Agility Path™
Continuous Improvement. Competitive Advantage.

Scan the annual reports of well-known public companies today and “lack of agility” will be listed high among the risk factors many are facing. Such indeterminate exposure is unsettling for investors. When a company lacks the ability to quickly adapt to changes in the marketplace, its future earnings are uncertain. But how to shift from a “business as usual” mindset to one of agility?

A productive starting point is to identify where within an organization agility is already being practiced—and showing tangible results. For a growing number of organizations, such success can be clearly quantified within software development teams practicing Scrum. Their iterative and transparent work style is consistently delivering higher quality software on more disciplined release schedules to greater customer satisfaction.

But agility cannot continue to thrive in a vacuum. Its widespread adoption needs to be fostered by the organization as a whole. The effort and productivity for agility comes from the bottom up; its strategy and championing come from the top down. Agility Path™ does both.

Agility Path™ is a framework developed by Scrum.org to help managers align a company’s key function areas (product development, sales, marketing, finance, customer support, et al) into teams that work nimbly with one another. Collectively, these domain teams create an agile organization. Their common goal is incremental, quantifiable, and continually improved upon benchmarks of success. These incremental successes yield increased competitiveness and greater ROI over time. “Lack of agility” is dropped as a risk factor on annual reports, and investors regain confidence.

What follows is a more detailed look at Agility Path, its key concepts, and how to get started.

What is Agility Path?

Agility Path is a continuous, two-step feedback loop. The first step is gathering and analyzing the key business and process data needed to assess the current state of a company in each of its critical function areas. The next step is using this data (what we term “metrics”) to identify where improvements are most needed to have an immediate and positive impact on the company’s performance. Key to this process is breaking down large, usually systemic problem areas, into manageable chunks that can be swiftly, effectively, and quantifiably addressed.

For some companies, having help from a consultant to gather the necessary metrics will be enough. These companies have the people and systems in place to implement changes to the identified improvement areas (what we term “practices”) on their own. Other companies, however, will require significantly more help translating these metrics into tangible next steps.

Companies, again, will vary on how much assistance they require at this point. Some will just need help getting started. Others will prefer to have ongoing support from a trained consultant in the months and years ahead. Agility Path is customizable to short- and long-term engagements. It is not, however, a one-size-fits-all framework that can be superimposed onto any and all companies. Rather, it is a highly
customizable framework that shows how agility can be earned by an organization truly committed to becoming agile.

Spearheading this effort, no matter what the duration, is an Agility Path expert (what we term an “Engagement Manager”). This specially trained consultant works in tandem with cross-functional management teams within your organization to identify and put into action continuous improvement. Metrics and practice effectiveness are periodically quantified and recorded. Tracked over time, these measurements provide a transparent look into how the business is actually operating.

What are the tools?

Agility Path links current enterprise activities (metrics) with a process for continuous improvement (agile practices). Ongoing progress is measured through the Agility Index™.

Metrics
Scrum.org consultants are trained in the use of sophisticated analysis tools to mine through reams of data to extract meaningful information for each of your function areas. These metrics are related to costs to help you measure the effectiveness of your investment. The data collection can start at any point during your company’s engagement with Scrum.org.

Agile Practices
Agile practices are actions that can best maximize value and eliminate waste when applied to your current processes. They are organized into cross-functional domains that house business functions such as product development, sales, marketing, finance, and customer support. These practices are ordered and tracked in an Enterprise Practice Backlog. Over time, their progressive adaptation and implementation should yield continuous improvement. These improved metrics should, in turn, be reflected in an increase in the company’s Agility Index.

Agility Index
The Agility Index is used by Scrum.org to quantify the gains achieved by those businesses engaged in Agility Path. It is a blended metric that represents the business value of organizational agility. Its premise is simple: organizations that are changing the way they do business to achieve agility will derive benefits shown in its business value metrics. Using a proprietary calculation to arrive at an easy-to-understand value between 0-100, the Agility Index is an indicator of a company’s overall performance based on its enterprise-wide agility. A baseline Agility Index is taken at the initial phase of Agility Path and then measured again in regular intervals so that progress can be tracked. It is a number that has meaning and significance within the context of the company itself especially as it is measured across time.

What is the role of the Engagement Manager?

The role of the Engagement Manager (EM) is pivotal within Agility Path framework. He or she has a firm command of Scrum principles, values, and practices that support agility at the enterprise level. With years of experience coaching organizations engaged in the agile transformation process, EMs are well versed in how to introduce an organization to Scrum on the enterprise level and thereby scaling agility, i.e. employing Scrum as an iterative engine of continuous improvement across the organization as a whole.

The Engagement Manager helps the client organization understand that scaling agility is a process, and that learning Scrum is only a very small part of the overall work to be done. The larger process— Agility
Path—is the continuous feedback loop between the EM and managers that uses metrics to address those areas of weakness within the company. Incremental actions are planned and implemented based on these metrics that can have the maximum, and most immediate, impact on your company’s unique business challenges. These metrics have been formulated based on the collective knowledge and industry experience of Scrum over the past two decades. In other words: clear data points of what does and does not work at the enterprise level.

The EM works in partnership with managers from across function areas to discern what data to collect and how to measure the impact to the business through the interpretation of the Agility Index. Along the way, the EM serves as a resource, able to recommend appropriate trainers, coaches, tools, and function-specific consultants to help the organization implement agile practices in whatever areas need strengthening. All the while, the EM operates in a mode of complete transparency.

As is the underlying principle of Scrum: Agility Path is designed and implemented to ensure that the results are genuine and that the numbers are not being gamed. Our Engagement Managers keep it real. The metrics gathered are used for continuous improvement within the organization. The Agility Index, in particular, should not be viewed as a stand-alone marker to be promoted outside the organization.

**Aren’t other consultants already doing this?**

Yes and no. There’s always someone out there promising a quick fix for an easy price. Their message is simple: buy this shrink-wrapped product and it’ll do the work for you.

In contrast, Agility Path is anything but an off-the-shelf prescriptive. What Scrum.org is offering through its Agility Path is an over-arching framework to transform into an agile enterprise using using proven Scrum principles. Its foundation of gathering metrics can build on Scrum.org services already provided to you through a Scrum.org trainer. From there, Agility Path can expand within an organization to an ongoing partnership between Scrum.org, our Engagement Managers, and key players within your organization.

Together with the Engagement Manager, your management team will be responsible for the hands-on work of implementing incremental change on an ongoing basis that will yield the greatest increase in quality, ROI, and competitive advantage.

**Who benefits?**

Perhaps it’s easier to say who won’t benefit from Agility Path. To wit: those with a vested interest in the status quo. Those with blinders on to the need for their organization to respond quickly, nimbly, and transparently to incremental changes in the marketplace will have no need for Agility Path. They simply can keep on with business as usual. Maybe their company will survive. Maybe it won’t.

But to answer who will benefit from Agility Path—it’s those companies for whom core parts of their business model depend on the competitive advantage derived from working software solutions. It benefits those who recognize that agility is at the core of their success in the marketplace. It benefits those who know that agility is earned through hard work. Agility Path offers tools to managers to zero in on those key metrics that reflect the contribution of agility to the creation of business value. This, in turn, can inform strategic business investments across all functions. Scaling agility benefits the organization as a whole. For public companies, this very well may translate to fewer risks noted on the annual report—a clear incentive to investors.
How do managers fit into the mix?

Client organizations work with Scrum.org’s Engagement Managers to implement enterprise-wide change in manageable, achievable, and quantifiable increments. Rather than micro-managing the implementation, managers will spend their time training and coaching their employees to take ownership of their areas of responsibility. Managers will be course-correcting based on measured outcomes. Be it developing software, tracking distribution channels, or recruiting and retaining top talent, the role of the manager in Agility Path is transformed from telling employees what to do, to being the conduit through which employees are freed to do what they do best. Unhooked from a micro-managing mindset, managers are, in turn, free to focus on the bigger, more strategic challenge of maximizing the company’s value to its customers and its return on investment.

Why is this an ongoing process?

Agility Path identifies and prioritizes incremental improvements as an effective way to continuously shift your organization’s current position to one of greater competitive advantage. It will help you answer the following questions on an ongoing basis:

- What’s been the return on investment?
- How much more agile is the organization than last year?
- How effectively is company managing the value of its products?
- What next steps will bring the organization the greatest return on investment?
- Which practices should we focus on at this time?

What’s Scrum got to do with my business?

Scrum is founded on empirical process control theory, or empiricism. Empiricism asserts that knowledge comes from experience and that the best decisions are made using the knowledge gleaned from these experiences. Scrum employs an iterative, incremental approach to optimize predictability and control risk. Three pillars uphold every implementation of empirical process control: transparency, inspection, and adaptation.

Scrum is the de-facto agile process of choice for most organizations that have a stake in software development. But its adoption is neither as complete, nor as effective as it could be. This is because Scrum principles are bumping up against corporate cultures that are neither adaptive, nor agile in nature. The long-term success of Scrum rests with first addressing the operating environment in those organizations.

Agile companies are better able to respond to opportunities and challenges in the marketplace, thereby creating an “edge” for themselves. They are more adept at realizing business value sooner than their competitors because of the high level of transparency in their business processes, early feedback, and continuous improvements to those processes.

Building on its success within the realm of software development, the basic tenets of Scrum as it translates to Agility Path continue to be that it is:

- Lightweight
- Simple to understand
- Extremely difficult to master
How to get started on Agility Path?

When the decision is made to scale agility throughout an organization, its leaders need to run a structured continuous improvement program in order to embed this new way of thinking and working. Agility Path uses Scrum at the enterprise level as the management framework to master this organizational change in a reduced risk manner. You can start the discussion today with the Scrum trainer currently working with your organization or through a designated Engagement Manager listed on scrum.org/agility-path.