

Agile Project Strategies to Develop a High Performing Organization

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Presentation Overview

The world is in the transition to a Knowledge Era from the Industrial Age, and many organizations are undertaking strategies to transform their organizations to be sustainable in this new reality.

This presentation provides a perspective on the use of Agile Project Management towards creating a high performance organization based on the Baldrige Performance Excellence criteria. The Baldrige Criteria is nationally and internationally acknowledged as a model for the development of high performance in organizations of any size and industry.

Agile project management methods are particularly useful in this type of organizational transformation, and the presentation will provide a discussion of the project management considerations as well as an overview of the business transformation model.

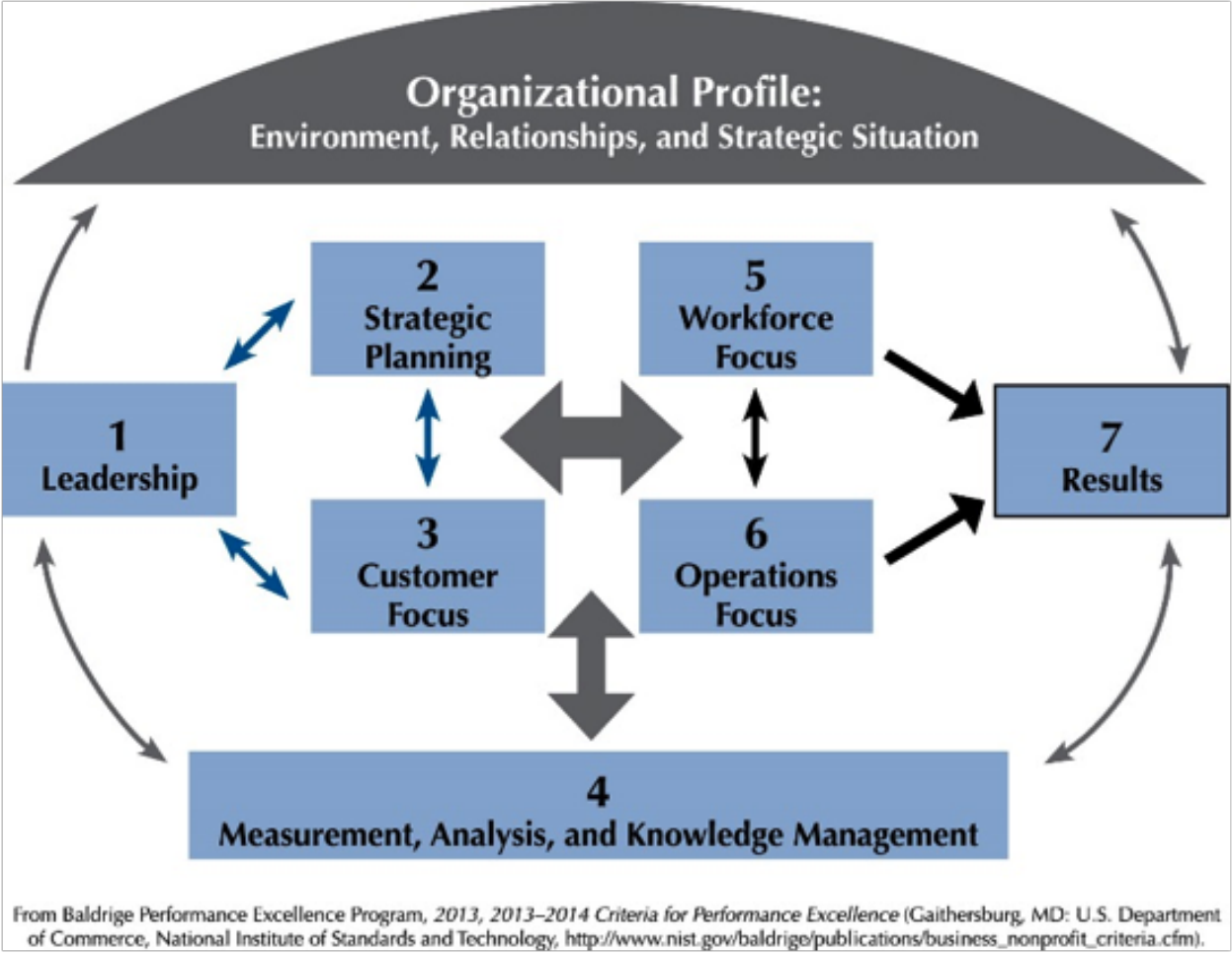
Key Concepts

- The Journey to Organizational Performance Excellence
 - The Baldrige Framework
- Agile Project Management
 - Background and Agile paths
 - Agile Project Principles
- Business Process Management
 - The process-driven organization
 - Deployment Flowcharting tool

Organizational Performance Excellence

- **WHAT IS ORGANIZATIONAL PERFORMANCE EXCELLENCE?**
 - **Performance excellence is an integrated approach that results in**
 - Ever improving value to customers and stakeholders
 - Contribution to ongoing organizational success
 - Improvement of the organization's overall effectiveness and capabilities
 - Learning for the organization and the people in the workforce
- **WHY SHOULD PROJECT MANAGERS CARE ABOUT THIS DISCIPLINE?**
 - Project Managers are the change agents of the organization, and these kinds of transformations may be their assignments
 - PM's are uniquely positioned to work in cross-organizational efforts – this kind of transformation is always integrated
- **HOW CAN YOU TRANSFORM YOUR ORGANIZATION?**
 - One method accepted world wide is through the use of the **Baldrige Performance Excellence Framework** (www.nist.gov/baldrige)

Baldrige System Model



Baldrige Core Values and Concepts

2016

Core Values and Concepts

- Systems perspective
- Visionary leadership
- Customer-focused excellence
- Valuing people
- Organizational learning and agility
- Focus on success
- Managing for innovation
- Management by fact
- Societal responsibility
- Ethics and transparency
- Delivering value and results



Baldrige Performance Excellence Program | www.nist.gov/baldrige

Organizational Profile – Core Competencies

Vision and Mission

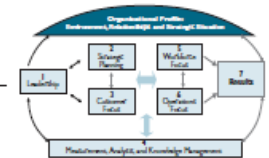
What are your organization's core competencies and their relationship to your mission?

Core Competencies

The term “core competencies” refers to your organization's areas of greatest expertise. Your organization's core competencies are those strategically important capabilities that are central to fulfilling your mission or provide an advantage in your marketplace or service environment. Core competencies frequently are challenging for competitors or suppliers and partners to imitate, and they may provide a sustainable competitive advantage. Absence of a needed organizational core competency may result in a significant strategic challenge or disadvantage in the marketplace.

P Preface: Organizational Profile

The *Organizational Profile* is a snapshot of your organization, the key influences on how you operate, and the key challenges you face.



P.1 Organizational Description: What are your key organizational characteristics?

Describe your organization's operating environment and your key relationships with CUSTOMERS, SUPPLIERS, PARTNERS, and STAKEHOLDERS.

Within your response, include answers to the following questions:

a. Organizational Environment

- (1) **Product Offerings** What are your organization's main product offerings (see note 1 below)? What is the relative importance of each to your organizational success? What mechanisms do you use to deliver your products?
- (2) **VISION and MISSION** What are the distinctive characteristics of your organizational culture? What are your stated PURPOSE, VISION, VALUES, and MISSION? What are your organization's CORE COMPETENCIES and their relationship to your MISSION?
- (3) **WORKFORCE Profile** What is your WORKFORCE profile? What are your WORKFORCE or employee groups and SEGMENTS? What are their education levels? What are the key elements that engage them in accomplishing your MISSION and VISION? What are your organization's WORKFORCE and job DIVERSITY, organized bargaining units, KEY WORKFORCE benefits, and special health and safety requirements?
- (4) **Assets** What are your major facilities, technologies, and equipment?
- (5) **Regulatory Requirements** What is the regulatory environment under which your organization operates? What are the applicable occupational health and safety regulations; accreditation, certification, or registration requirements; industry standards; and environmental, financial, and product regulations?

Reference: 2011-2012 Criteria for Performance Excellence

Core Competencies

CORE COMPETENCIES. Your organization's areas of greatest expertise; those strategically important capabilities that are central to fulfilling your mission or that provide an advantage in your marketplace or service environment. Core competencies are frequently challenging for competitors or suppliers and partners to imitate, and they may provide an ongoing competitive advantage. The absence of a needed core competency may result in a significant strategic challenge or disadvantage for your organization in the marketplace.

Core competencies may involve technological expertise, unique service offerings, a marketplace niche, or business acumen in a particular area (e.g., business acquisitions).

FitHabits has identified three core competencies:

- Relationships
- Innovation
- Fitness

[From Baldrige Case Study 2015]

<i>Figure P-4 Our Commitment to PSD Students</i>	
Mission	
To Open the Door to Each Child's Future	
Purpose	
In pursuit of our Mission, we provide a high quality education so students graduate college- and career-ready	
Values	
Our school community delivers an innovative and progressive education. We are passionate about academic excellence, committed to fostering positive citizenship, and dedicated to inspiring all students to flourish.	
Core Competencies	
Our Culture of Continuous Improvement Our Systems Approach to Leadership & Planning	

Example from Baldrige Recipient

What are your Core Competencies?

- ONE – think about your organization's core competencies – if someone asked you, what would you say are the things that differentiate your organization?
- TWO – discuss these with someone sitting near you or with a small group
- THREE – be prepared to share one or two with the entire group if there is time

Agile Project Management

- **WHAT IS AGILE PROJECT MANAGEMENT?**
 - “Agile Project Management is a style of project management that focuses on early delivery of business value, continuous improvement of the project’s product and processes, scope flexibility, team input, and delivering well tested products that reflect the customer needs” – Mark Layton (Agile Project Management for Dummies)
- **WHY CONSIDER AGILE FOR ORGANIZATIONAL PERFORMANCE?**
 - Provide early delivery of value to create acceptance and momentum
 - Improve in increments to allow the organization to learn
 - Requires cross-organizational collaboration and change



INNOVATION

Embracing Agile

by Darrell K. Rigby, Jeff Sutherland, and Hirotaka Takeuchi

FROM THE MAY 2016 ISSUE

...agile methodologies—which involve new values, principles, practices, and benefits and are a radical alternative to command-and-control-style management—are spreading across a broad range of industries and functions and even into the C-suite.

Innovation is what agile is all about. Although the method is less useful in routine operations and processes, these days most companies operate in highly dynamic environments. They need not just new products and services but also innovation in functional processes, particularly given the rapid spread of new software tools.

Agile Approaches

	SCRUM	KANBAN	LEAN
PRINCIPLES	Empower creative, cross functional teams	Visualize workflow and limit work in progress	Eliminate waste from the system
CONDITIONS FOR ADOPTION	Cultures with high degrees of trust Radical innovation teams that want change	Process oriented cultures that prefer evolutionary improvement	Process oriented cultures
RULES	Sprint (fixed time duration) orientation	Start where you are Visualize workflow Limit work in progress	
CHANGE APPROACH	Adopt prescribed practices	Encourage gradual change	Stress agile values

Reference: Embracing Agile / Harvard Business Review
May 2016

Agile Conditions for Success

CONDITIONS	FAVORABLE	UNFAVORABLE
Marketplace	Customer preferences change frequently	Stable and predictable
Customer Involvement	Close collaboration and rapid feedback are possible Customers learn what they want through the process	Requirements are clear at the beginning and remain stable Customers unavailable for continuous feedback
Innovation Type	Problems are complex, solutions are unknown, cross-functional collaboration is required	Similar work has been done before, solutions are clear, problems can be solved in functional silos
Modularity of Work	Incremental development has value and can be used Late changes are manageable	No use until everything is complete Late changes are expensive or impossible
Impact of Interim Mistakes	Provide learning	Might be catastrophic

Reference: Embracing Agile / Harvard Business Review
May 2016

An Agile Project Philosophy

- **Deliver early in small increments to provide value quickly and to provide an opportunity for learning and feedback**
 - Work is delivered in increments or sprints of one month or less
 - Work delivered should provide immediate value
 - Change based on feedback
- **Make work visible**
 - Use information radiators to continuously communicate progress to everyone
- **Organize projects around small teams**
 - Teams have a clear sense of purpose
 - Teams are autonomous
 - Teams are cross functional
- **Continuously improve product and process**
 - Every work process contains a learning loop for reflection and improvement

An Agile Planning Guide

Plan the Initial Meeting	Initiate the Meeting	Build the Project Framework	Create the Project Roadmap
<ul style="list-style-type: none">• Develop the Agenda• Select the Team• Prepare the Meeting Space	<ul style="list-style-type: none">• Communicate the Project Purpose• Begin building team trust	<ul style="list-style-type: none">• Stakeholder Analysis• Project Vision• Project Objectives	<ul style="list-style-type: none">• Identify the key deliverables (WBS) at a high level• Identify the first deliverable (iteration)• Build the iteration strategy [create an initial major milestone chart]

An Agile Planning Guide - Iteration

PLAN the Iteration

- Identify what is to be delivered and what done looks like
- Identify basic tasks and responsibilities
- Create a visual display board

DO - conduct the work

- The duration is two to four weeks
- Conduct 'standup' meetings
 - What was accomplished?
 - What is planned?
 - Are there any issues?

STUDY - deliver and review

- Deliver and demonstrate the work
- Conduct a retrospective
 - What went well?
 - What are the opportunities for improvement?
 - How are we feeling?

ACT - make the changes and move ahead

- Check the WBS and the calendar
- Identify the goals of the next iteration
- Meet with the key stakeholders

Visual Display Board

	TO DO	DOING	DONE
Team Member 1	TASK TASK	TASK	TASK
Team Member 2	TASK	TASK	
Team Member 3	TASK	TASK	TASK

Agile Project Vision

VISION TEMPLATE

FOR: [customer]

WHO: [needs]

THE: [product name]

IS A: [product category]

THAT: [product benefit / reason to buy]

UNLIKE: [competitor / status quo]

OUR PRODUCT: [differentiation / value proposition]

THAT SUPPORTS OUR STRATEGY: [organizational strategy]

Reference: Geoffrey Moore, 'Crossing the Chasm' / Harper Collins

and Mark Lawton 'Agile Project Management for Dummies'

Vision Statement Example

Vision Template for a Volunteer Organization

For: retired managers

Who: want to continue to contribute to society

The: Retired Executive Program

Is a: mentoring program

That: provides retired executives with coaching assignments

Unlike: other programs

Our product: helps the individual grow through a structured encounter

That supports our strategy: of growing both the coach and the new manager

Product Vision Exercise

- FORM A SMALL GROUP [2 or 3]
- **CREATE A VISION STATEMENT**
 - Sell Cookies
 - Create phone apps
 - Something else
- **PRACTICE USING THE TEMPLATE ELEMENTS**
 - It encourages identifying the customer
 - It encourages differentiation
- **USE YOUR COLLECTIVE IMAGINATION**
- **HAVE FUN**

VISION TEMPLATE

FOR: [customer]

WHO: [needs]

THE: [product name]

IS A: [product category]

THAT: [product benefit / reason to buy]

UNLIKE: [competitor / status quo]

OUR PRODUCT: [differentiation / value proposition]

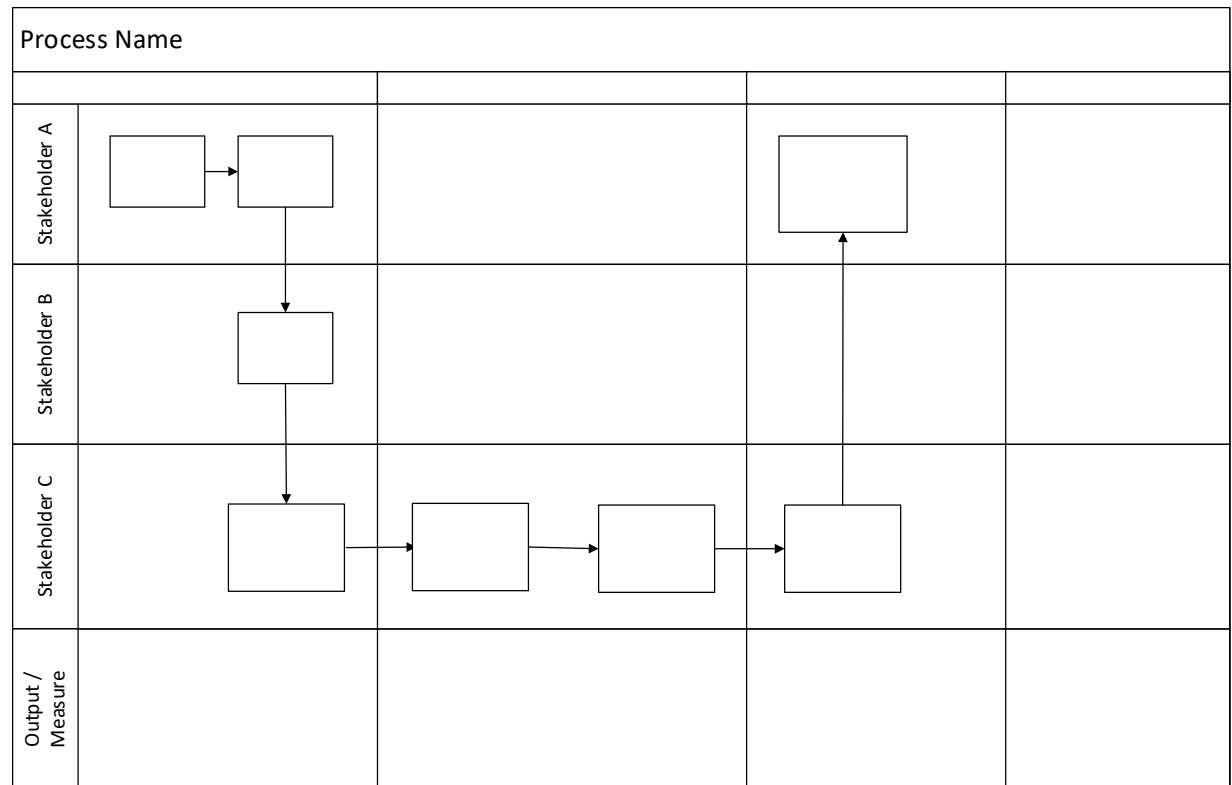
THAT SUPPORTS OUR STRATEGY: [organizational strategy]

Business Process Management

- **ORGANIZATIONAL PERFORMANCE EXCELLENCE CONSIDERS:**
 - A view of the organization as a system
 - It's the system that needs to improve for 90% of the problems, not the people
- **THE SYSTEM IS DESCRIBED THROUGH WORK PROCESSES**
 - Process diagrams make work visible
 - Process diagrams identify areas for measurement (Critical to Quality) and what success looks like
 - The deployment flowchart is a useful tool to document process
- **WHY SHOULD PROJECT MANAGERS LEARN HOW TO USE THIS TOOL?**
 - Many improvement efforts will require current state process understanding
 - The improved future state desired in organizational change will often be documented in process maps

Process View of Work

- **DEPLOYMENT FLOWCHART**
- Create 'lanes' horizontally for participants in the process
- Identify the **PURPOSE** of the process
- Identify the **CUSTOMER** of the process, and the product or service they receive
- Identify **CUSTOMER** measures of success



Deployment Flowchart

STAKEHOLDERS	MAJOR ACTIVITY 1	MAJOR ACTIVITY 2	MAJOR ACTIVITY 3	MAJOR ACTIVITY 4		PURPOSE
CUSTOMER	ACTION 1			ACTION 7		CUSTOMER
PERSON 1	ACTION 2	ACTION 3				MEASURES OF SUCCESS
PERSON 2		ACTION 4	ACTION 5	ACTION 6		
CRITICAL TO QUALITY	CTQ 1	...				

Deployment Flowchart Exercise

- **PAIR – review the diagram**
 - Discuss the purpose of the process and pick your favorite fast food drive through
 - Identify the customer's measures of success
- **Discuss additional actions that the diagram might need to represent the process**
- **What is 'Critical to Quality'** – what needs to happen in that step to ensure that you have customer success?
- **GROUP** – if there is time – do you have these kinds of diagrams for your work, especially at a high level when work flows between departments?

Deployment Flowchart Exercise

	ORDER	COOK	PACKAGE	DELIVER		PURPOSE Provide food through a drive through line
CUSTOMER	Place order at takeout box			???		CUSTOMER – person and car going through drive through
Order taker / Cashier	Take order	Take payment				MEASURES OF SUCCESS Fast, cheap, good
Cook		???	???			
Packager			???	???		
CRITICAL TO QUALITY	CTQ 1					

Summary

- Can agile project management facilitate organizational transformation?
- How would you do it?
- Enjoy the journey

Presenters

- Glenn Hamamura, PMP, PMI-ACP
 - Glenn Hamamura is the principal of Systems Excellence LLC, a Hawaii based consulting firm and a PMI Registered Educational Provider. He holds Master of Science and Bachelor of Science degrees from Stanford University. Glenn is also a Stanford Certified Project Manager, a PMI Agile Certified Practitioner, a Certified Scrum Master (CSM), a Certified Professional Facilitator (CPF), is a Fellow of ASQ (American Society for Quality) and holds several quality certifications. He has served as an Examiner for the Malcolm Baldrige National Quality Award (2006-2008) and as a Senior and Alumni Examiner (2009 through present).
- Kaleokalani Kuroda, CPA
 - Kaleo is the head of the Strategic Planning & Analytics department at HawaiiUSA Federal Credit Union. He holds a Bachelor of Science degree in Accounting & Finance from the University of Hawaii and is a Certified Public Accountant. Kaleo has a passion for change management, organizational learning, and data analytics. He enjoys working with others in planning and executing actionable strategies that lead to organizational success. He is an examiner for the Malcolm Baldrige National Quality Award.

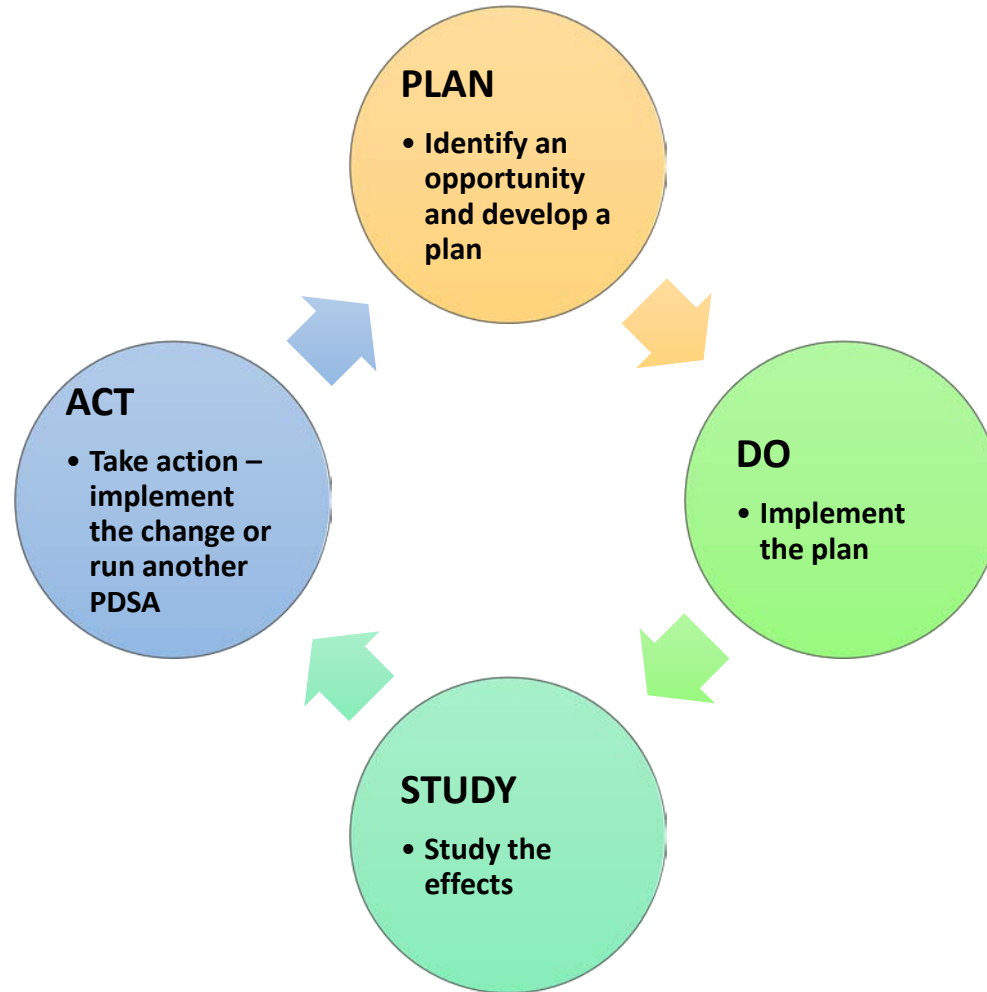
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- Embracing Agile
 - Darrell Rigby, Jeff Sutherland, and Hirotaka Takeuchi / Harvard Business Review May 2016
- Agile Project Management for Dummies
 - Mark Layton / Wiley 2012
- The Leader's Handbook
 - Peter Scholtes / McGraw Hill 1998

REFERENCE SLIDES



PSDA (Plan, Do, Study, Act)



Organizational Profile Elements

