

An Agile-Adaptive Management Model:

Building the Bridge from Innovation to Business Value

by David Spann

**Cutter Consortium
Business-IT Strategies
Executive Summary
Vol. 9, No. 1**

The most compelling opportunity in business today may be the ability to sense and quickly respond to changes in the marketplace. Companies like Toyota and Google are making headlines with their agility and adaptability, through concepts such as using small team processes, developing quality products and services, and most importantly creating exceptional business value and customer satisfaction. Likewise, companies in financial services, healthcare, marketing, and even construction and manufacturing are utilizing similar practices and seeing exceptional results. Being agile and adaptive, however, is not rocket science. These companies rigorously focus on differentiating their company in the marketplace, stick with some basic management principles and practices, and enable their people to do great things.

While this may sound simple, it does take work, and in some cases companies have abandoned these emergent and innovative approaches for the more “predictable” techniques of the past. This type of reversal tends to occur when the organization feels some sort of pain — like when a merger takes place and a new management team comes on board — because the organizational infrastructure was not in place to support the agile-adaptive principles. Similarly, a reversal might occur because those who led the charge for change did not have cross-functional support. In fact, this has

happened in numerous situations where the lead technologist brought some agile methodology into the company, but the other business units didn’t have a clue as to the reasons why or the benefits. So all it took for the technologist and the agile method to be escorted out the door was one mistake on the technology side.

The intent of the accompanying *Executive Report* therefore is to provide a model for agile-adaptive management and its associated business practices to help companies that are already successful, those who have been and would like to try again, and even those who profess they are and would now like to actually be agile and adaptive. The report provides a set of tools to focus the entire organization on the purpose of market differentiation and the flexible and transparent techniques used to pursue that purpose.

FIVE STEPS

The agile-adaptive model presented in the report is conceptually and functionally simple. It consists of five steps:

1. [Define] purpose and organizational value
2. Hire great people
3. Do something innovative
4. Learn and reflect
5. [Deliver] results

The first step in the model is to define the business purpose or organizational value propositions and is closely followed by the idea of choosing great people. Chartering, timebox planning, meeting management, boundaries of empowerment, and the venture capital funding model are all ways to ensure your organization can and will “do something innovative,” which is the third step in the model. Learning and reflection follows and involves several techniques for thinking through what went well and what can be improved as an individual and as a group. The final step is results, which covers the venture capital model and other comments on transparency and accountability.

APPLICATION OF MODEL

This model can be applied at all levels of the organization, from the executive boardroom to the project and task level. It can be applied to a variety of projects from the most complex IT enterprise deployment project to planning a company party. The model begins to break-down, however, when people act without regard for others and when the organization begins treating the individual as another cog in the firm’s machinery.

Along with concepts related to learning and reflecting on past activity, this report offers a paradigm shift from the old constraint of time, budget, and specifications and opens the door of possibilities with an expanded focus on creating business value, building quality products/services, and meeting or exceeding customer satisfaction. The combination of clear business purpose and the constraints imposed by time and budget provide the foundation for all of the business management practices in this report. The key is to set target dates for market penetration, fix the budget to release dates, and focus on building the best quality products and services possible with those scarce resources.

PURPOSE AND INTENT

The goal of this report is to help put an organizational context focus (rather than a developer’s view) on the world of agile-adaptive management. The intent is to show how purpose at the very highest levels of the organization can drive tasks at the lowest levels and how, conversely, those tasks help inform the organizational purpose of the future. My hope is the framework presented herein will help others develop mission-critical and market-differentiating products/services as well as help them enjoy the process of planning, doing, being, and learning.

PROOF FROM THE FIELD

The following is testimony from a student of mine (a product manager) who now understands this framework and was able to apply it in one of the world’s largest financial institutions:

We just completed a release testing period last week, and I implemented the two agile principals of timeboxing and daily standup meetings during this testing cycle. I organized a meeting with my team members two weeks prior to the start of the testing period, and we developed a timeboxed plan for testing preparations. During the testing phase, we had 15-minute daily standup meetings where each team member described what they had accomplished the previous day, what they were going to accomplish that day, and any problems or obstacles they had encountered. The timeboxed plan led to thorough preparations for the testing period, and the daily standup meetings increased communication and accountability within the team.

After the last day of testing, we had a debrief meeting where each person shared their thoughts on what went well and what could be improved for the next release. The implementation of these

tools was a huge success, and I received positive feedback from my team. This was the smoothest and most organized testing cycle that we have had since I have managed the team, and we had no production issues after the software migration.



About the Service

BUSINESS-IT STRATEGIES ADVISORY SERVICE

SENIOR CONSULTANTS

Macedonio Alanis, Steve Andriole, Robert D. Austin, Robert J. Benson, Stowe Boyd, Thomas L. Bugnitz, David R. Caruso, Robina Chatham, Mark Cotteleer, Christine Davis, Carole Edrich, Michael Enright, Maxwell Hughes, Steven Kursh, Tim Lister, Michael C. Mah, Peter O’Farrell, Ken Orr, Cuitlahuac Osorio Allyon, Wojciech Ozimek, Patricia Patrick, Gabriele Piccoli, Helen Pukszta, Kenneth Rau, Alexandre Rodrigues, Michael Rosen, Richard Sneider, Borys Stokalski, Rob Thomsett, William Ulrich, William B. Walton

FOR MORE INFORMATION

For more information on Cutter Consortium’s Business-IT Strategies Advisory Service or its other services, contact: Tel: +1 781 648 8700 or, within North America, +1 800 964 5118; Fax: +1 781 648 1950 or, within North America, +1 800 888 1816; E-mail: sales@cutter.com.

The *Executive Summary* is a supplement to the Business-IT Strategies Advisory Service’s *Executive Report*. ©2006 by Cutter Consortium. All rights reserved. ISSN: 1530-3470. Unauthorized reproduction in any form, including photocopying, faxing, and image scanning, is against the law. Reprints make an excellent training tool. For information about reprints and/or back issues of Cutter Consortium publications, call +1 781 648 8700 or e-mail service@cutter.com.

CUTTER
CONSORTIUM