

The continuous hunt for value

The unfortunate reality for many
Scrum Teams

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Hi...



Rishi Markenday

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I help organizations build a network of autonomous teams that are customer-focused. Over the years, I have helped several teams deliver software with a purpose. I love collecting and reading books.

I am also a Professional Scrum Trainer from Scrum.org



Tomasz Maj

Warsaw

I love reading books, collecting shoes and playing video games, if I am not taking care of my three kids. Currently on a year long paternity leave!

Agility and Scrum have never been more widely adopted, and are delivering great results across all types of performance measures

15th State of Agile Report
Agile adoption accelerates across the enterprise



McKinsey
& Company

94% companies are practicing agile

84% of software development teams

32% of companies are practicing agility over 5 years

81% of those practicing agile are using Scrum

60% of companies experience revenue growth because of agile

Employee Engagement +20 to +30 points

Customer Satisfaction +10 to +30 points

Operational Performance +30% to +50%

Financial Performance +20 to 40%



WINNERS 2021



Emirates
FA CUP



Emirates
FA CUP

EMIRATES
FA CUP
FINAL

KING
POWER

KING
POWER

EMIRATES
FA CUP
FINAL

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1

adidas

A photograph of Barack Obama and a young woman. Barack Obama is on the right, wearing a dark suit, a light-colored striped shirt, and a dark striped tie. He has a small American flag pin on his lapel and is looking towards the camera with a slight, knowing smile. His arms are crossed. The young woman is on the left, with long brown hair, wearing a white lace top. She has a skeptical or questioning expression on her face, looking slightly to the right. The background is a blurred interior with a bookshelf on the left containing several books. The text "Yes, but..." is overlaid in the center in a white, serif font.

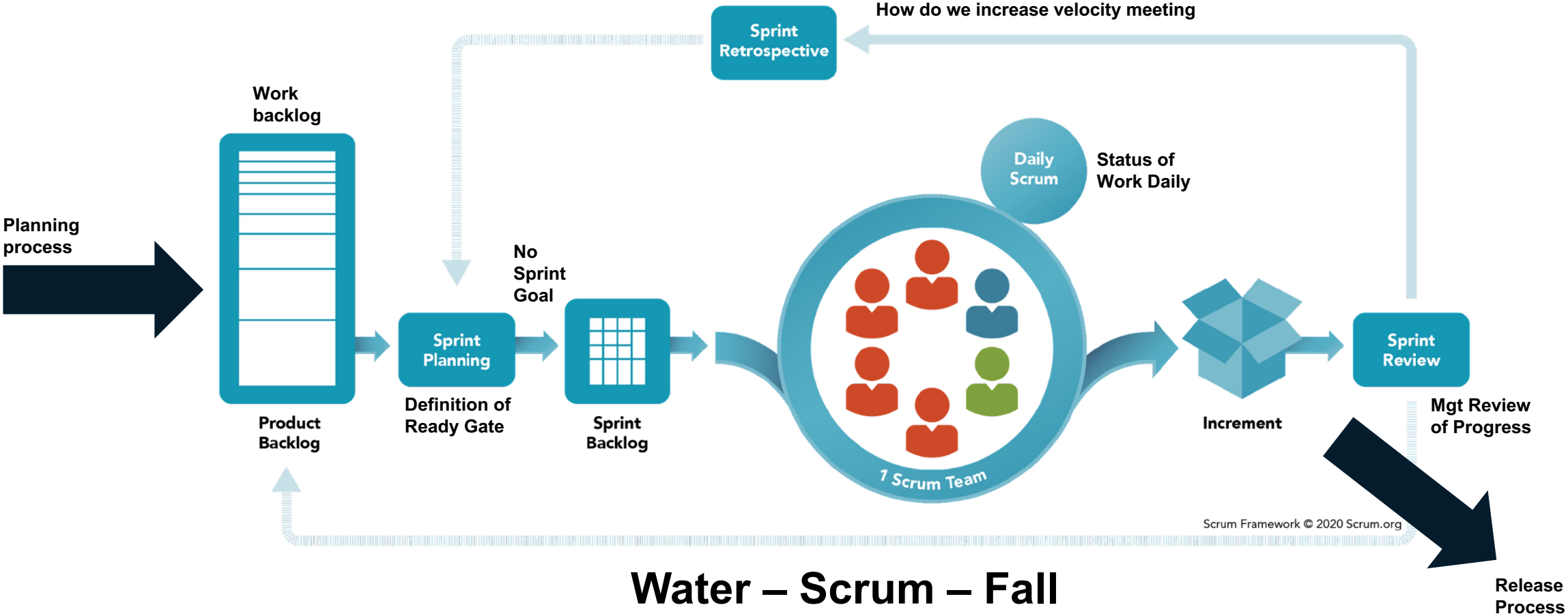
Yes, but...

Yes... but...



- Then why does everyone involved have a different measure of success?
- Why are there no customer personas on the walls?
- Why is status measured by task complete?
- Why are only a small group allowed to spend time with the customer?
- Why do Product/Sprint Backlogs include tasks?
- Why is velocity rather than value reported on?
- Why are there no customers at Sprint Reviews?
- Why is it so hard to define a Sprint Goal?
- Why.....

And that is even true for Scrum Projects



**This question
drove our
research...**

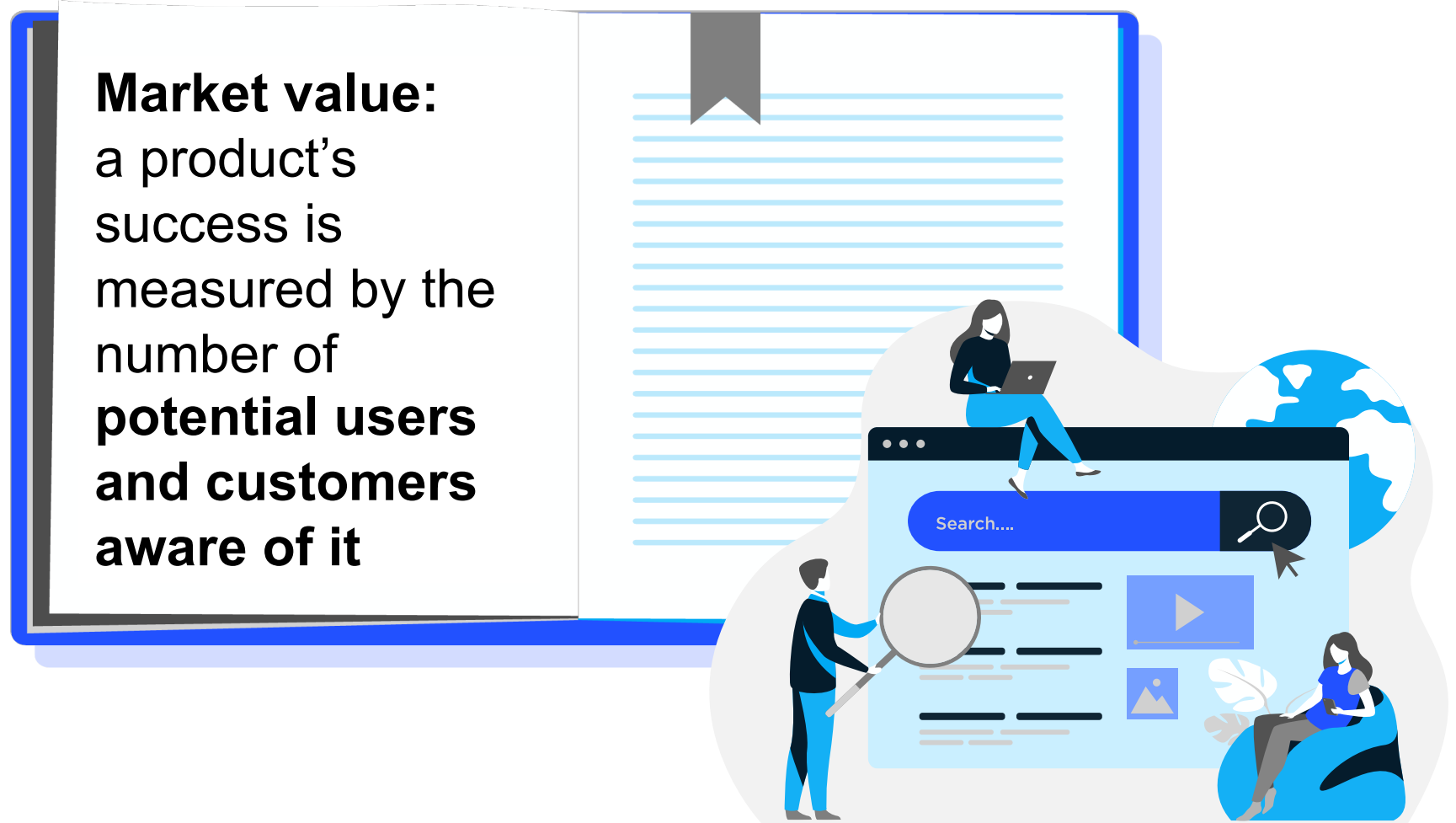
**Are teams really
delivering **value** or just
doing **work**?**



**McKinsey
& Company**

How do we define value?

Market value:
a product's success is measured by the number of **potential users and customers** aware of it



Why is working to value (over just doing work) so important?



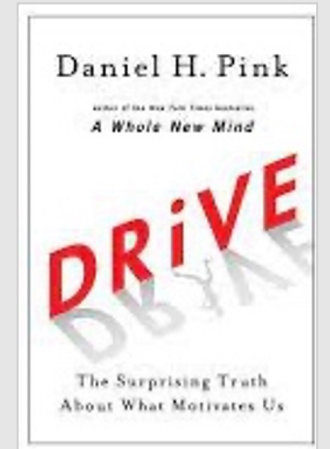
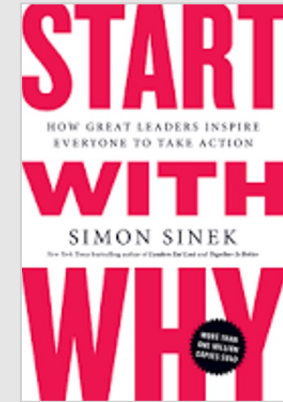
Gives the team **flexibility** to deliver different solutions and provides **space for innovation**



Helps the team understand the **purpose** of their work and therefore **self-manage**



Improves the **relationship with the customer** and leads to better **customer outcomes**

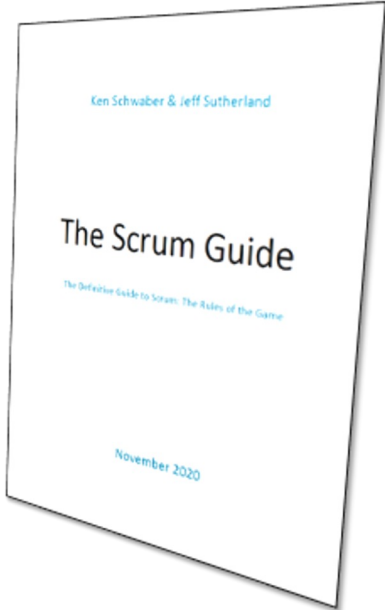
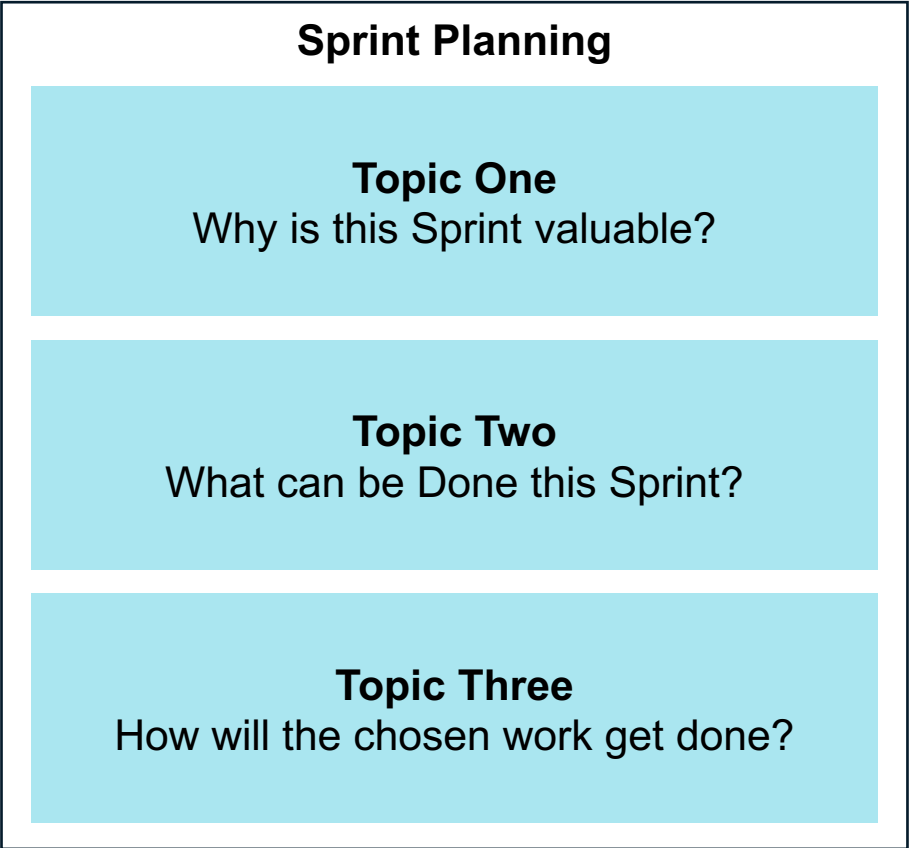


The 2020 update to the Scrum Guide made value more explicit

The addition of the Product Goal



Update to Sprint Planning



Our initial survey results suggest Scrum practitioners have a clear understanding of value and believe their work is creating value

Survey results of Scrum professionals across several organizations

82% of our respondents said that their organization has a clear **understanding of who we are delivering value to**

81% said that their **individual team members are aware of how their work creates value** and is aligned with organization goals

74% understand how **their work creates value** for their customer or organization

65% said that their **Product Backlog and Product Goal are transparent** to the rest of the organization and the team



So, there
is **NO**
problem?

Our discussions with experts in the field would suggest otherwise...



“For a majority of the organizations, IT is a service, which **skews their perception of value**”

– **Alex Kudinov, PST**



“**Significant outcomes vs output gaps in the industry**...vendors and contractors are far removed from the outcomes that customers are working towards”

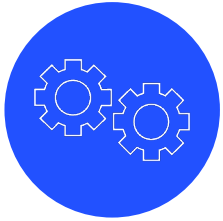
– **Ram Srinivasan, PST**



The typical businessperson response was, “**You mean I don’t have to wait 18 months to get software that I don’t want.**” My response, which reflects the heart of Scrum, was, “That’s right. Now you’ll get something you don’t want in 30 days.”

– **Ken Schwaber**

We believe there are 4 key missed opportunities that companies could be taking to shift their focus from productivity to value



Management **treats agile teams like cogs in the machine** without empowering them to focus on value



Melissa Perri

(not a direct quote)



Work is **prioritized by the size of the task** and team capacity - the team is not focused on or measuring value metrics



Daniel Vacanti

(not a direct quote)



Agile coaching has a bias towards serving the team and **enabling Scrum done right versus value delivered well**



Bob Galen

(not a direct quote)



The whole team **isn't engaging with customers** enough



Kelsey Hightower

(not a direct quote)

Missed opportunity 1: Management treats agile teams like cogs in the machine without empowering them to focus on value



A large consumer packaged goods organization needed to deliver the next generation product to market in an aggressive timeframe



Senior leadership tried the Tayloristic model of dividing this large body of work into smaller teams



Teams did not see the entire picture



No one is empowered to make decisions

Missed opportunity 1: Management treats agile teams like cogs in the machine without empowering them to focus on value

What is happening?



There is a systematic leadership gap in **defining business problems and setting vision/mission** in context of value

In our survey:



48% agreed that their team's purpose is **handed down**



44% disagreed that they were empowered to **challenge organizational goals**



65% disagreed that their organization's **budgeting process was transparent**

What can be done?



Empower your Product Owners to make **budgetary decisions**



Empower Developers to make design, **architecture and delivery decisions**



Make org **strategic plans transparent** to Scrum Teams

Missed opportunity 1: Management treats agile teams like cogs in the machine without empowering them to focus on value

Resolution



Provided a **clear vision** of the customer outcomes they expected to change.



Pushed down all decision making (including financial, architecture and delivery) to their teams



Started **releasing to the customer every few weeks** and getting their feedback

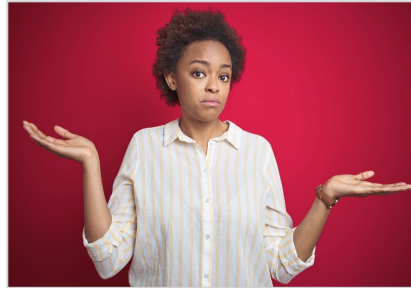


Leadership encouraged teams to **challenge organization inefficiencies**

Missed opportunity 2: work is prioritized by the size of the task and team capacity



Telecommunications company had a prepaid mobile team that was focused on creating new and elaborate offers for their current and future clients



Never actually looked if the customers were happy



Losing customers



Lowest Customer Satisfaction score in the market

Missed opportunity 2: work is prioritized by the size of the task and team capacity

What is happening?



Teams not focused on creating value as they **don't have a good understanding** of the metrics that define success



46% agreed that during sprint planning their teams ensure **everyone was fully utilized**

What can be done?



The Product Owner should work with management to **clearly define success**



Spend time and effort to create a **baseline of success metric**



Celebrate success as impact on those metrics

Missed opportunity 2: work is prioritized by the size of the task and team capacity

Resolution



Every sprint **focused on improving one thing** that was adversely affecting their customers



Started **measuring what really mattered**



Looked into **internal satisfaction of call-center employees** and number of calls about their product.

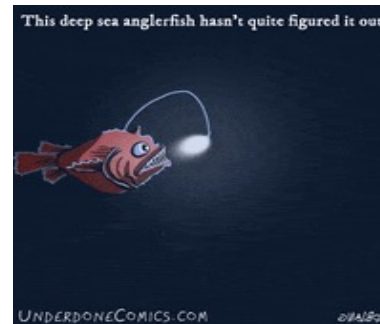
Missed opportunity 3: Agile coaching has a bias towards serving the team and enabling Scrum done “right” versus value delivered well



Lack of alignment on what users want or need



Confusing team members to be customers (e.g., your marketing department)



Focus on velocity and predictability vs running experiments for customers

In our survey **54%** of respondents said that a typical Scrum Master / Agile Coach spends a significant amount of time helping teams do agile “the right way”

Missed opportunity 3: There is a strong correlation between agile coaching and alignment and goal usage, which can lead to a focus and understanding of value

■ High correlations

Survey Pearson's correlation coefficients (n = 98)

	Empowerment	Goal Usage	Alignment	Status Reporting	Agile Coaching	Understanding of Value
Empowerment	1					
Goal Usage	0.546	1				
Alignment	0.504	0.571	1			
Status Reporting	-0.381	-0.242	-0.25	1		
Agile Coaching	0.378	0.399	0.411	-0.315	1	
Understanding of Value	0.411	0.694	0.288	-0.164	0.215	1

- **Agile coaching** in of itself does not have a significant impact on the understanding of value
- **Agile coaching that targets organizational alignment and goal usage** may positively "move the needle" on value
- It is important that Scrum Masters need to be organizational change agents – the connection between organizational strategy and Scrum Team focus

Missed opportunity 3: Agile coaching has a bias towards serving the team and enabling Scrum done right versus value delivered well

Resolution



Focus on creating an **effective Sprint Goal and Product Goal** – DO NOT skip them



Ensure the **Product Goal and Sprint Goal are transparent** enough to drive alignment



Do not let anyone dictate the Product Goal or the Sprint Goal to your Scrum Team

Missed opportunity 4: The whole team isn't engaging with customers enough



Large wealth management company was moving to a new IRA product (self-serve IRA)



Developers were only talking to wealth managers who were talking to real customers – people with money



Developers were checking all boxes that wealth managers told them, but money inflow to IRAs was declining



“Our job is to figure out what customers want before they do”

Missed opportunity 4: The whole team isn't engaging with customers enough

What is happening?



Developers and Product Owner are isolated



Requirements are a poor proxy for engaging frequently with customers



Teammates do NOT want to engage with customers



What can be done?



Ensure each **Sprint Review** has an **actual user**



Ask the team to **engage with customers** during the Sprint – ask them questions! Teach your Developers how to prototype

Missed opportunity 4: The whole team isn't engaging with customers enough

Resolution



Developers started listening in on customer complaint calls where permitted



The UX expert taught Developers how to prototype; resulting in some real time feedback



Slowly they improved the self-serve IRA options, enabling customers to manage their own money effectively

If You Are A Leader (or talking to them)



Fund based on **customers** value streams



Align teams to the **value streams**



Put in place **measures** that are value rather than work based



Set **direction** with a vision and goal(s)



Build **cross functional teams** that include/align with the customer



Allow and encourage **transparency** between the work and the customer



Talk about **trust**, but also don't avoid conflict



If you are a Team Member



Refine backlog items to answer the why



Spend time creating **personas** for your work



Invite customers to Sprint Reviews



Engage customers during a Sprint to provide feedback



Learn more about the customer at every opportunity



Ask questions like 'How does this help XXXXX ?'



It does not have to be a revolution



Challenge how you think about your work



Step back from the details and think about context



Encourage everyone to think about the customer (teach, share, coach)



And slowly move the team and organization towards the problem you're solving for a customer...

Productivity = creating value and delivering it to people. All other busywork is unproductive fluff and should be minimized.

Steve Pavlina

You can help us in our research



Special thanks to Christiaan Verwijs for helping us



Please also encourage your teams to take the Zombie Scrum Team Survey at <https://scrumteamsurvey.org/>

You can find a copy of his research paper here: <https://arxiv.org/pdf/2105.12439.pdf>