestions to agile@slatteryit.com.au

Best wishes,

Zhien-U Bakarich

ScrumMasters:

Avoid the “New Year’s Eve factor” in your retrospectives

TRICKS OF THE TRADE

Tips on how to prep and conclude a retrospective with a bang,
just like how New Year’s Eve is meant to be, writes **Steve Jenkins**



Steve Jenkins



Like many people, I look forward to New Years Eve (NYE) celebrations. I have the added bonus that my birthday starts during that night, at midnight. However, I think you’d agree, NYEs are way over-hyped and some years they just don’t deliver.

Retros are similar to NYEs. Unless someone is prepared to spend the time to plan the event; get the right group of people, with the right mindset, all together in the right place, you are likely to just spend your time (for both events) just going round in circles and ending up with no more than a sore head. The best NYEs (and retros) tend to be where one individual has taken charge and brought all the elements together. The worst NYEs (and retros) leave the group searching for direction, staring at each other, wondering when something is going to happen. NYEs and retros both deserve to be full of promise, but when they fail to live up to expectations, people deservedly become disheartened.

Retros’ importance shouldn’t be discounted; they are a cornerstone of a high performing team. To borrow from the Principles behind the Agile Manifesto, retros are when we reflect on how to become more effective, then tune and adjust our behaviour accordingly. The most effective ideas for the team’s continuous improvement (and the ones which have the best chance to be implemented) are most likely to be discovered within the team’s own discussions, especially where the imagination of the whole team is harnessed.

The ScrumMaster should be the person that brings the retro together. The ScrumMaster also has the opportunity to be the impartial facilitator of the retro. This is the ScrumMaster’s opportunity to apply their creativity, to call out behaviour that is in conflict with the team’s social contract and draw out the best thinking from all team members.

So, avoiding the “NYE factor” for retros is a matter of the set up, the attitude and the delivery. To round off the analogy, when retros (and NYEs) work, the results can be full of energy and be talked about for long afterwards. In some instances, there can even be fireworks!

So here are three of the typical failures from retros and some ideas that could help you avoid the “NYE factor” for these meetings:

DO YOU GET THIS?

1 Contributions from only a few (the full group's ideas aren't being aired or shared)

DO YOU GET THIS?

2 No direction from anyone in the group (people going in circles)

DO YOU GET THIS?

3 Dropping enthusiasm (people don't want to repeat the same sore head from last time)

TRY THESE THREE IDEAS FIRST:

- 1] Facilitate with a touch of theatre – to encourage interactions from the team of individuals you will need to be standing up at the whiteboard or wall, you need to use your hands, voice and facial expressions to break into conversations. You need to do this without killing off the enthusiasm of the talkers. You need to acknowledge the conversation so far and then redirect the discussion to the quieter staff. Say something like “Good point Ian, I want to bring Sue in here. We spoke about something similar, Sue, during the iteration; can you share your opinion with the group?” After Sue has spoken, check again with Ian and see if he is now willing to have his point merged in with the group's agreement.
- 2] Give all the team a chance to add value – use the full brain power of the team. Hand out blank post-it-notes or cards and markers and ask everyone to write down their points in short form. It is better to (gently) push the quieter staff to write their own cards, rather than just agreeing with other team member's cards, once cards are up on the board or wall. Say something like “we will all benefit if everyone identifies their recommended major improvement, please have a go at it.”
- 3] Start with one-on-one discussions – If your team won't all join in, try getting them to turn to the person beside them and discuss the one thing that they would like to change and then share this with the room. Say something like “share ideas with the person next to you and we can then talk these through with the team.”

- 1] Set a structure or framework in place that will create the right direction for the retro – the classic structure of what “went well, what didn't go well and what puzzles us” is a good starting point. This structure should identify what needs to continue, what needs to change and what is blocking our progress or worries us about the future. To break things up, adapt the standard format based on what you want to reveal or achieve. Try a Force-Field retro when you want to assess the key things that are moving you toward your goal and others moving you away from your goal. Try a FRIM retro if you are getting lots of points and need to assess their relative priority.
- 2] Set time limits, so that you can finish on a high with the positives. The times available for each section of the meeting should be discussed at the beginning of the retro. I like to ensure that at least 5–10 minutes is left at the end of the retro for the positives (what went well, what we should keep and continue). Doing positives last, ensures the team walks away with some upbeat messages around what is working well.
- 3] State the types of elements that will get more airplay – say something like “we are going to focus on discovering things that can be fixed and only quickly recording the items that are outside of our project's control” and “today is not about solving the problems, it is for identifying elements that can be changed and allocating team members to follow up”. This level of direction gives you a foothold for when the discussion goes off track.

- 1] Follow up actions with dates – people will come back to retros if they believe that actions are recorded, fairly distributed and then are followed up before the next retro. Try summarising the actions completed from the previous retro in the first five minutes of the next retro.
- 2] Measure the morale – people will come back to retros if we check on how they feel and then respond accordingly. Ask the team to anonymously mark with a tick on a scale of happy through to indifferent through to sad and then monitor the change in the team's morale over time.
- 3] Do your own retro on the retro – what imagination or creativity can you inject into the retro that will make a practical difference? ScrumMasters can change the retro to suit the circumstances. For example, I heard from my team that issues with similar themes were coming up over and over, so we turned these themes (communication, intra-team hand-offs and planning) into the rows of a grid and then for the columns focus on what had improved, what needs to improve and what still puzzles us.

So for your next retro or coming NYE; plan on getting the right people, with the right attitude into the right place and then you stand the best chance of the whole group contributing to the energy and most importantly – staying awake!

“This is the ScrumMaster's opportunity to apply their creativity, to call out behaviour that is in conflict with the team's social contract and draw out the best thinking from all team members.”

Fostering Innovation

Setting up innovation and opportunity in large organisations can be challenging with their sheer scale, corporate beaurocracy, and established 'sacred cows'. **Beverley Head** looks at how Qantas, Deloitte, CBA and NAB foster internal innovation.

“The model is an absolute winner for innovating, especially at the edges ... You can get it done cheaper and faster. And if it doesn't work you can shut it down faster.”

Joe Lossino, DiUS

It was with a dose of trademark frankness, that the chief information officer of the Commonwealth Bank, Michael Harte acknowledged; “Large organisations are not always the best places to set up innovation and opportunity.”

Harte, speaking at the recent launch of the bank's MyWealth online wealth management platform, pinpointed the issue that faces most large enterprises – they know they have to innovate in order to compete successfully and maintain customer loyalty. Their sheer scale and the weight of corporate bureaucracy can make it hard.

Commonwealth Bank's approach to the development of the entirely new MyWealth platform was to establish an internal start-up led by a newcomer to the bank, Lisa Frazier. Having spent 15 years in the US, nine as a partner with McKinsey & Co, and latterly running a start up business in Silicon Valley, Frazier was no stranger to innovation.

But she was new to the bank and importantly, unabashed by sacred cows. She was appointed as the bank's chief innovation officer equities and margin lending.

Michael Harte does not believe that the internal start-up model is an approach that would work in all situations but argues it should be considered; “Where you need to get fast to market and (use) a variety of developers from outside the organisation,” and where it makes possible the forging of small agile teams composed of people from inside and outside of the organisation.

While the CBA may be striving to lift its innovation game, Australia's innovation profile on the world stage is middling at best. When international business school INSEAD and the World Intellectual Property Organisation released their Global Innovation Index for 2012,

Australia ranked 23rd in the world – behind countries such as the US, UK, Germany and New Zealand.

Switzerland led the field with an index score of 68.2; Australia scored just 51.9. The figure is derived from analysis of innovation capabilities including human capital and research, infrastructure, market and business sophistication, and knowledge and technology outputs.

Whatever the nation's ranking, large enterprises understand that relentless innovation is the key to success and sustainability.

Professional services firm Deloitte has the stated ambition to derive 30 per cent of its revenues each year from new or “substantially new” services which it believes would deliver a competitive edge. Deloitte Australia's chief strategy officer, Gerhard Vorster, acknowledges that the firm has not achieved that yet – it's closer to 20 per cent at present he says – but he is adamant that for knowledge-based industries constant renewal is critical.

“If you don't have an attitude of constant renewal you will manage yourself into oblivion,” he warns. Importantly, at Deloitte, innovation is a shared responsibility. The organisation has 59 cluster leaders and around 160 “patch owners” who share the responsibility for innovation across the enterprise, with experimentation actively encouraged.

“We do have a small group to manage the innovation programme. But innovation is not done by a small group on Tuesdays. It is done by everyone,” says Vorster.

When Qantas wanted to develop a customer facing internet self service platform it took a different approach.

Joe Losinno, principal of DiUS Computing, explains: “Typically most large organisations try to innovate in the

context of the greater organisation so you get more traditional practices blended in with the newer practices.

“Qantas went further than many other organisations in that it set up little hubs to do innovation at the edge – but they were still in the ether of a big organisation, so it could be too hard (for example) to go to the cloud to get computing capacity – you’d be waiting six months to get the computers you needed for the new business. So they spun out a separate entity.”

DiUS provided the initial development team for what eventually became Hooroo, and also helped the Qantas funded start-up to build its own team. Losinno describes the process as “bootstrapping”.

Within three months the first system was released, and there have been a total of three product releases in 15 months.

“I see this as a small company under the auspices of a greater management team. Qantas was like an investor in an enterprise start-up.

“Larger enterprises may not have the appetite to set up start-ups – but they certainly have the stamina.” And the deep pockets. As Losinno notes; “While the mechanics and execution are similar to a start-up it’s easier than two guys in a garage.”

From day one Hooroo embraced Lean Agile practices and continuous delivery. It has also moved to ‘one click delivery’ where at any time in the day it is possible to release a piece of software into production.

Says Losinno; “I think that the model is an absolute winner for innovating, especially at the edges. It removes red tape and allows you to adopt practices that mean you can get it done cheaper and faster. And if it doesn’t work you can shut it down faster.”

One of the keys to innovation success is failure. Being granted the opportunity to experiment – and by their very nature many experiments fail – can be a real luxury in large enterprises which are engineered for success.

But some forward thinking organisations are now starting to embrace experimentation. Adam Bennett, executive general manager of enterprise transformation for National Australia Bank, says some of his key staff have

built into their job description and scorecard the need to perform 12 experiments a year.

“They are not pilots. They are experiments. It’s a different mindset,” says Bennett.

As David Broeren, NAB’s head of digital and online channels explains; “Particularly in the digital space we recognise that the pace of change has to change. Innovation is crucial to an organisation like ours.

“We call it Agile@NAB – we started on the journey four years ago. We have adopted the Scrum industry practice and supplemented that with things that work within the NAB construct such as a Signature and a Burn Up Chart for senior management. As part of that the organisation runs showcases every three weeks to show what has been achieved and what lies ahead.

“We are now actively pursuing the principles of a Lean start-up and have adopted the term ‘intrapreneurs’.”

Bjarte Bogsnes, vice president performance management development for Norway’s Statoil and a keynote presenter at Agile Australia 2013, says that creating the right conditions for innovation in large enterprises is; “About managing less and leading more.”

“Think roundabout instead of traffic light. In the traffic light somebody else is controlling, based on often outdated and never fresh information. In a roundabout people have the access to fresh information and they have the authority to act on it. It is also (a) more values based system.”

He also believes that dynamic resource allocation instead of an annual budget is a better way to provide support for continuous innovation. “Then new ideas and projects can be brought forward at any time and not once a year. They might still get a no, but the bank is open 12 months a year.”

“The challenge for any big organisation is about how it can find its way back to the agility and flexibility it once had being smaller, without losing the benefit of being big. One reason why Statoil has kept some of the ‘can do’ and entrepreneurial spirit of its younger days is that the company hit the ground running.

“When it was established as a then state owned company in 1972, it needed a very

“Think roundabout instead of traffic light. In the traffic light somebody else is controlling, based on often outdated and never fresh information. In a roundabout people have the access to fresh information and they have the authority to act on it. It is also a more values based system.”

Bjarte Bogsnes, Statoil

“This is all about the culture we have built with one team and no silos. Now we have the diversity of thought.”

Lisa Frazier, CBA

steep learning curve to catch up with the oil majors that already were present. Young people were thrown into big jobs very early in their career. This definitely shaped the culture of the company. An important part is also the acceptance of failing, and using this as an opportunity to learn instead of punish.”

For Lisa Frazier the way to tackle the innovation challenge she was presented with by the Commonwealth Bank was to wall off her starter-team of 15 people and work out how to deploy Agile at scale.

From Day One she instituted Scrums and Scrumboards and ensured that all decisions came to her each day. With a philosophy of “learn and fail fast” – potential heresy for many traditional bankers – Frazier built a team of 85 people in the first four months. A third of the team had deep CBA experience but were committed to the transformation; a third had sectoral knowledge but were new to CBA; and a third were brand new recruits with neither CBA nor sectoral knowledge, and importantly, no baggage.

“Now we have the diversity of thought,” says Frazier. “This is all about the culture we have built with one team and no silos.” While she runs vertical Scrum teams she also has instituted horizontal chapters or ‘guilds’ as the scale of the project requires cross functional links.

Every two weeks the vertical teams run sprints with each team self governing and in charge of a daily stand-up. The

chapters or guilds meet every fortnight. “The other key element is that we have our own physical space and use hot desking, which inspires collaboration.” The CBA’s new headquarters in Sydney’s Darling Quarter embraces “activity based working” which allows people and teams to move location to support whatever they are working on at a point in time. According to Frazier it is an approach that works extraordinarily well for Agile and Scrums.

For CBA the delivery of the MyWealth platform is just one stop on the never-ending innovation journey.

At Deloitte, even the 30 per cent renewal target is under consideration. As Gerhard Vorster notes; “I would love it to be 50 per cent.”

But isn’t such a figure in the realm of fantasy? Says Vorster; “Nothing generates innovation as well as unreasonable stretch goals.”

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SPOTLIGHT

Agile 2013 Workshops

Some of the world's most celebrated innovative thinkers will be gathering in Sydney to present in-depth workshops to stretch the minds of Australian agilists.

Here is a taste of the workshops on offer.



Beyond Budgeting – A Management Model for New Business and People Realities

Bjarte Bogsnes | Author

Bjarte Bogsnes is the author of *Beyond Budgeting* and an expert in helping transform businesses into more creative, innovative, and lean companies.

He will be holding a workshop on the topic *Beyond Budgeting – a management model for new business and people realities*. This workshop will encompass learnings from Bjarte's transformation at Statoil, Scandinavia's largest company; an overview of the problems of traditional management, including budgeting; dynamic forecasting and resource allocation, and much more.



Lean Innovation

Ryan Martens | Founder & Chief Technology Officer, Rally

Jean Tabaka | Agile Coach, Rally

Discover strategies on how to become effective, disciplined innovation explorers in this workshop with Founder and Chief Technology Officer of Rally Software, Ryan Martens; and Agile expert Jean Tabaka.

They'll cover how to take your Agile practices "out of the building", bring empathy for customers back in through design thinking practices, and balance execution and exploration inside the context of a large company.



Complexity Theory and Agile

Dave Snowden | Chief Scientific Officer, Cognitive Edge

The author of the Cynefin framework and founder of Cognitive Edge leads this workshop on the science of uncertainty. Covering everything from narrative-based approaches to user requirement capture and communication to how to create fractal sense-making frameworks between organisational strategy and IT operations, this workshop will help you fully understand complexity theory and the Cynefin framework.



The Lean Mindset

Mary and Tom Poppendieck | Co-Authors, *Lean Software Development*

Joint authors of best-selling book *Lean Software Development: An Agile Toolkit*, Mary and Tom Poppendieck lead this workshop on discovering how to stop an analytical mindset from warring with your intuition.

Mary's experiences in changing the dynamics of software and product development is a testament to her drive for innovation, while Tom's record of identifying real business value in a company, and working on enabling them to realise it too makes him a great source of expertise. Together, they will explain how to leverage the advantages of both intuition and analysis simultaneously to become fast and adaptive.

All workshops take place on Tuesday 18 June 2013 at the Hilton Sydney.

For more information or to register visit:

www.agileaustralia.com.au

AGILE PERTH

A casual meet-up group for Perth Agilists to talk, listen and learn from each other – meet-ups are normally driven by member suggestions, through voting and discussing what is important for the group.

Past Meet-Ups include:

1. Agile Board Hacks with Special Guest Nick Thorpe
2. Complexity Thinking for Agile Managers
3. Beyond Agile to Continuous Delivery – Special Guest speaker Evan Bottcher

www.meetup.com/Agile-Perth

PERTH AGILE MEETUP

A meet-up geared for Perth Agile practitioners to focus on sharing experiences in the applied use of Agile techniques, practices, tools, methodologies, and anything else Agile.

Past Meet-Ups include:

1. Agile Quality Practices – reliable and fit-for-purpose products
2. “The Board” – maximise visibility and ensure focus
3. Peer Development – two heads are better than one!

www.meetup.com/Perth-Agile-Meetup-Group

SCRUMLISCIOUS! ADELAIDE SCRUM MEETUP

A group united by all things Scrum – they’re not solely software development focused as they believe many industries and people can benefit from iterative practices, lean business, Agile thinking and innovative practice.

Past Meet-ups include:

1. Tools of Scrum & Agile Management Discussion
2. Why fixed date releases go wrong, how to convince the business to trust Agile
3. Everyone bring their top 3 reasons to use Agile

www.meetup.com/scrumliscious-Adelaide-Scrum-Meetup

AGILE MELBOURNE

A meet-up group for those based in Melbourne who are interested in the Agile software development method.

Past Meet-Ups include:

1. Meetup 7 – “Agile Infrastructure for Agile Development”
2. Agile Melbourne 6: Dean Leffingwell
3. Agile Melbourne – Fifth Meetup

www.meetup.com/Agile-Melbourne

AGILE BUSINESS ANALYSTS, MELBOURNE

A community of BA’s that operate or want to operate in Agile projects. This group is aimed at those who are analysts, or are interested in becoming one or working with analysts.

Past Meet-Ups include:

1. “Long Term Planning for the Business Analyst/Value Manager/Product Owner”
2. Education Roadmap for the Agile Business Analyst with Alistair Cockburn
3. Jurgen Appelo’s Change Management 3.0 Model

www.meetup.com/Agile-Business-Analysts-Melbourne

AGILE BRISBANE

A meet-up group for those in Brisbane who have an active interest in applying Agile, Scrum or Lean practices in their software development or business, or anywhere in between.

Past Meet-ups include:

1. Agile and Innovation
2. Open Mic Night: 2012 Looking Back, 2013 Looking Forward
3. Short Talks and Open

www.meetup.com/Agile-Brisbane

SYDNEY SCRUM USER GROUP

This is a Scrum meet-up group where you can bring wine/coffee/water to discuss Scrum and how it can be used to manage and coordinate work.

Past Meet-Ups include:

1. Why is “proper” Agile so hard to get right? anything else Hell?
2. Agile Ads Anti-patterns
3. Scrum Clinic

www.meetup.com/Sydney-Scrum-User-Group

AGILE MEET-UPS



CYNEFIN MELBOURNE MEETUP GROUP

Network with Cynefin enthusiasts and discover new ways to apply the Cynefin framework.

Past Meet-ups include:

1. Dealing with Complexity
2. Telling our ‘Crane’ Stories
3. Dinner with Michael Cheveldave

www.meetup.com/Cynefin-Melbourne-Meetup-Group

MELBOURNE AGILE AND SCRUM

A Melbourne-based Agile, Scrum and Lean group built to develop member’s understanding of Agile, Scrum and Lean and how to manage development practices better.

Past Meet-Ups include:

1. An Introduction to the Kanban Method
2. Summer Picnic
3. Agile in Education

www.meetup.com/scrum-12/

<p>GROUP</p> <p>who meet casually over beer/ how the Scrum framework control development work.</p> <p>considered as Heaven and</p> <p>rum/</p>	<p>THE SYDNEY LIMITED WIP SOCIETY</p> <p>The Limited WIP Society is billed as the home of Kanban for the software development community. It meets monthly to share ideas and meet other Kanban enthusiasts. Their official website is http://limitedwipsociety.org</p> <p>Past Meet-Ups include:</p> <ol style="list-style-type: none"> 1. Dice/Coin Flip/DOT Game 2. Think Like an Agilist 3. Design a shorter, simpler Kanban game <p>www.meetup.com/The-Sydney-Limited-WIP-Society/</p>	<p>SYDNEY TESTERS</p> <p>Check out this Sydney-based meet-up group for testers (and those interested in testing) who network monthly and hold talks quarterly.</p> <p>Past Meet-Ups include:</p> <ol style="list-style-type: none"> 1. Testers: Helping developers be better testers 2. Happy New Year Networking BBQ 3. Networking and Shout Outs <p>www.meetup.com/Sydney-Testers/</p>
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Meet-up groups are a great way to hear what peers are up to and stay in touch with others in the Agile community. There are now more Agile meet ups than ever before! If you're keen to meet like-minded people in a relaxed environment, to discuss like-minded issues, you may like to check out some of these meet ups!

AGILE SYDNEY

Sydney-siders interested in applying Agile practices can join this meet up group, which discusses both technical and business topics.

Past Meet-Ups include:

1. Filling our Adoption gaps – Open Space
2. Getting Started in Agile” – The first step is always harder
3. Agile 101

www.meetup.com/Agile-Sydney/

SYDNEY TECH STARTUP MEETUP

Formerly known as OpenCoffee Sydney, Sydney Tech Startup Meetup is about creating a regular, informal meeting place for people involved in, or who want to be involved in, the Tech Startup Industry.

Past Meet-Ups include:

1. Sydney Tech Startup Meetup (Feb)
2. Sydney Tech Startup Meetup (Jan)

www.meetup.com/open-coffee-sydney

LEAN STARTUP SYDNEY

This meet-up group is for those who want to save time and money launching any idea they can think of.

Past Meet-Ups include:

1. Introducing Lean Startup Sessions
2. Lean Startup Session
3. Meet and chat about Lean Startup: what where when why how

www.leanstartupsydney.com

SCRUM USER GROUP

CANBERRA STARTUPS

A community home for any Canberra meet-ups around entrepreneurship and startups.

Past Meet-Ups include:

1. 123 Startup Open Coffee
2. Entry 29 Working Bee Kickoff
3. Canberra Startups: Friday Drinks

www.meetup.com/CanberraStartups

CANBERRA LEAN STARTUP CIRCLE

A group of Canberra entrepreneurs and innovators who are taking lean startup and customer development techniques to startups and organisations.

Past Meet-Ups include:

1. Customer Development and Lean Startup

www.meetup.com/Canberra-Lean-Startup-Circle

A Repeatable Framework for Digital Innovation



Keith Dodds

“We need some new frameworks and ‘lenses’ to enable Agile innovation at the product and service level”

Six reasons why the digital era makes innovation more complex and how to overcome them by Keith Dodds

A 2010 IBM global study of 1500 CEOs revealed that 95% regarded the ability to innovate as absolutely crucial to their companies. Yet less than 50% have anybody or process dedicated to driving innovation. And if you interviewed the other half, you wouldn’t be surprised to find that most of these CEOs have little confidence in their innovation processes. By ready reckoning, at least 75% of organisations lack a successful, reliable innovation process. To most, innovation is still largely “accidental”.

The Digital Era makes innovation more complex and almost certainly more difficult than in the industrial, bricks-and-mortar world. A number of factors contribute: (a) many traditional business models struggle to survive the digital onslaught — consider newspapers, travel agents, music companies, insurance brokers (all suffering from “the Kodak effect”) (b) more information and power is shifting to consumers (c) the immense increase in the amount of data available to manufacturers and distributors of products and services across an ever-increasing number of channels (the Big Data problem) (d) a “shattered future” of multiple devices, where consumers want high-quality experiences across all channels (e) most top-down hierarchical organisations are optimised for efficient operations over the long term, not innovation in the fast-moving digital environment, and (f) competitive advantage is difficult to maintain over any significant period of time — “first mover advantage” is hard to sustain in digital

products and services which can be rapidly copied.

Yet iterative, Agile development processes contain many of the seeds of thought necessary to drive repeatable innovation. Eric Ries’ “The Lean Startup” summarised and widely popularised many concepts that have been present in multiple Agile approaches for years. But we need some new frameworks and “lenses” to enable and popularise “Agile innovation” at the product and service level. And in a way that can be delivered consistently and repeatedly.

ThoughtWorks has been working with clients globally over the past couple of years to help drive innovation in new digital product and service creation. We start with largely Experience Design-led techniques, facilitating stakeholder discussions where we conduct “envisioning” explorations to ideate and play out new product and service concepts. We then test these concepts with real or potential users, on a regular and repeated basis, as we develop and elaborate the ideas.

Quick feedback loops eliminate both poor ideas without the need for major investments of time, money or energy (“fail fast”) and give us new ideas for further iterative development. Low-fi prototypes rapidly become functioning digital prototypes. If user testing continues to produce positive results, these can be rapidly deployed as new products in the marketplace (not “throwaway” prototypes).

“These Agile approaches are producing innovative new digital products and services across a variety of industries.”

We find two kinds of thinking especially helpful in fuelling this iterative process:

- **DESIGN THINKING** (from Human-Centred Design) helps us to design everything with the ultimate user in mind. And to test those designs with real users, not judging them with just our own values and viewpoints (often inhibited by the constraints of the cultures and “present-day thinking” of our own organisations).
- **SYSTEMS THINKING** (which pre-dated but is often associated with the Lean tradition) keeps us focused on what the customer wants and leads us to review every step in our clients’ value chain from the customer back, seeking to eliminate any activity that is not valued by the customer (“waste”).

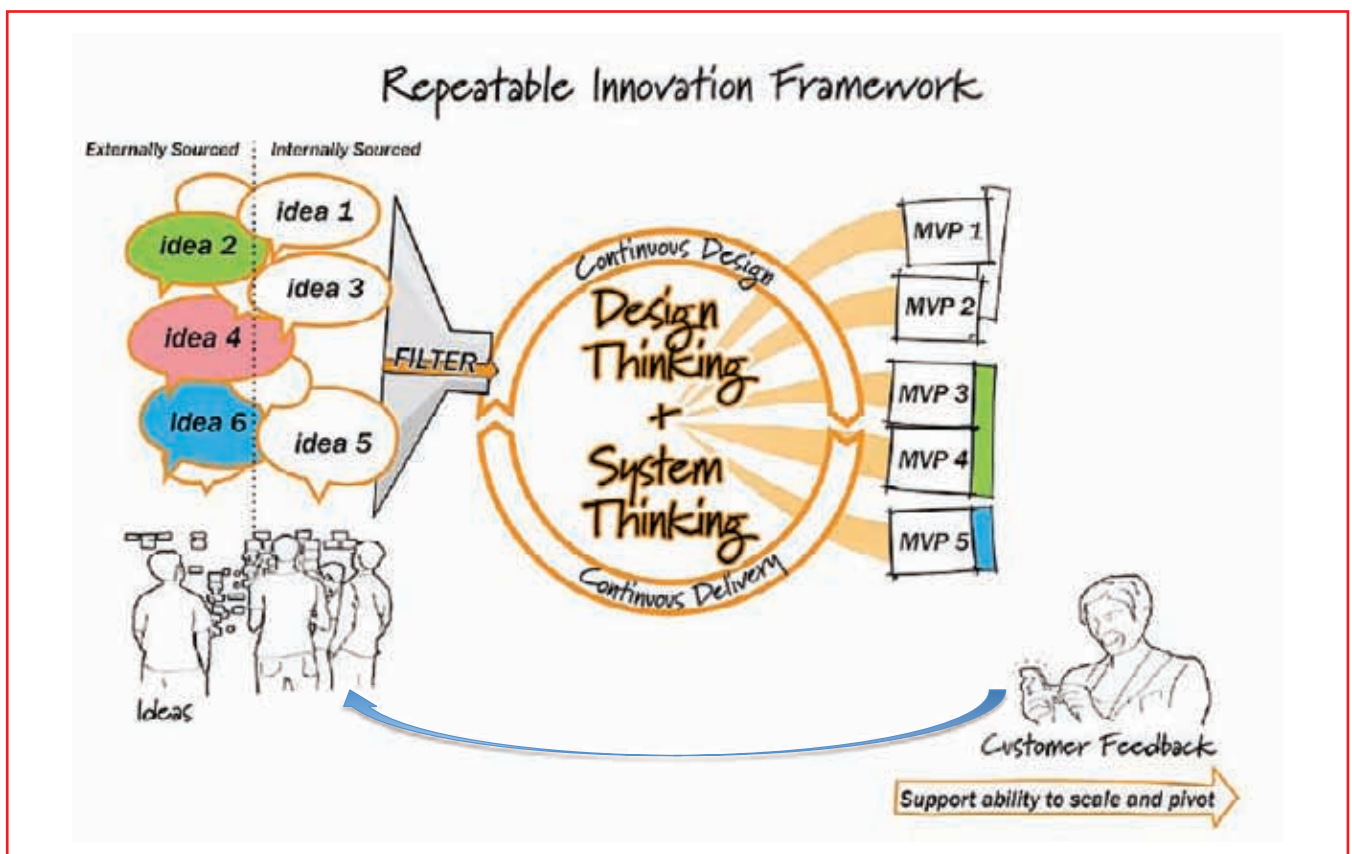
Books like “Agile Design” and “Continuous Delivery” (authored by ThoughtWorkers and co-thinkers) helps us to both shape and reflect on our thinking and practices. The combination

of Continuous Design and Continuous Delivery gives us both theoretical constructs and practical activities that regularly pump out “minimal viable products”.

Short iterations; fast feedback; putting new products/services into production rapidly and continually learning from further feedback. These Agile approaches are producing innovative new digital products and services across a variety of industries including: retail, telecommunications, financial services, education, real estate, biotechnology, travel and tourism and others.

We believe we have developed a **repeatable framework for digital innovation** we can share with our clients. We also know it’s early days. We look forward to even more exciting breakthroughs, together with our clients, as we design, develop, test and learn further new techniques on the digital innovator’s journey.

Below: A framework that supports repeatable innovation.



Citizen Engineers for Good

We can move faster to solve the world's most intractable problems
writes **Ryan Martens**

Archimedes arranged a series of pulleys and cogs that allowed him to pull a ship out of the Syracusan Fleet from the water onto the beach. Today, engineers and business must operate as a cooperative team to “move the earth” toward freedom, justice, opportunity, and sustainable development. – Al Gore, Vice President of United States (1993–2001)

Business is the only force on the planet large enough and pervasive enough to change our broken global systems. As Richard Branson says, screw business as usual. Business can be a force for social good. We are better than this.

Social entrepreneurship can save the planet. Early visionaries are clean sheeting businesses that get to the root causes of many of the systemic failures of the 20th century. These entrepreneurs are paving the way towards truly sustainable and equitable solutions.

Pioneers like Interface Carpet, Nike, and Patagonia have shown that we can innovate and scale sustainable solutions inside of existing businesses, while unreasonable startups have shown clean sheet ways to create wholly sustainable enterprises.

We can get to this critical mass by growing social impact organisations or by affecting existing businesses with triple-bottom-line thinking. However, we are not doing this fast enough nor working with enough businesses on the planet.

The question is: how can we build both new social impact organisations and retrofit existing enterprises – and do it faster?



“Give me a place on which to
stand, and I will move the earth.”
– Archimedes

What is Standing in Our Way?

Two things are acting as obstacles to wholesale change in our business systems preventing us from moving from open loop, single bottom-line to closed-loop, triple bottom-line businesses:

1. We need a well-defined **method** for rapid innovation and learning.
2. We need **more engineers** who can design and implement effective, sustainable solutions that scale or replicate across the globe.

In terms of a method for rapid innovation and learning – Lean Startup and Agile methods are emerging as disciplined approaches to continuous innovation. The mobile/social internet is becoming the means for replication while open source software and creative commons are becoming the platforms for effectively sharing of ideas worldwide.

This leaves us with the biggest bottleneck being the lack of Citizen Engineers. As Dave Douglas says in his book *Citizen Engineer*, they are: “... *the connection point between science and society – between pure knowledge and how it is used. Citizen engineers are techno-responsible, environmentally responsible, economically responsible, socially responsible participants in the engineering community.*”

We simply need more engineers to change course and commit to solving these problems.

We Want You!

Now is the time for our society to make citizen engineers the shining role models and encourage their development. It is going to take time to educate and mobilize engineers who can apply technology iteratively and incrementally in local settings to effectively solve the systemic problem with triple-bottom line solutions.

My vision is this: Bring citizen engineers together with social entrepreneurs to help scale their efforts as well as to entice visionary, large businesses to create sustainable and equitable solutions that span the globe.

Together – citizen engineers and social entrepreneurs – can be the giant lever to fix the global systems that create clean water, clean air, rich soil, biodiversity and happiness as a natural by-product of everyday work.

To mobilize citizen engineers to do this, we need to leverage:

- design thinking to produce highly desirable solutions that scale quickly
- agile thinking to bring the power of small teams to large problems
- lean startup to simultaneously solve for feasibility and effectiveness
- open source licenses to disseminate learnings and solutions freely across the planet
- sociology and biology to design sustainable solutions that work with nature

“We need more engineers who can design and implement effective, sustainable solutions that scale or replicate across the globe.”

How Do We Create and Mobilize Citizen Engineers?

In wrestling to understand the problems and solutions, I have learned a few things. I do not believe you can make one singular giant leap to become a social impact enterprise, but incremental steps are what worked for us. You need the support of the business to value the work and thus create an environment where citizen engineers are empowered to explore not just feasible and effective solutions, but highly desirable and sustainable solutions. We need to build the right things.

Recently, I launched Rally for Impact, a social impact business inside of a traditional venture-backed startup, Rally Software. From a corporate social responsibility standpoint, my slideshare deck and my Tedx-Mile High Talk, chronicle how we brought this to life. It took ten years, but we did it.

Through our strategic partners like the Unreasonable Institute, The Hub, B-Labs, the Entrepreneurs’ Foundation and Engineers Without Borders, we started to develop empathy for corporate social responsibility efforts, social impact enterprises and citizen engineers. It gave us the confidence to keep moving forward because they confirmed for us that it was the right direction.

For established companies that want to leverage corporate social responsibility, it is time to find strategic, non-profit, or social impact partners to help you empathize, explore and execute on a social mission. In these partnerships, you will quickly find opportunities to empower citizen engineers through ideas such as impact hack-a-thons, sabbaticals, and intrapreneurships which allow your best technical folks to shine.

Business is the only force on the planet large enough and pervasive enough to change our broken global systems. A social impact business can serve as the platform for citizen engineers to stand on and move the earth.

AGILE | blogroll

If you're ever stuck for new ideas or Agile inspiration, a good trawl through some blogposts from Agile thought leaders is just the thing to keep your mind fresh. Here are some of our favourites. They may already be favourites of yours, or you might not have come across some of them before. We highly recommend checking them out.

Rally blogs – Ryan Martens/Jean Tabaka



Ryan Martens is the Founder and CEO of Rally Software Development, and Jean Tabaka is an Agile Coach, also at Rally Software Development. They are regular contributors to the Rally online Agile blog, along with fellow Rally

developers from Rally's Agile coaching product teams, and so the blog is never short of subject expertise.

<http://www.rallydev.com/community/agile>

Scrumology

The Scrumology blog has great ideas around Scrum training, coaching, and consulting, and is authored by Kane Mar. It features some great posts by guest bloggers, including some renowned players in the IT industry, all of which are passionate about the Agile movement.



<http://scrumology.com/blog>

Craig Smith

Craig Smith's online blog consists of all things Agile, and on a broader scale, IT news, videos, and book reviews, and more. Craig has been active in the Agile community for over ten years. This site has got a clean feel, with links to presentations from Agile events, software tutorials, and thoughtful musings. Definitely one to add to your favourites!



<http://craigsmith.id.au>

Comfortable Ambiguity – Kim Ballestrin



An active member of the Agile development community, Kim Ballestrin offers her personal writing on Cynefin, Agile and Lean regularly via her online blog. Her posts offer a serene take on Agile Software Development, and

Kim's graphics and quick responses to comments by readers makes it a great blog for exchanging ideas.

<http://kb2bkb.com/Kb/>

The Agile Revolution

Renee Troughton, Tony Ponton, and Craig Smith



The Agile Revolution is collaborative blog effort by some of Australia's most dedicated Agile practitioners – Craig Smith, Renee Troughton and Tony Ponton. It is a weekly podcast of all things Agile, and includes the latest updates on the Agile community, special guest posts, problem recognition and solutions, and even a tool time section. The podcasts range from around the 10 minute mark until the 45 minute mark, so if you absorb ideas better by listening, head over to The Agile Revolution to catch up on the latest.

<http://www.theagilerevolution.com/>

You'd think with all my video game experience I'd be more prepared for this – Jason Yip

Jason Yip is a Principal Consultant at ThoughtWorks. He writes regular blog posts which encompass inquisitive questions surrounding the Agile concepts and general software development topics. This site is very easy to navigate, and it's fresh design will make you eager to continue reading!



<http://jchyip.blogspot.com.au/>

60 seconds

with Mary Poppendieck



Three-time author on software development, Mary Poppendieck has travelled extensively giving lectures on changing the dynamics of software and product development.

Everybody starts their Agile Journey somewhere. What was your ‘a-ha’ moment?

When I was programming process control systems, our approach was what today would be called “agile”. So to me that is the normal, default process. In 1999, after I left 3M, I became project manager of a “waterfall and proud of it” project that was failing badly. That was the first time I heard of “waterfall.” I had never heard of CMM or “maturity levels”. My ‘a-ha’ moment happened as I worked on that project, when I realized that some really bad philosophies had crept into software development over the decade of the 90’s, and they did more harm than good.

You are writing a new book – *The Lean Mindset*. Can you tell us a bit more about it and what are some key points you are trying get across?

The Lean Mindset is about the way we resolve the paradox of our two minds. We have one mind that wants to be rational and one that wants to be intuitive. We find a balance for ourselves, but in our companies, the balance is harder to achieve. When many people are involved, intuition generally gives way to so-called “rational” thinking. The balance gets lost. To restore that balance, management teams need to stop looking for a silver bullet and learn to think for themselves.

You mentioned wearing an ‘analytical’ hat and ‘intuitive’ hat simultaneously. How can an organisation achieve this?

It’s not hard for a person to be both analytical and intuitive, because individuals learn when to trust their experience and expertise, and when not to. But we are much less likely to trust the intuition of others, and as groups grow in size, the bias leans toward analysis, even when expertise is present.

Organisations develop “tribal knowledge”, a collective intuition about what works. They learn to trust this “tribal knowledge” and generally that is a good thing. The problem is, if tribal knowledge becomes obsolete in a new environment, then organisations get left behind. They need to establish new groups that can develop their own cultures and find a different path to success. This is how innovation can happen in companies.

You’re an active advocate of Lean Software Development; what is your main motivation in trying to help organisations adopt it?

Lean software development is not a methodology that organisations adopt; it is a philosophy, a way of thinking, a mindset. My main motivation for advocating a lean mindset is to improve the life of people – especially those who develop software-intensive products. Developing software is very challenging and a lot of fun – unless the prevailing management attitude segments development into discrete activities that are passed from one group to another. I’d like to see the challenge and the enjoyment of achievement returned to those who develop software-intensive products.

You see a lot of companies around the world – what are some of the most common mistakes that you come across?

Easily the biggest mistake we come across is the search for the silver bullet, the magic method that will solve the problems of software development. Whether the search turns up Waterfall or

Scrum doesn’t matter – when implemented as a recipe without thinking, all methodology will fail. Too many companies search for a process which makes people fungible or cost savings through lower labour rates. Software development is hard work done by bright, creative people. Companies that understand this basic fact and organise to leverage the minds and hearts of these intelligent people are the ones that succeed.

What has been your greatest challenge when introducing Agile to an organisation? How did you overcome it?

Actually, we don’t try to introduce Agile into an organisation. We try to spend our time at companies where the leadership team already understands the value of lean thinking and is looking for some ideas on how to get even better.

You mention that you’ve always been of the opinion that ‘if you have to write down in great detail what needs to be done, you may as well be writing the code’ (2010, <http://agile.dzone.com/articles/mary-poppendieck-lean-software>). Why do you think that?

Many people we know are able to speak several languages. Although I only know English, I know several programming languages, and because of that, I find I can look at most code and understand what is going on. To people who speak several programming languages like I do, specifications are simply another programming language. And specifications are never clear enough to work from unless they extremely precise – if they are ambiguous, then any of several interpretations can be made. The effort necessary to make specifications precise enough to actually code from is no different than the effort needed to write code – in fact, the effort is higher because the language of specifications is usually not very precise. Using an intermediate language to translate ideas into code is like translating from English to Japanese to Russian. Why not just go directly from English to Russian?

What’s the strangest situation you’ve applied an Agile principle to?

Our children accuse us of applying lean principles to just about everything we do – from cooking to family vacations. Flow, small batches, one thing at a time – these ideas work everywhere.

What is your favourite Agile-related quote?

Think for Yourself.

What is your favorite thing on your desk right now?

Absolutely, my computer. Right now I am travelling, so it is my laptop. At home it is my desktop. Sometimes it is my smart phone. Always, my connection with the world.

You and Tom travel the world – where has been your favourite place to visit?

We love fjords. So we love Norway, New Zealand, and Alaska. We haven’t seen much of the fjords in Chile, but I expect we would also love them.

Mary Poppendieck will be delivering a keynote address at Agile Australia 2013.

Win a ticket to Agile Australia 2013!

Would you like to attend the Agile Australia 2013 conference for FREE? AgileTODAY is giving away one free pass to one lucky reader.

For your chance to win, send us your most creative caption for this photo of Agile Australia 2013 keynote Dave Snowden. The winner will be announced on the Agile Australia blog (agileaustraliablog.com).



TO ENTER:

1. Come up with a creative, quirky, colourful or comic caption for the photo.
2. Email it to agile@slatteryit.com.au with CAPTION in the subject line.
3. Be sure to include your name, job title, company, email address and phone no.
4. We will notify the winner by email and publish the winning entry on the Agile Australia blog!

Competition closes 30 April 2013.

Winner announced by 07 May 2013.

CONGRATULATIONS! Last edition's winner was Thomas Cook-Bowden, GE Capital, who won an Asus Eeepad tablet with this caption: "You couldn't eat my fist all at once but if you did it in work packages of a finger at a time ..."



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- ACCELERATE INNOVATION -

Keynote
speakers



BJARTE BOGSNES



RYAN MARTENS



MARY POPPENDIECK



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Lean Systems Society



“I am not looking to the Agile movement to provide new fixed processes to replace the old ones. I am looking to it for underlying principles and a set of practices that can be used to improve team communication and performance. I don’t believe in formulas, I look to myself and the people around me to adapt in order to ensure project success.” ADAM BOAS