

Is 'Agile Governance' an Oxymoron



Project sponsors, typically C-level business executives accountable for project spending and outcomes, can be excused for being sceptical about agile project delivery approaches because there is a perception that they don't support governance. Agile should not be ignored though, because it is proving to be a more effective way to deliver change faster and in a more flexible manner. In contrast, traditional methods used for delivering software solutions have not been very successful, industry studies (e.g. Standish Group research) have been reporting failure rates above 60% consistently for many years.

The challenge is to apply agile successfully to enterprise-wide solutions with large budgets, and more stringent investment approval and governance requirements. Many successful agile projects have been small and focused, targeting relatively simple solutions with few integration points and small co-located teams.

What is governance in the context of enterprise solutions?

Large, complex enterprise-scale programmes and projects, such as the development of core systems, are usually governed with strict controls. This is understandable because these initiatives involve significant investment of financial and other resources, and introduce significant risk to the organisation. In this context, governance – which is aimed at achieving business outcomes and essentially defines decision-making responsibilities – includes upfront investment approval and oversight of project execution.

Upfront, a business case with quantified costs and benefits is typically used to gain investment approval. The costs are estimated based on a scope of work and defined work products or outputs.

During execution, the project steering committee would hold the sponsor accountable through regular progress assessments against a plan that includes defined outputs. Significant risks and issues are reviewed for a decision on what to do about them.

There are various levels of governance, which are

delegated from the investment committee to the project sponsor, who would delegate to the project manager in turn, and so on. The fundamental point is that funding is tied to a defined final work product.

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1. Investment governance

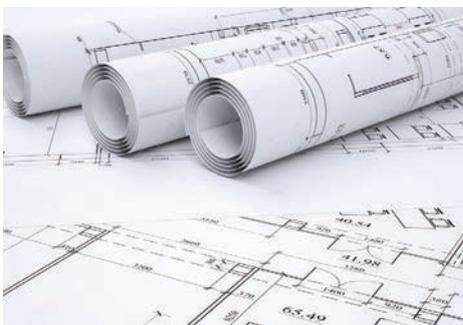


Agile approaches aim to release working software into production more frequently to prove whether the solution will be used and provide an early indication of whether the benefits are likely to accrue. In principle, agile approaches support the main goal of governance which is to achieve business benefit from investments. However, the fact that there is less certainty regarding the form / specification of the final solution is a cause for concern to the investment committee. They need to bear in mind that the apparent certainty provided by the rigid specification of traditional waterfall approaches is an illusion: software-based projects are notorious for being late and over budget due to inaccurate upfront estimates.

Recommendations for project sponsors planning to use agile approaches:

- Ask an experienced agile practitioner to explain agile principles and successes, and use this to educate the investment committee
- Request a high-level effort and cost estimate based on a short analysis cycle for a subset of requirements extrapolated to the full set of requirements, and use this to secure an initial budget
- Use the practice of continuous releases of production software to provide additional visibility of progress to the investment committee

2. Architecture governance

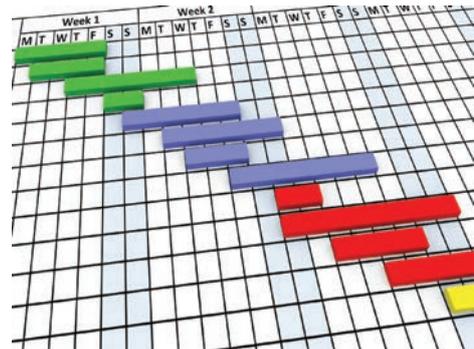


Agile approaches do not naturally lend themselves to Architecture governance as the architecture of an agile solution emerges rather than being specified in detail before building the solution. For enterprise-scale solutions, this approach can lead to significant issues due to the greater level of integration and importance of non-functional requirements, such as security and scalability.

Recommendations for project sponsors planning to use agile approaches:

- Facilitate engagement between the Architecture function and the agile solution team to agree on the level of architecture detail that is required before the solution build commences and how the architecture will be defined during the build process
- Facilitate ongoing communication and synchronisation between the agile solution team and enterprise support functions such as Architecture, Marketing and others

3. Project governance



The main conflict between agile approaches and typical governance processes usually occurs at the project level. The structures and tools employed for governance are often tightly integrated with linear, waterfall approaches. For example, the project governance approach expects documented specifications, whereas agile approaches do not track progress against such specifications.

Recommendations for project sponsors planning to use agile approaches:

- Use a high-level definition of the solution as the basis for the agile solution team's mandate
- Insist on a detailed definition of each iteration before that iteration is commenced
- Ask the agile solution team to define how they will build confidence – through practices such as frequent reviews, burndown charts and visible story boards

Conclusion

Although agile governance is not an oxymoron, the project sponsor needs to understand and communicate the required changes to be successful. The biggest change is at the project governance level, where plan-based, waterfall delivery approaches tend to be tightly integrated with project governance activities. Like any change, strong leadership – from the project sponsor in this instance – will create the necessary change momentum.

Who we are:

BSG is passionate about being a proactive force for positive change. We do this by thinking differently and helping business leaders solve problems through customer-centric and fact-based decision making approaches. With two decades' experience in consulting and technology we make a difference in everything we do by taking an outside-in view and removing assumptions to deliver outcomes. We are committed to delivering visible business benefit as a result of the work we deliver to our clients through our people.

BSG started trading in 1997, after identifying a gap in the market for services to create synchronicity between business and IT functions. Initially specialising in Business Analysis, BSG today offers a full house of service and advisory capabilities designed to close the gap between business and IT.

At BSG, we strive to deliver business value by collaboratively guiding our clients to better understand which initiatives will deliver the most value, and working together to make these a reality. By defining and understanding the purpose for change, we design practical solutions to build the bridge between the business expectation and the technology implementation.

How we can help you:

BSG has a proud track record of helping our clients succeed by developing authentic relationships based on trust and delivering results based on tangible business benefit. We have helped our clients succeed across a variety of environments and challenges.

We partner with our clients to help them solve business problems and improve their business operations by applying customer-centric, fact-based decision making to our core offerings.

Shareholding:

BSG is recognised as a Level 2 B-BEE contributor. BSG management and employees hold the 60% majority share, with Hosken Consolidated Investments Limited ("HCI") owning the remaining 40%. HCI is in turn majority owned by the South African Clothing and Textile Workers Union (SACTWU).

Employee Value Proposition:

At BSG, we value our people first, because we know that without our people we wouldn't be able to deliver value to our clients, and their customers the way we do. At BSG, we are committed to creating career significance for all our employees and recognise that through a combined

proactive energy, we can bring about positive change and growth.

Our People Effectiveness team is committed to driving excellence and change that align to BSG's 4 core EVP offerings:

1. **Creating a Culture of Continuous Learning:** We strive to engender a passion and commitment to invest in developing self and one another. This is facilitated through a combination of coaching and mentoring. Focused learning programmes, designed to create personal and team mastery (including technical courses and accreditations), are offered at BSG.
2. **Creating a Challenging Work Environment:** Our focus is partnering with our clients to create business benefit. This is an accountability that requires that we work at an optimal level, as critical thinkers to solve complex problems.
3. **Creating a Culture of Empowered Leadership:** Continual development of career paths that align to strengths in the Manager of Managers, Manager of Others and Manager of Self domains.
4. **Creating a Culture of Excellence:** Thorough and structured performance management processes are put in place to ensure that, at BSG, ongoing career guidance is provided. This is facilitated by support structures provided by Career Managers, Team Leads and Mentors, coupled with Projects Office governance enablers and continuous feedback throughout performance management cycles.

Developing our employees is a strategic commitment (and core to our people value chain) to ensure that we consistently unlock our potential. This is done by developing our knowledge, skills and attributes to continue to differentiate BSG's service offering. To support this objective, People Effectiveness has adopted an integrated approach that allows us to manage our entire people value chain lifecycle and support our employees in making a difference in everything they do.

Over and above this, we understand the need to make a positive difference through education in South Africa in order to develop the future leaders of our industry.

At BSG, we believe in the birthright of every child to a decent education and in support of this we represent industry on various University Advisory Boards. Additionally, we make a difference by positively impacting maths and science education in the lives of thousands of children within South Africa's poorest communities through our ongoing commitment to supporting LEAP Science and Maths Schools.

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