

Business Agility

SURVIVAL GUIDE



"... the companies that are deploying agile at scale have accelerated their innovation by up to 80 percent."

1 Santiago Comella-Dorda, Swati Lohiya, Gerard Speksnijder, McKinsey & Company, "<u>An operating model for company-wide</u> <u>agile development,</u>" May, 2016.

Respond Quickly and Confidently

Today's fast-moving markets present threats and opportunities at every turn. Whether you're a large enterprise or a small startup, it's no longer enough to simply practice agile development. To survive—and thrive—in this disruptive environment, you need agility throughout your organization.

How to survive

Building agility into your organization means sensing, creating and adapting to change: quickly and confidently. You need business agility to take a disciplined approach to managing change, building responsiveness into your organization's DNA. You need portfolio agility to create opportunities with focus and insight into your organization's highest-value initiatives. You need execution agility to make speed and performance your competitive advantage.



A global, multinational financial institution with over 100 million customers launched a brand new business unit generating \$600M in top line revenue in just five months, using CA Agile Transformation Consulting, CA Agile Training and CA Agile Central. These kinds of breakthrough business results are only possible when you connect agility throughout your organization.



Delivery is the foundation for building agility. Improving cycle time will significantly impact your bottom line. Speed helps you monetize incremental value and get to revenue sooner. It taps the voice of the customer early and often, ensuring that you're building the right thing. You also need to build the thing right—deliver with quality and predictability.

To be better, faster and more efficient, you need information and insight. With CA Agile Central Insights, CA has culled the data of 50,000 agile teams and 160,000 projects to identify metrics across key performance dimensions like Productivity, Predictability, Quality and Responsiveness. These metrics give you evidence-based insights for benchmarking, measuring and adjusting your performance with real-time feedback and improvement recommendations.

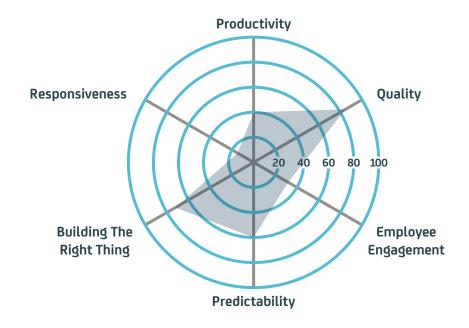
Outside of the platform analytics, CA Agile Central contracts with third-party research firms (such as TechValidate) to conduct user surveys to further validate performance and improvement metrics.

Nearly two-thirds realized 45–60% better alignment between strategy and execution.²

Nearly one-third saw a 60% or more improvement in software quality.³



KEY DIMENSIONS OF PERFORMANCE



DELIVERY AGILITY



Scale

To deliver customer value, you need a dependable value delivery engine aligned with top business priorities—giving you fast, predictable execution across your entire software development organization. For example, initiatives like mobility and e-commerce, or impending regulatory changes, need faster responses than waterfall teams can deliver.

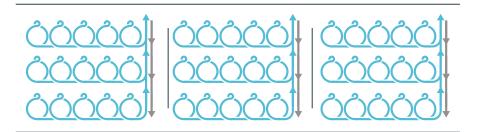
Proven approaches for scaling enterprise agility, such as the Scaled Agile Framework® (SAFe®), can help you begin your scaling efforts:

- Scale teams: 5-15 teams all working toward a common release objective, often called a "program" or "delivery group"
- 2 Scale timeboxes: Synchronize team timeboxes (typically 2 weeks) to a release timebox (typically 10 weeks)
- Scale work: User stories at the team level scale up to business features and initiatives

Scaling Requires Coordination

Scaling agile requires coordination across multiple roles and departments—especially across silos. "Scattershot" agile can't cross the gap into portfolio and business agility, and you're stuck leaving real business value on the table. Unfortunately, many organizations plateau at this level, falling short of real breakthrough results or competitive advantage.

CA Technologies has deep expertise in helping organizations achieve agility at scale. With CA Agile Central Ready > Sync > Go, you can launch and execute agile delivery groups in as little as three months. Once proficient, you'll be positioned to transform your entire organization to deliver responsive and sustainable value. When you measurably improve and scale performance, you free up resources for growth and chart a path to business agility.



PORTFOLIO AGILITY

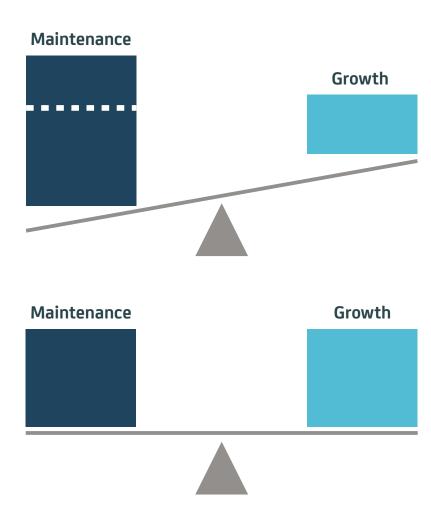


PricewaterhouseCoopers has found that most industries spend less than 15 percent of their IT budgets on innovation. But highly effective organizations—as measured by stock performance—allocate closer to 50 percent of budget on maintenance vs. growth initiatives. The market doesn't give you any credit for maintenance; only for growth.

Many customers tell us that they'd like to invest more in growth; but by the time they respond to regulations, support new platforms and keep up with competitive feature parity, there's often little room for differentiating investments. Performance gains from agility at the delivery level free up resources for growth. By enhancing speed, productivity and quality, you'll spend fewer resources on bug fixing, refactoring and technical debt—resources you can then allocate to new, differentiating value streams.

Portfolio managers and business leaders can lay claim to these performance dividends—directly connecting your strategic business objectives to the realities of execution. You'll have options and the confidence to make the right decisions for the business.

BALANCE INVESTMENT



PORTFOLIO AGILITY



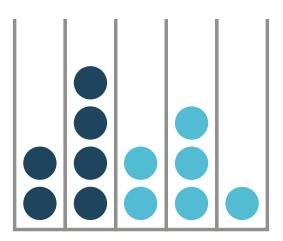
Adaptive Planning

To build responsiveness into your portfolio planning, you have to allow your business to move two key levers: funding and scope. Establishing a more frequent planning cadence can help you incrementally fund and dynamically adjust scope to match your highest business priorities. Investing incrementally reduces risk and increases investment confidence.

This calls for an integrated execution and delivery system. Coordinate release cycles to match the grain of your investment planning and commitment, starting with frequent feedback—a cadence of fact and insight that forms a framework for dynamic response.

LEGACY MINDSET Schedule focused Value focused Vearly budgets Large upfront planning Assign FTEs to projects Risks and returns ADAPTIVE MINDSET Value focused Incremental funding Continuous steering Flow features thru teams

INCREMENTAL INVESTMENT



Optimizing investment and value delivery in your portfolio planning involves mapping demand to supply. Many companies struggle with the coordination and transparency required, but tying strategy to execution is where the benefits of scaled business agility really pay off.

CA can help you combine adaptive planning with the resources you unlock through your execution performance improvements, so you can sense the market with disciplined exploration and accelerate growth, revenue and profit.

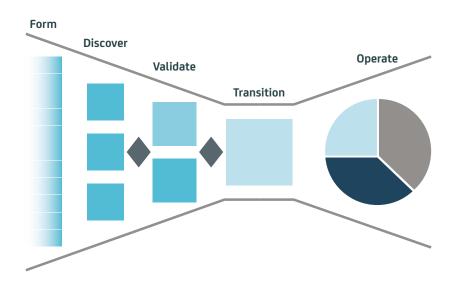


Create Change

To truly nurture innovation and growth, you need a deliberate approach to investments in innovation. Business agility connects horizon investing and disciplined exploration with the Enterprise Lean Startup (ELS) principle of "fail fast, fail cheap"—which allows you to sense the market for more confident investing and improved employee engagement. By sensing the market and testing ideas, the ELS model builds an innovation pipeline that offers the greatest potential for breakthrough results with the least amount of risk—similar to how angel investors and incubators invest in and manage startups.

CA Agile Transformation Consultants can walk you through the process of disciplined exploration: forming your team, creating your vision and developing an innovation sandbox. Then you follow steps to successfully Discover, Validate, Transition and Operate, making pivot or persevere decisions along the way.

This process allows you to create change within your market and become the disruptor, instead of the disrupted.



DISCOVER

Validate the potential problem, validate potential solutions, validate your viable business model.

VALIDATE

Prepare to go to market by removing the barriers between your offer and your customer's wallet.

TRANSITION

Bridge exploration with operational execution by transitioning knowledge from the discovery team into departments.

OPERATE

Make your proven offer ready to operate by guiding it through these steps and pivoting and persevering along the way.

BUSINESS AGILITY

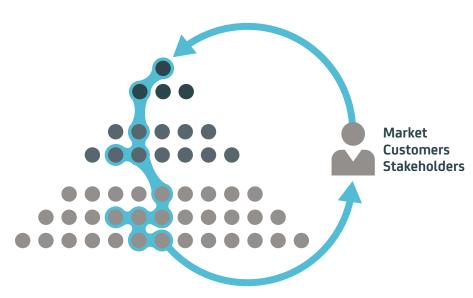
Organize Around Customer Value

You must connect with your market, customers and other stakeholders, and connect within your own organization. Breaking down functional silos is imperative: it minimizes dependencies, reduces waste, improves collaboration and allows you to respond to opportunities and threats quickly and confidently. General alignment beats local excellence by a mile. Cultural change is key to business transformation, and connecting people fuels change from within.

The highest level of business agility requires organizing people around creating value. This doesn't mean "reorg"—it means connecting agility throughout your organization by breaking down internal silos and forming value-focused teams.

Organizing around customer value at the delivery level involves scaling and creating teams of teams, aligned with common release objectives. Scaling ensures the business and the market realize the value of your execution agility gains.

CONNECT AGILITY



An organization in which only a few teams have mastered agile development isn't realizing the benefits of business agility. In order to survive and thrive as an agile business, the organization must tie execution work to business strategy, develop plans for coordinated scaling and complete adaptive planning. CA can help you coordinate along value streams, rather than functional groups or legacy systems (for example, agile delivery mismatched to annual funding), to minimize dependencies and allow for true, adaptive planning.

To learn more about agile approaches and how to enable business agility, visit ca.com/agile

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- 1 Santiago Comella-Dorda, Swati Lohiya, Gerard Speksnijder, McKinsey & Company, "An operating model for company-wide agile development," May, 2016.
- 2 TechValidate survey of 217 users of CA Aqile Central, Jan 18, 2017, TVID: F29-8CE-D1D
- 3 <u>TechValidate survey of 218 users of CA Agile Central</u>, Jan 23, 2017, TVID: 7CA-ED6-549

