Aligning Agile Management Methods with Corporate Governance Models

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Your Presenter: Kevin Aguanno

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- 20+ years of PM experience
- 20+ published books, audiobooks, DVDs, and CD-ROMs – most on agile and PM-related topics
- IBM Certified Executive PM
- IPMA Certified Senior PM (IPMA B)
- IBM AIS Agile Centre of Competency Lead
- IPMA-Accredited PM Competency Assessor for Canada and USA

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Agenda

- The Need for Governance Models
- A Standard Corporate Governance Model
- Aligning Agile Methods to the Standard Governance Model
- Conclusions
- Q&A

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We Need Corporate Governance Models

- Most large organizations are governed by strict processes designed to protect the shareholders:
  - Ensure that money is being wisely invested
  - Ensure that risk has been considered
  - Ensure that projects align with organizational strategy
  - Ensure that the organization has enough capacity to absorb new projects

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But Balancing Governance with Productivity is Key

- While excessive governance can hinder the ability to deliver business value efficiently, a lack of governance leads to chaos and waste.
- The trick for the business leaders is to find the right balance between control and efficiency.

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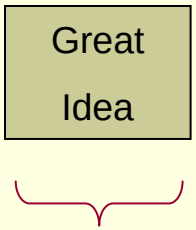
A Standard Corporate Governance Model



Concept

Tasks

- Describe Idea and Possible Benefits

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A Standard Corporate Governance Model

Gate 1

Great Idea

Concept

Tasks

- Describe Idea and Possible Benefits

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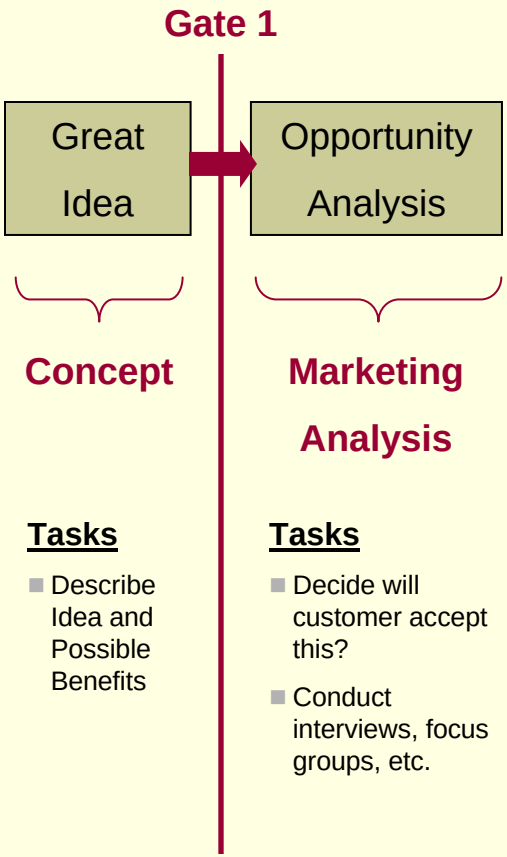

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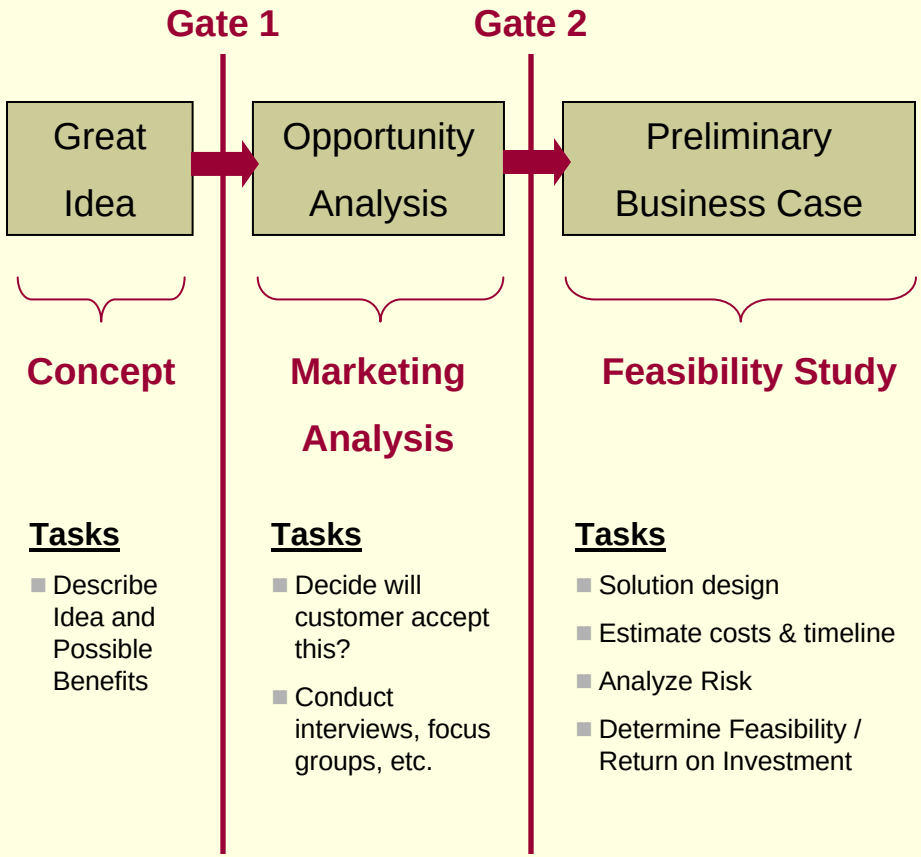

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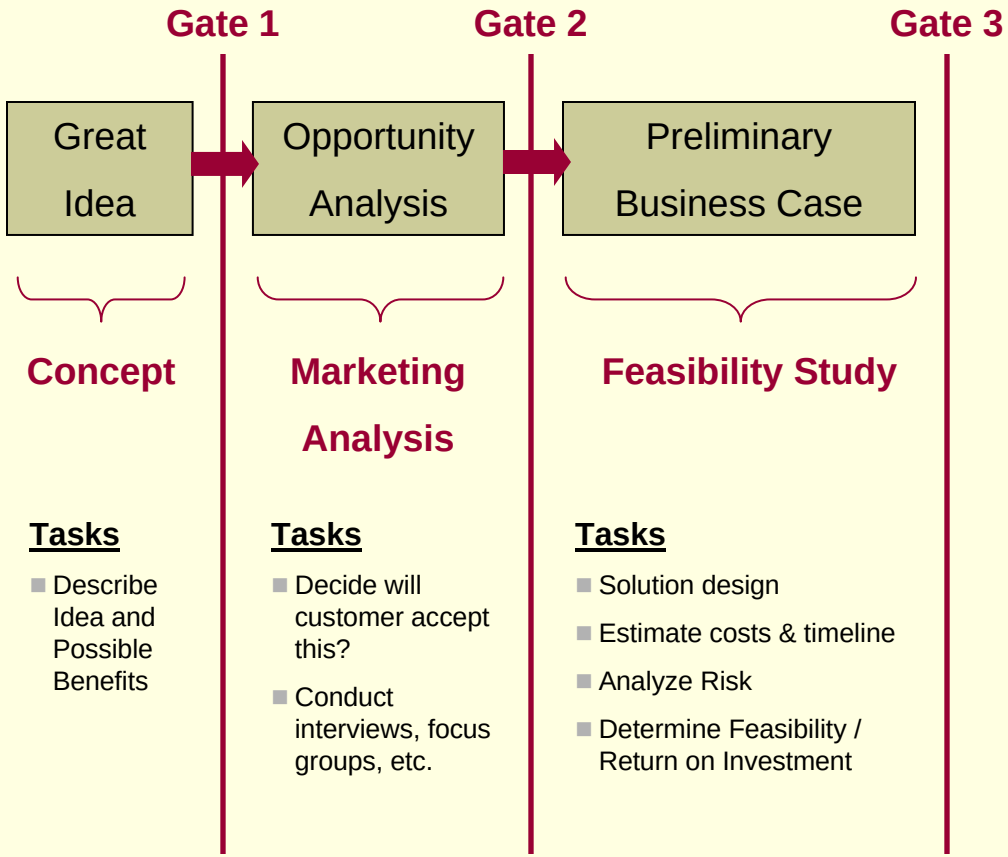

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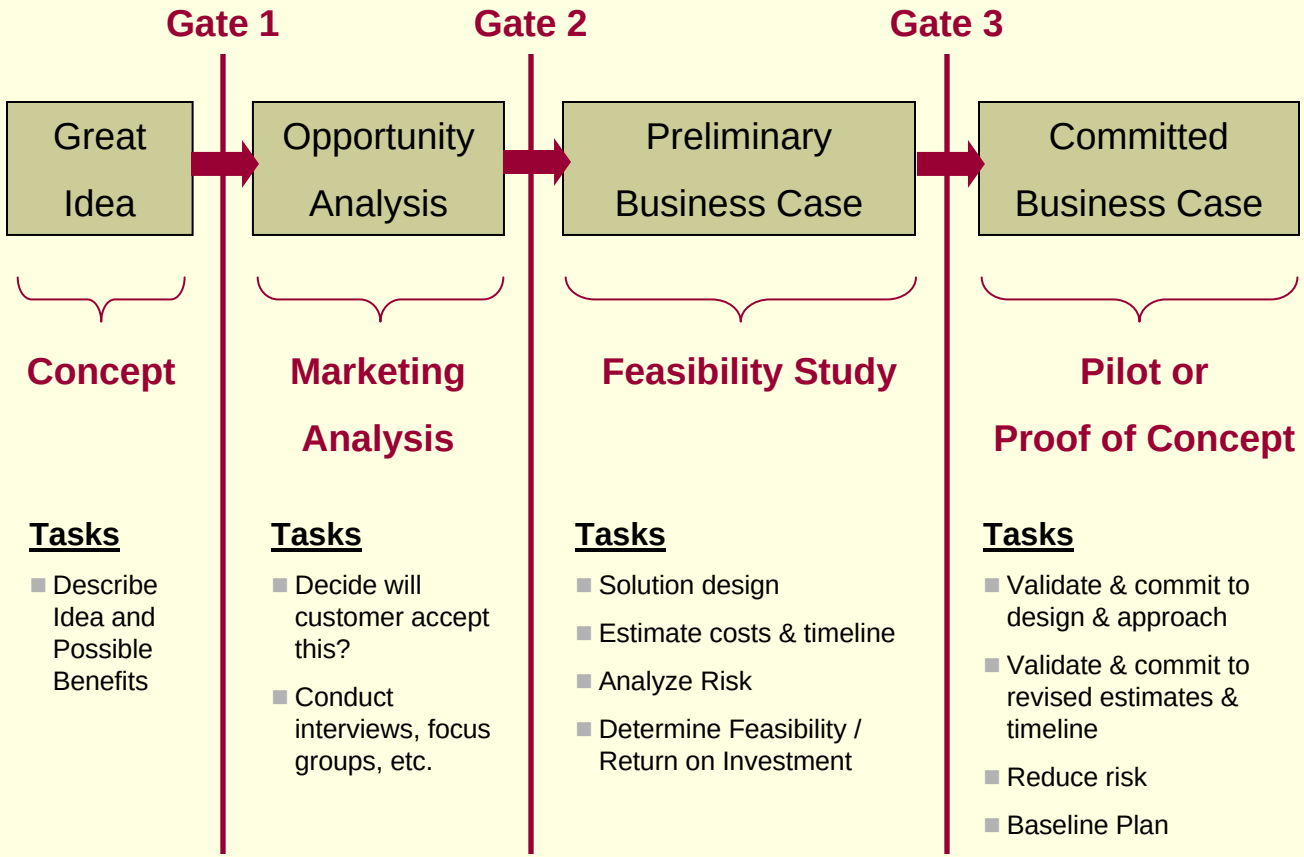

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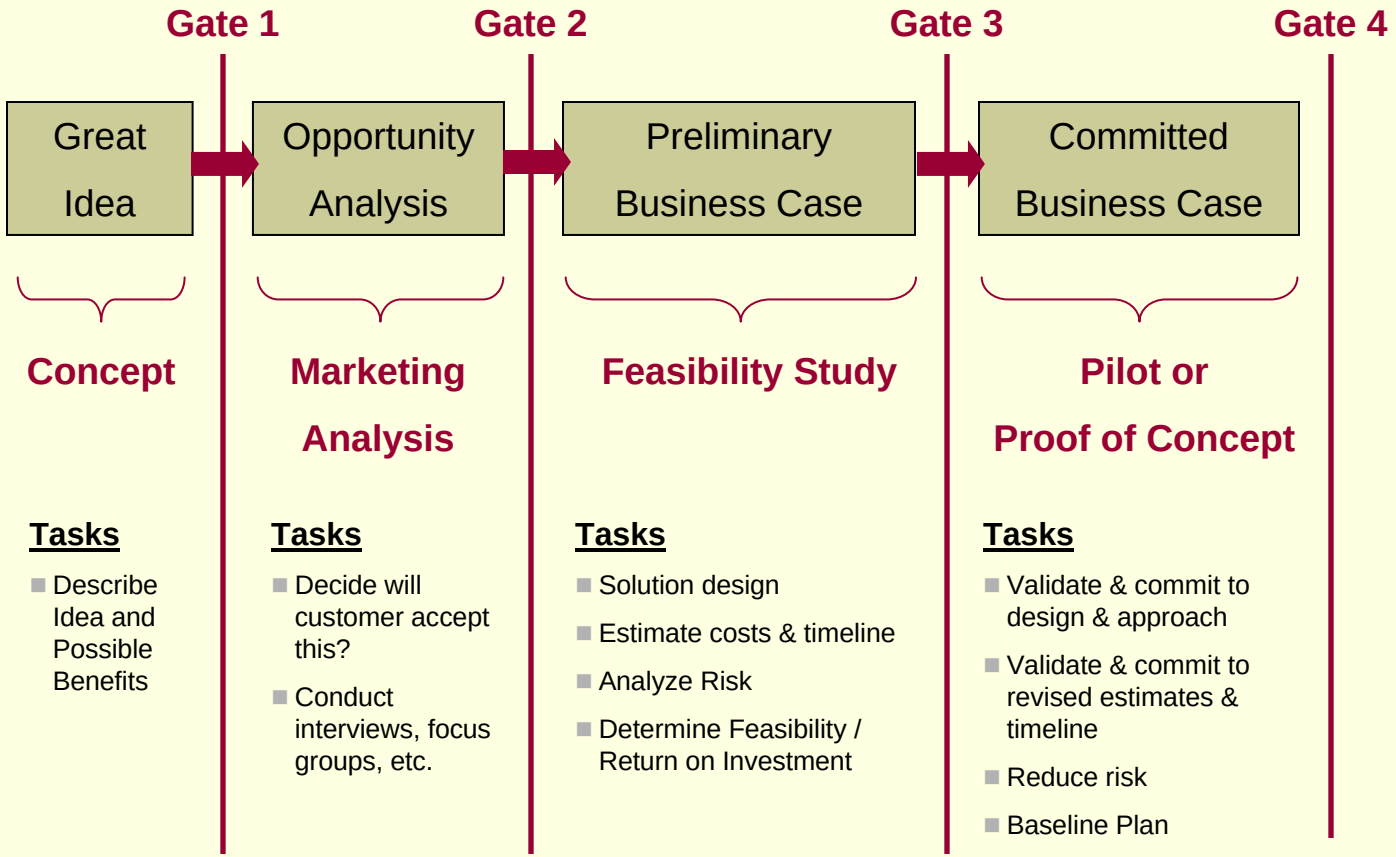

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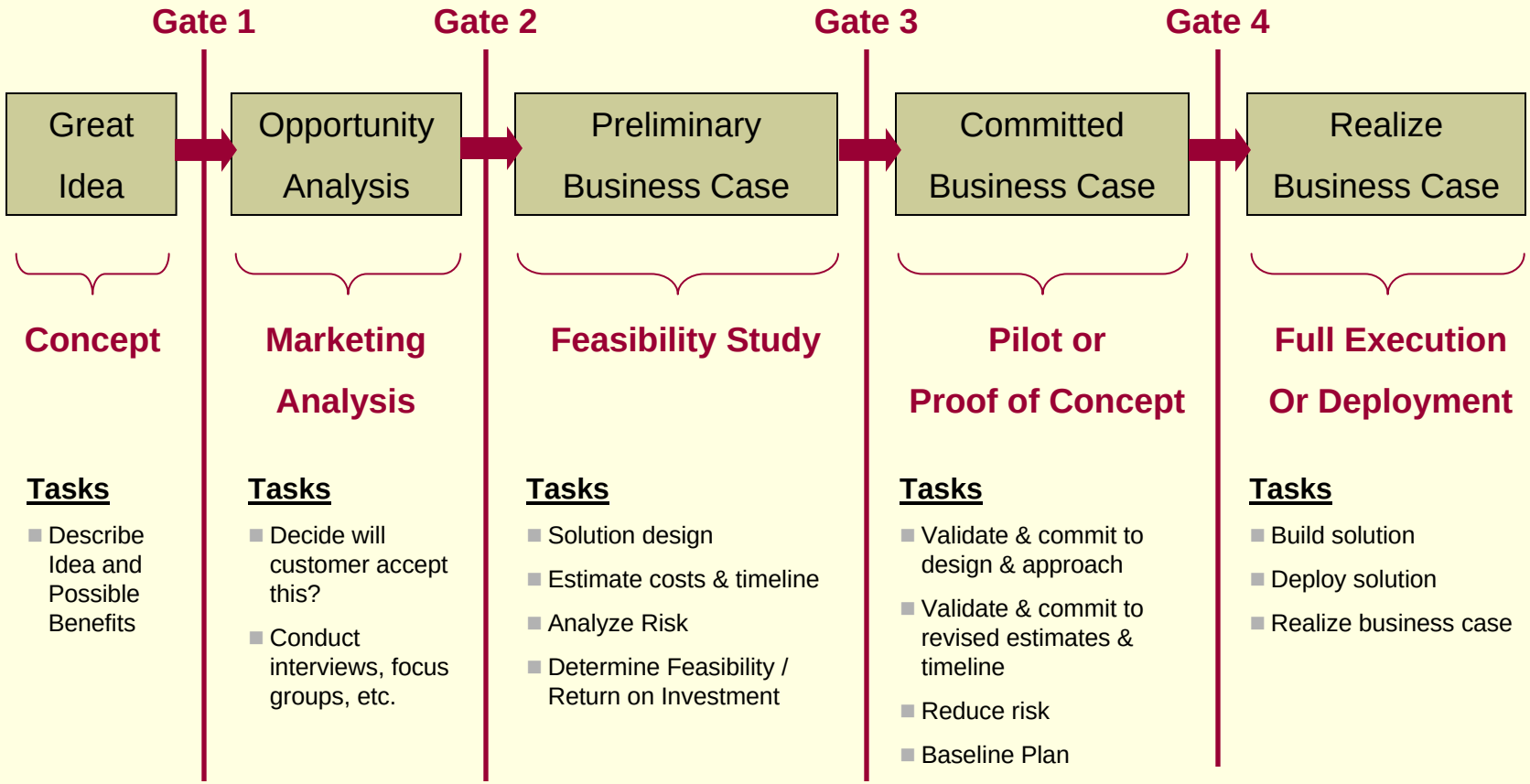

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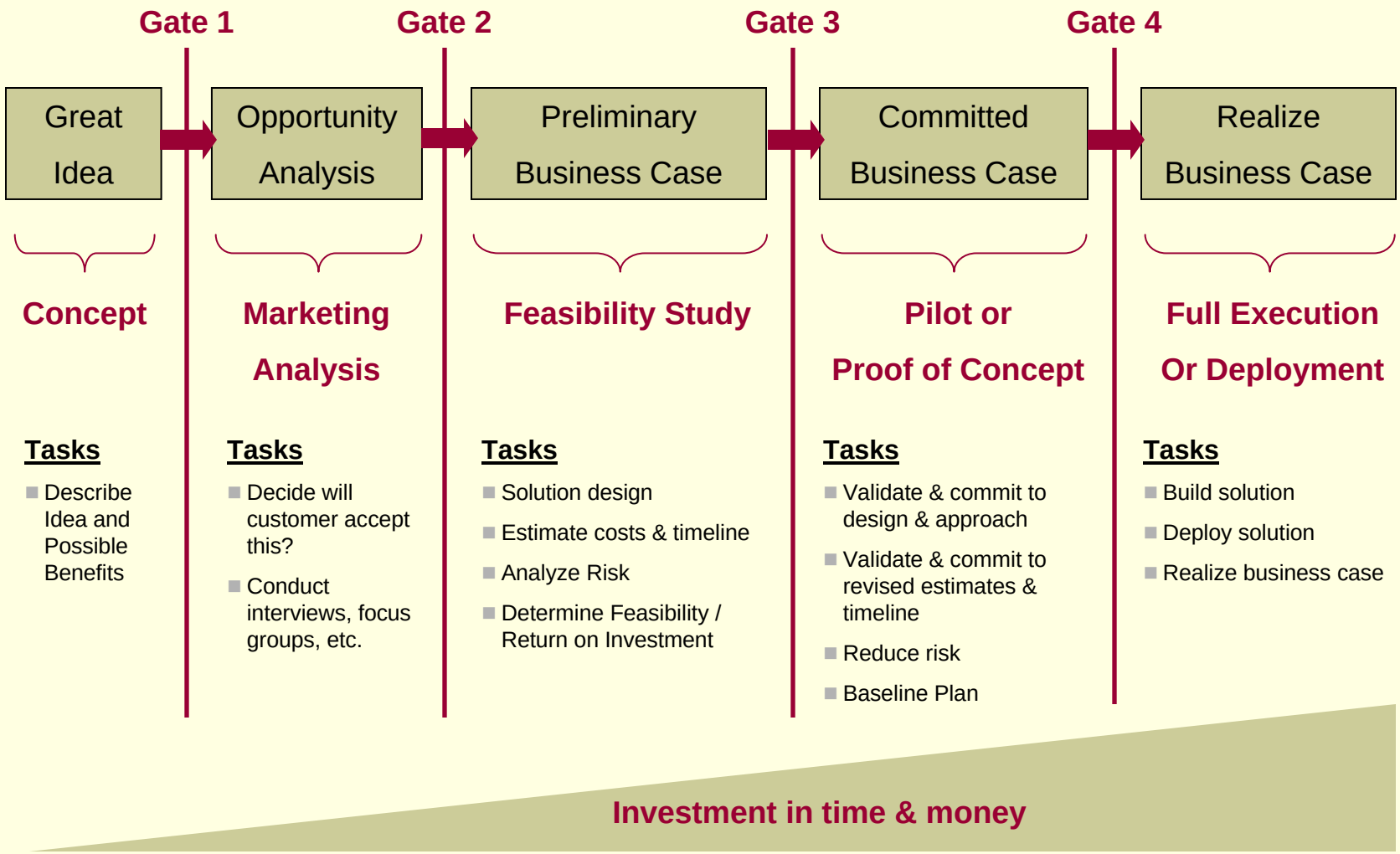

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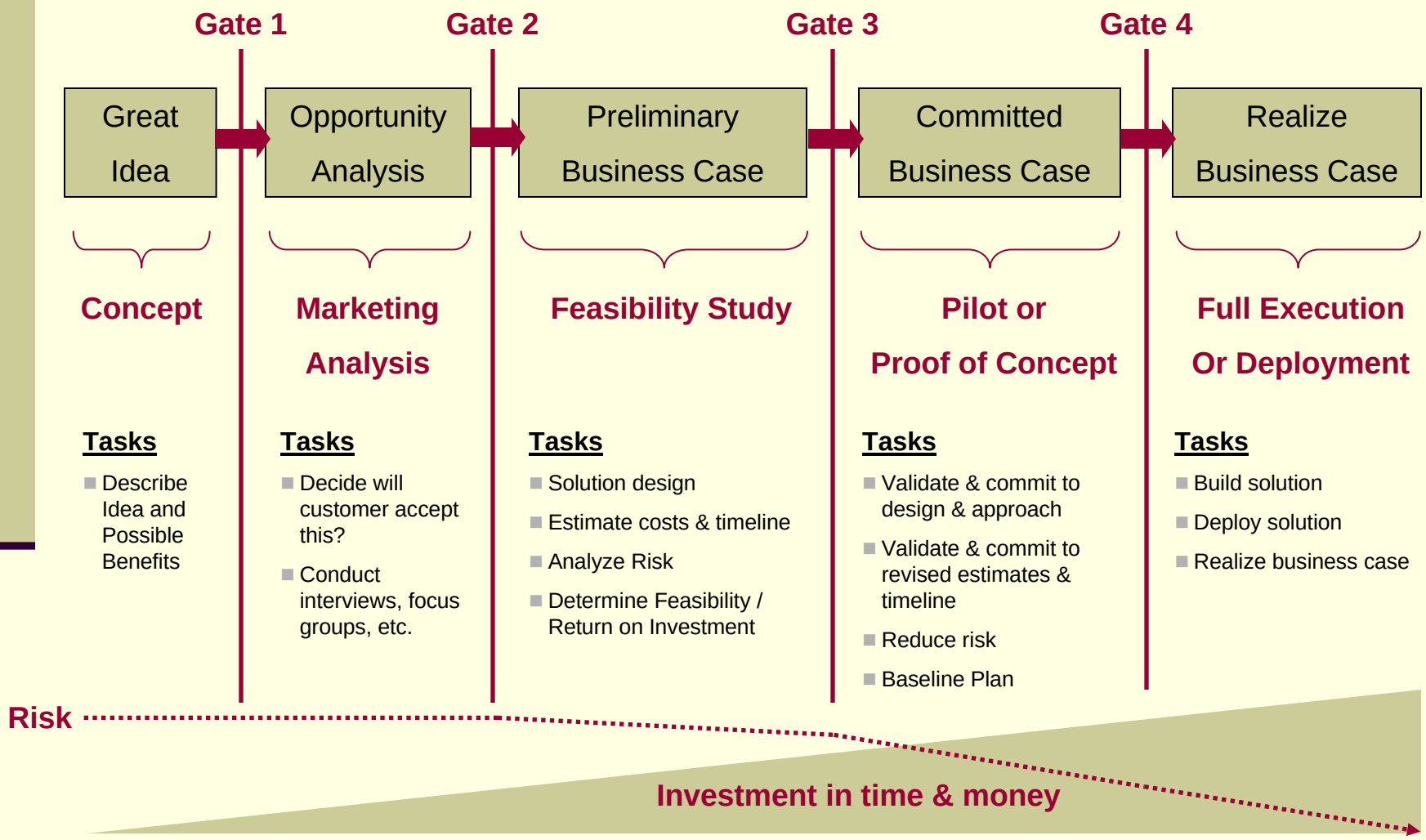

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Aligning Agile Methods to the Standard Governance Model

- Many believe that agile and governance don't mix.
  - Agile methods evolved to combat excessive governance on high-change projects.
  - Many believe that agile methods cannot succeed in strict governance models.
- Yet, in the real world, agile methods cannot be used in large organizations without adhering to standard governance models.
- Surprisingly, agile methods are not that different from Waterfall / linear processes in how they are governed.

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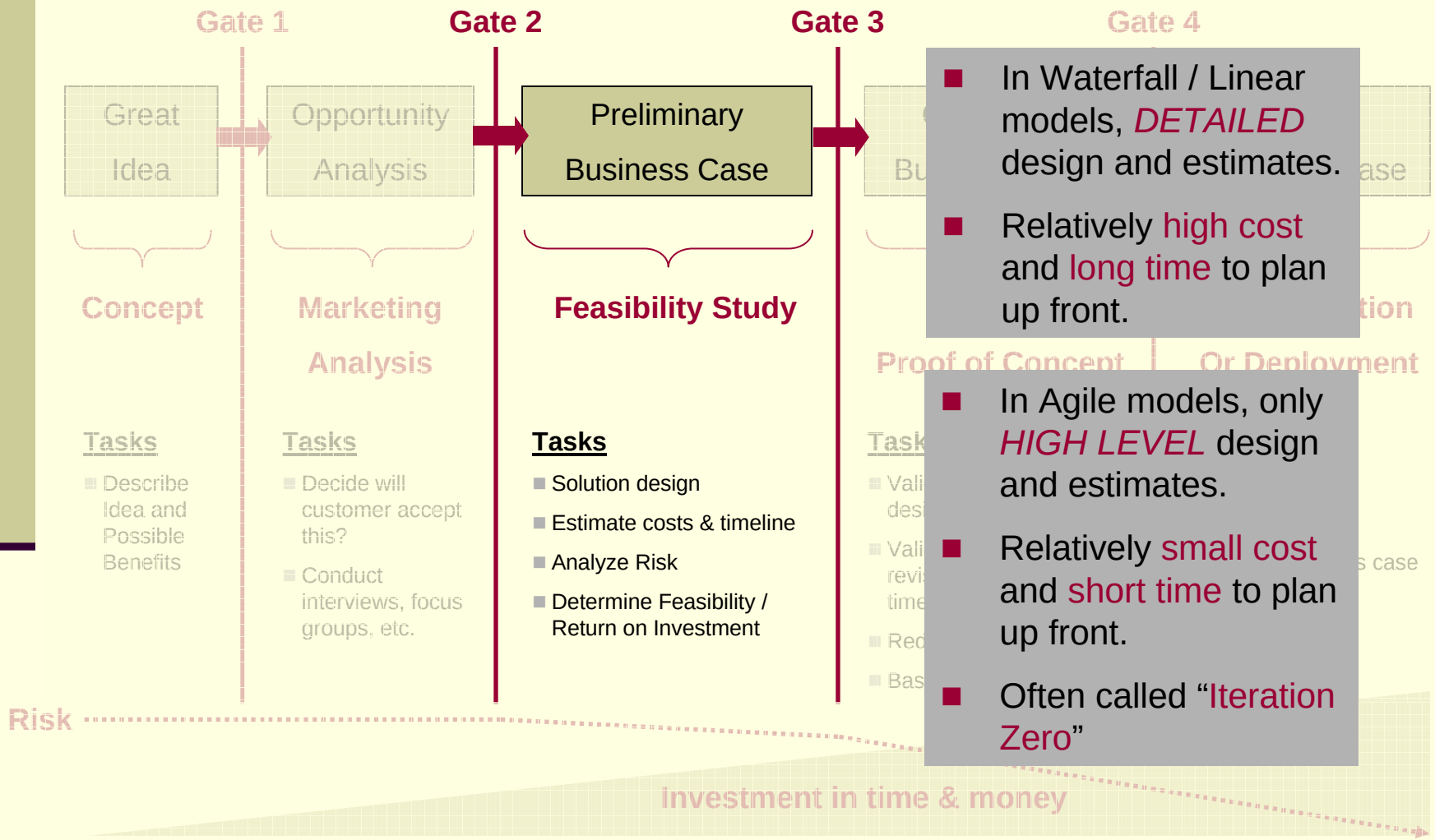

- In Waterfall / Linear models, *DETAILED* design and estimates.
- Relatively high cost and long time to plan up front.

- In Agile models, only *HIGH LEVEL* design and estimates.
- Relatively small cost and short time to plan up front.
- Often called "Iteration Zero"

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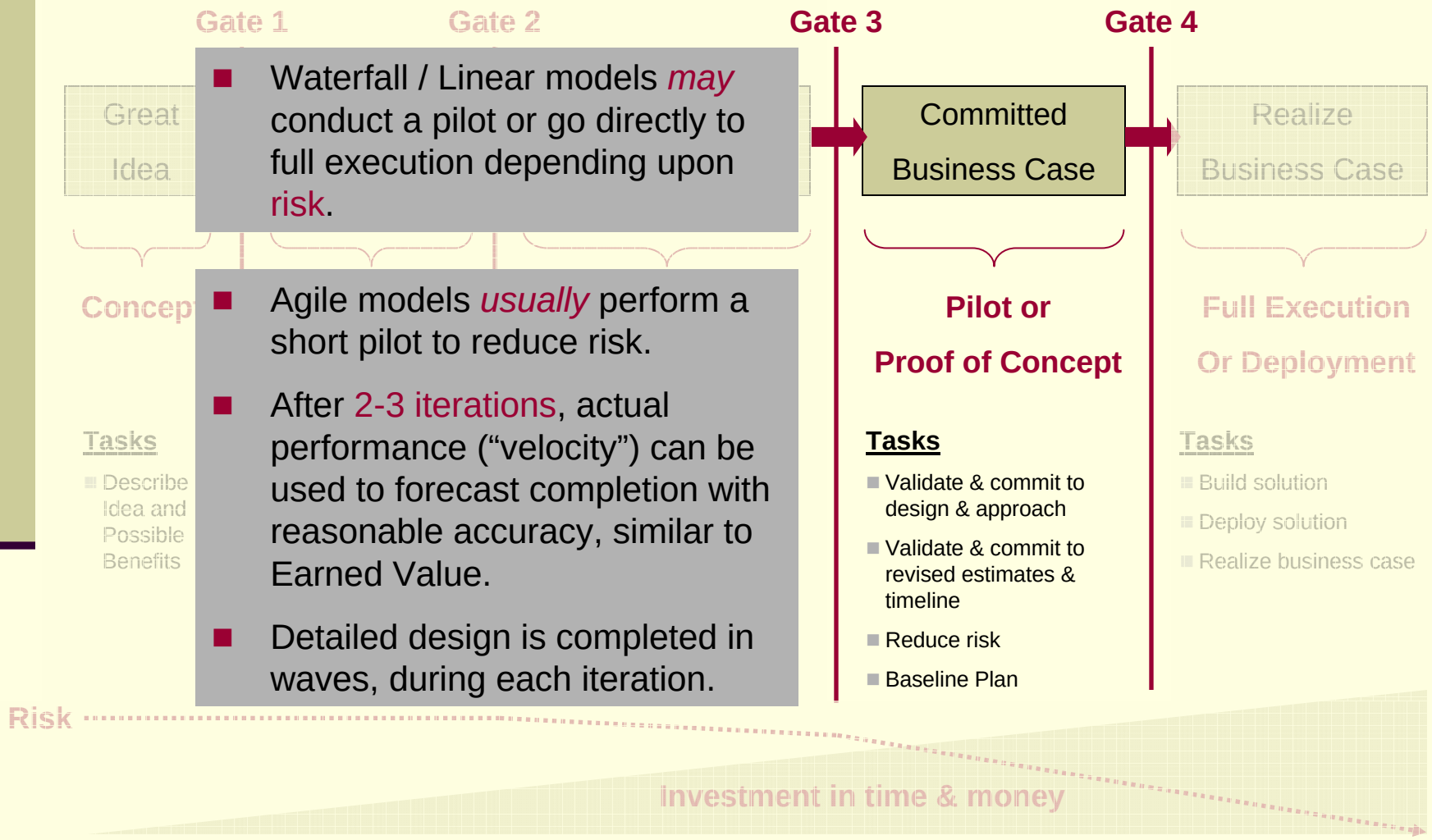
Aligning Agile Methods to the Standard Governance Model



- Waterfall / Linear models *may* conduct a pilot or go directly to full execution depending upon risk.

- Agile models *usually* perform a short pilot to reduce risk.
- After 2-3 iterations, actual performance ("velocity") can be used to forecast completion with reasonable accuracy, similar to Earned Value.
- Detailed design is completed in waves, during each iteration.

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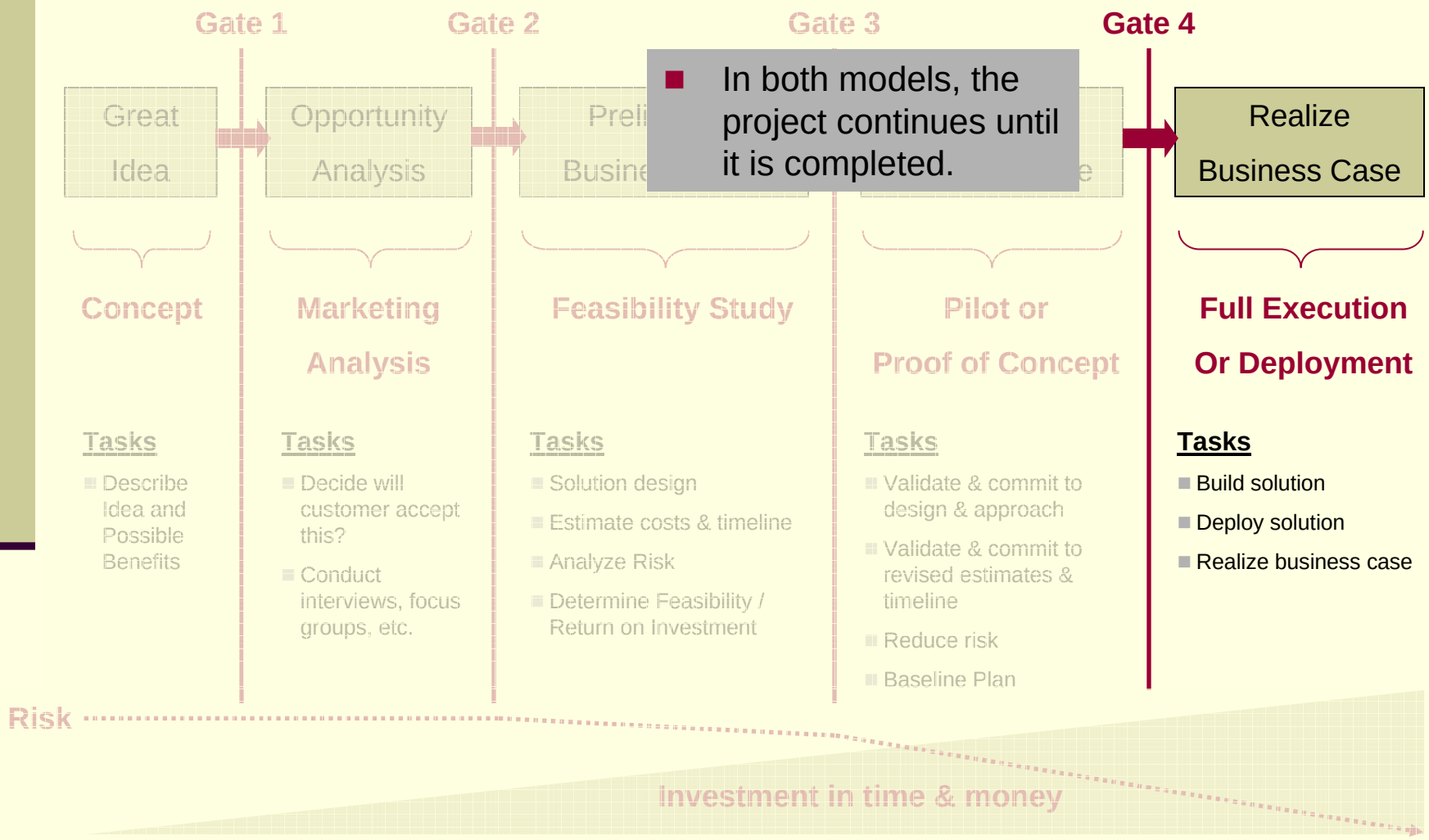

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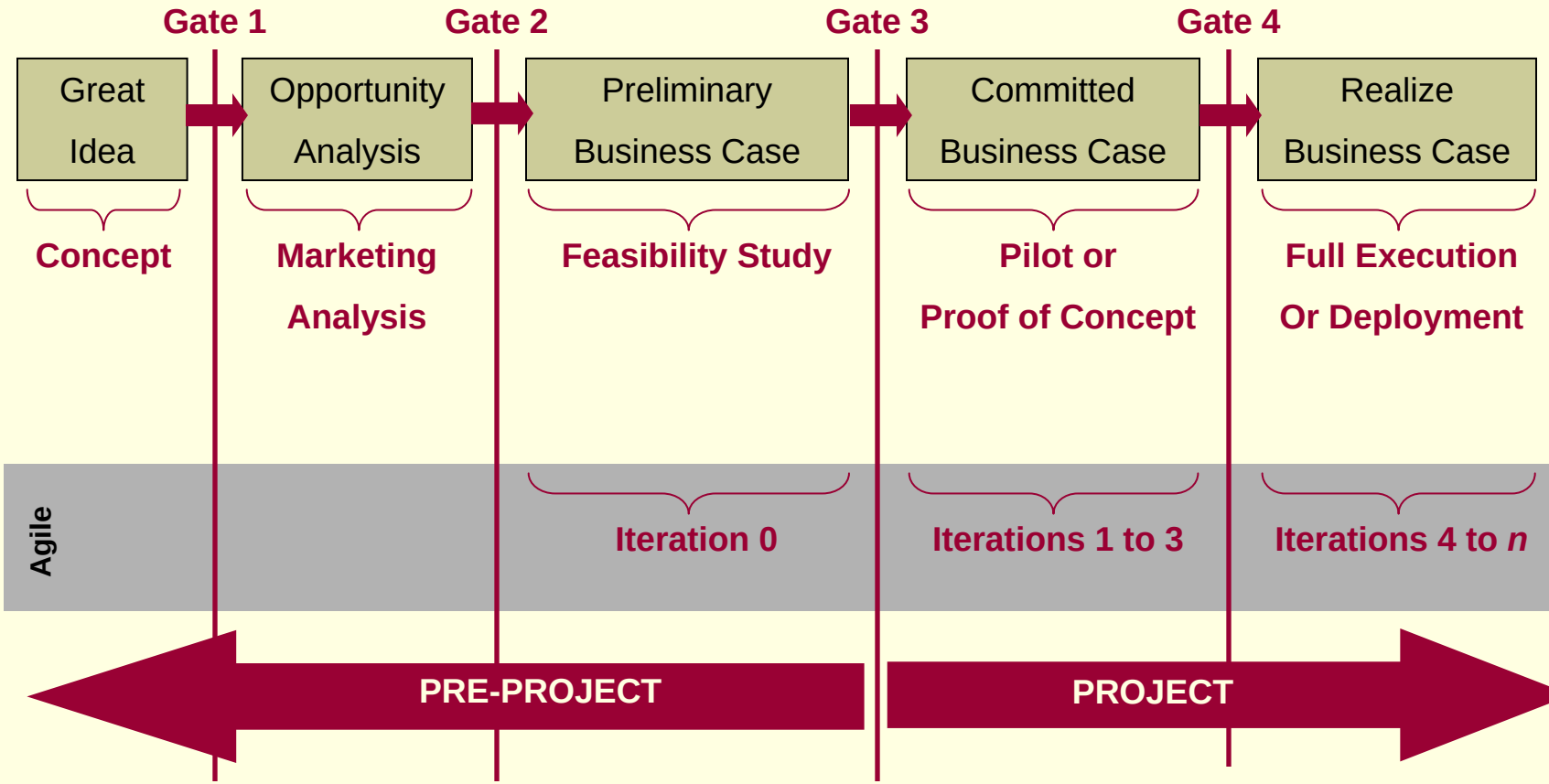

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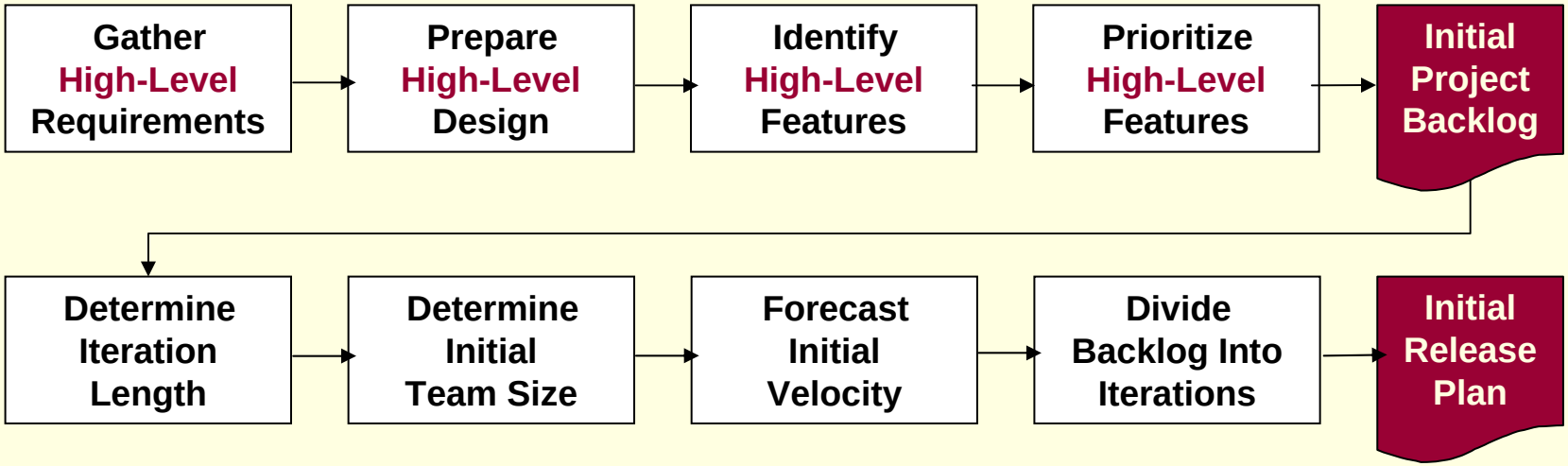
In Agile Projects, the Work in Iteration Zero Becomes Critical to Success



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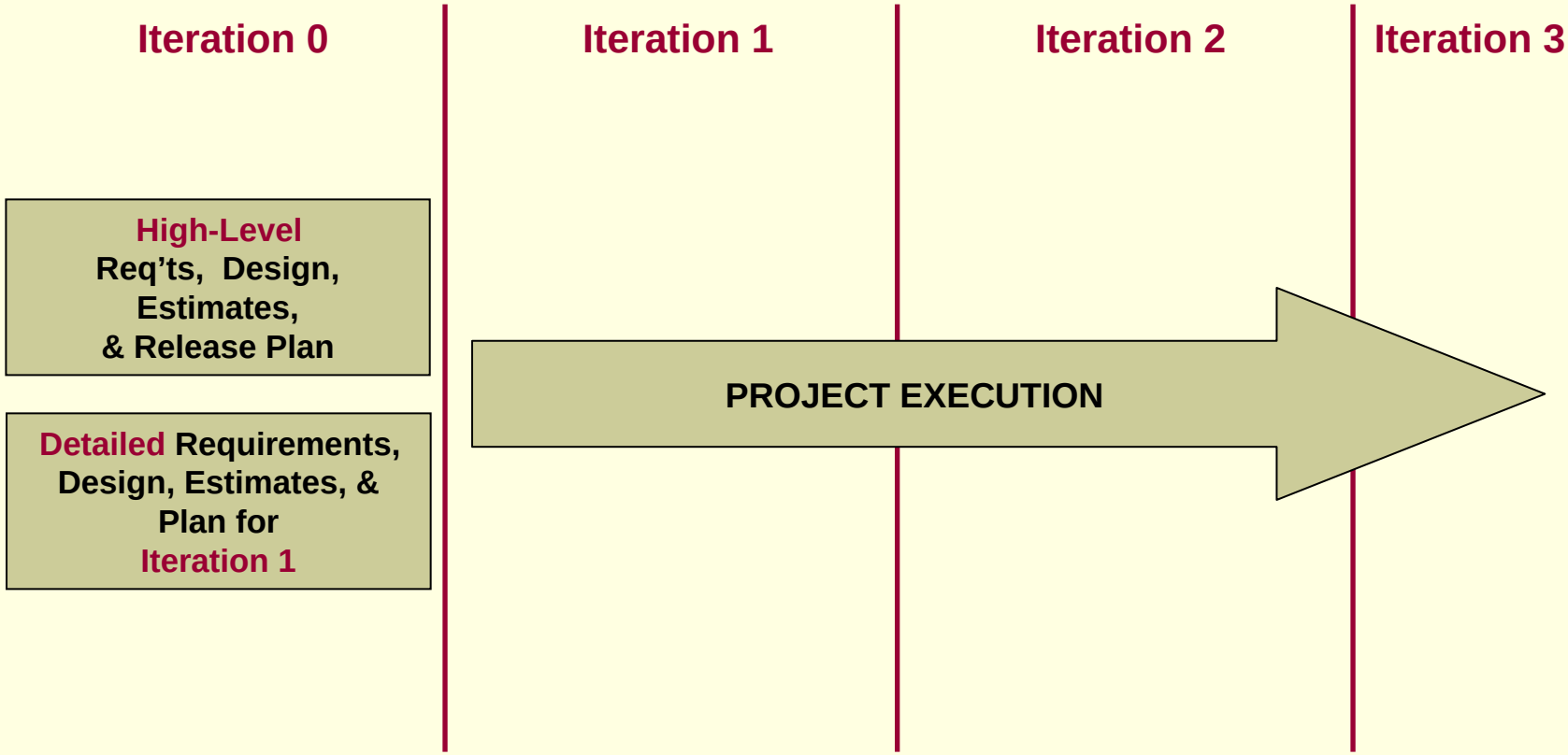
We Should Double-Check our Top-Down Estimates with a Bottom-Up I_0 Estimate



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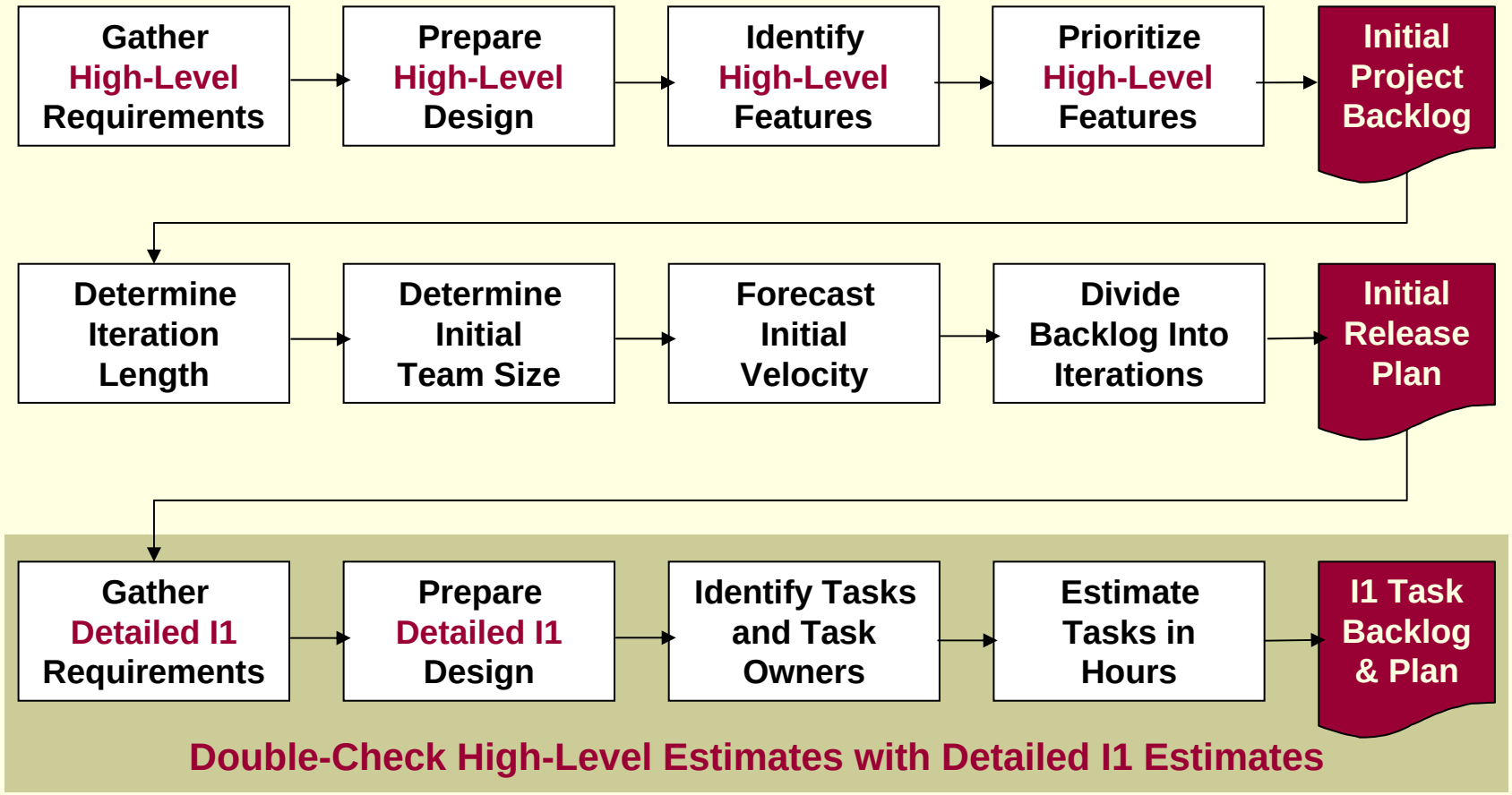
So, Iteration Zero Now Looks Like This…



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Conclusions

- Agile methods can structurally be incorporated into most corporate governance models.
- Proper discipline during Iteration Zero increases business confidence in budgets and plans.
- If agile is positioned as a means to reducing risk for certain project types, business may be more accommodating to the approach.

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Questions?

- Kevin Aguanno (your speaker) is available for consultation at kevin@AgilePM.com.
- He is the author of over 20 books, audiobooks, DVDs, and CD-ROMs related to this subject matter:

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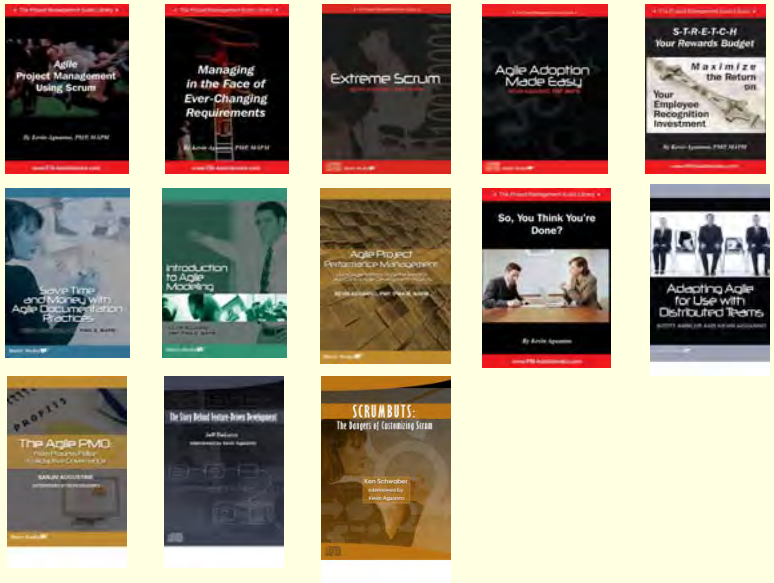
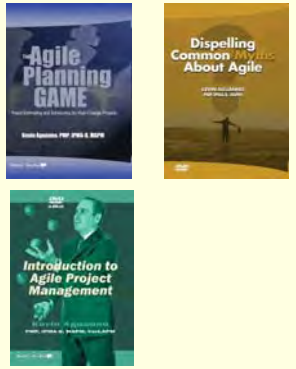
CD-ROMs:

Audiobooks:



DVDs: