Scaled Agile to Support Digital Transformation in the Financial Services Industry
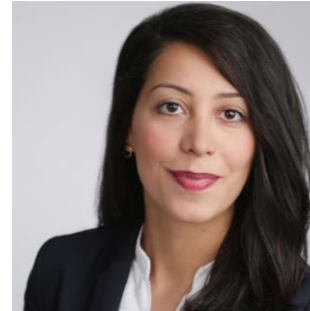
Berlin, January 31th, 2019

Thank you for your participation!

Introduction
We'd like to introduce ourselves to you

Munir Mahrufi

Senior Consultant

Financial Services Solution

Cologne

mmahrufi@deloitte.de

Sahar Khaksar

Consultant

Financial Services Solution

Frankfurt

skhaksar@deloitte.de

Summary of professional experience

Munir has joined FSS Business Transformation at Deloitte, focusing on Agile and Digital Transformation. Particularly in the insurance industry, he has led large multinational teams as Scrum Master and Agile Coach in Agile Digitalization projects by applying Scaled Agile methodologies like LeSS and SAFe.

Summary of professional experience

Sahar is a Consultant within FSS Business Transformation at Deloitte. Prior to joining Deloitte, she has gained extensive know-how and experience in the Financial Services Industry with focus on Asset Management and Digitalization. In particular, she has acquired extensive experience as Scrum Master in Agile Digitalization projects.

Munir and Sahar are both members of Deloitte's Agile Community focusing on "Scaled Agile Approaches" and "Super Responsive Agile Organizations".

Today´s Agenda

Introduction

Chalk Talk

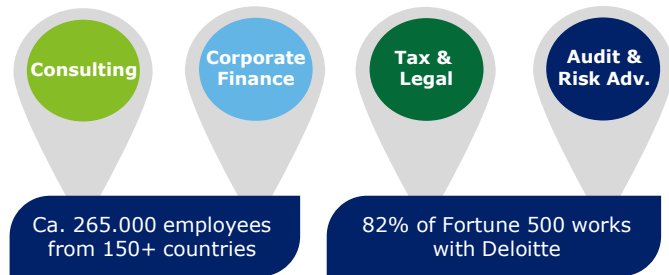Project Examples

Why Agile?

Scaled Agile

Q&A Session

Introduction
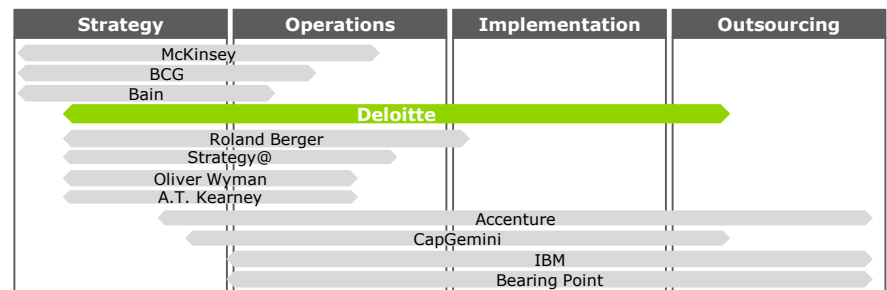Deloitte and Our Agile
Community

Deloitte | Company Profile

With approx. 265,000 employees worldwide, Deloitte offers a wide range of services and is "the largest professional service firm worldwide" with a turnover of almost 39 billion
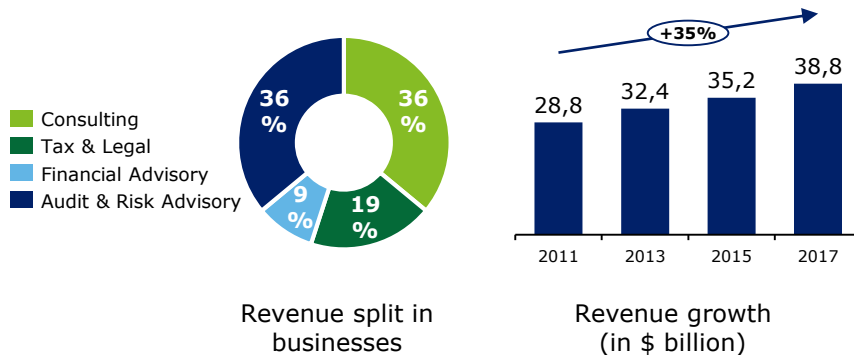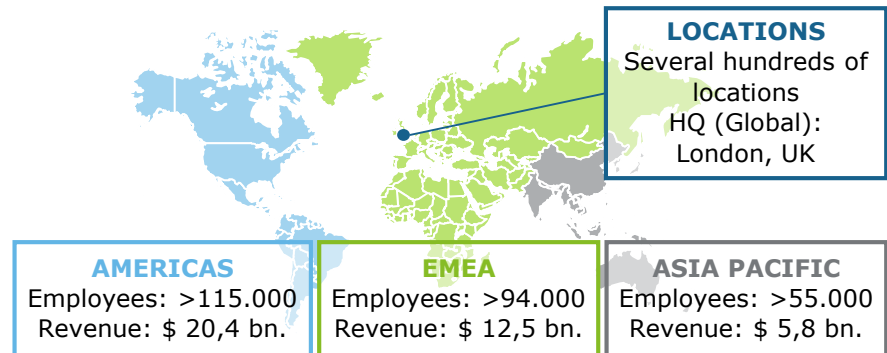
SPECTRUM OF OUR SERVICES

Consulting

Corporate Finance

Tax & Legal

Audit & Risk Adv.

Ca. 265.000 employees from 150+ countries

82% of Fortune 500 works with Deloitte

OUR 4 MAIN BUSINESS AREAS

Strategy	Operations	Implementation	Outsourcing
McKinsey			
BCG			
Bain			
Deloitte			
Roland Berger			
Strategy@			
Oliver Wyman			
A.T. Kearney			
		Accenture	
		CapGemini	
		IBM	
		Bearing Point	

GLOBAL REVENUE SPLIT AND REVENUE GROWTH

- Consulting
- Tax & Legal
- Financial Advisory
- Audit & Risk Advisory

36% 36% 9% 19%

Revenue split in businesses

+35%

28,8   32,4   35,2   38,8

2011   2013   2015   2017

Revenue growth (in $ billion)

GLOBAL PRESENCE

LOCATIONS
Several hundreds of locations
HQ (Global): London, UK

AMERICAS
Employees: >115.000
Revenue: $ 20,4 bn.

EMEA
Employees: >94.000
Revenue: $ 12,5 bn.

ASIA PACIFIC
Employees: >55.000
Revenue: $ 5,8 bn.

Notes: Revenues in bn. $. World wide; Numbers are rounded and aggregated values from Deloitte network.

Deloitte | World Class Innovation and Creativity Network

Deloitte offers a unique Innovation and Creativity Network and is leading provider of „Innovation Strategy Consulting" worldwide
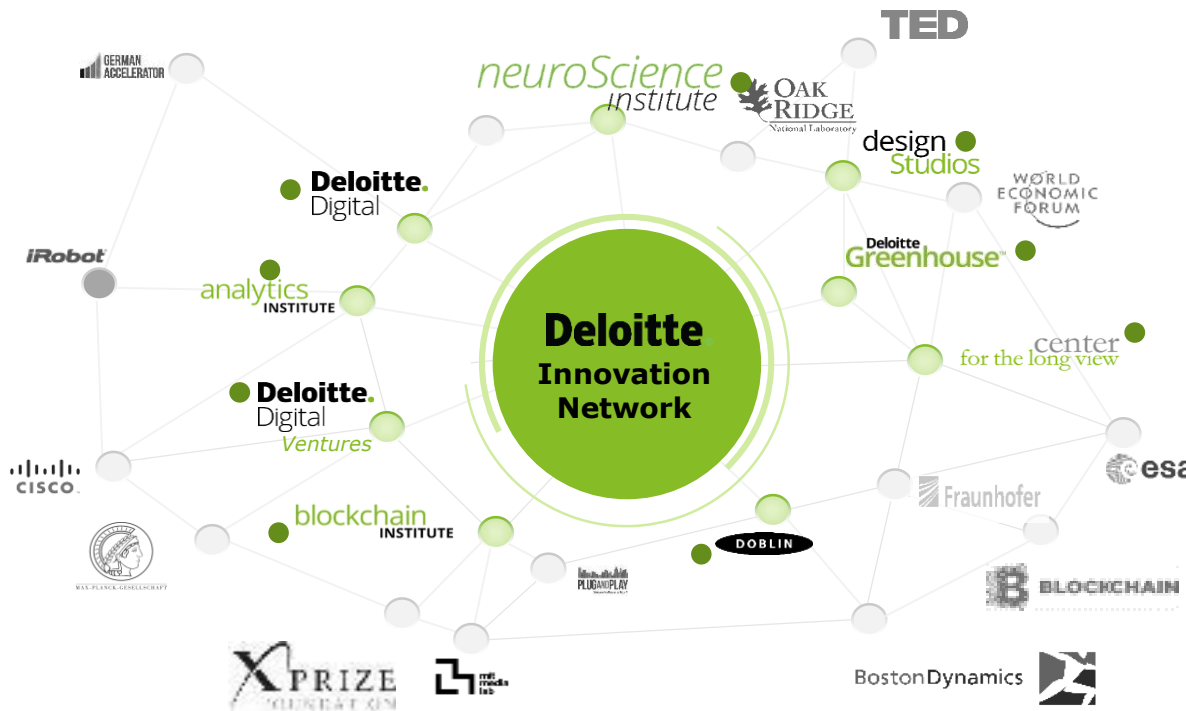
"Overall, clients worldwide consider Deloitte to be the most capable firm at challenging corporate culture and delivering value-creating innovation."

IDC MarketScape
Worldwide Strategy Business
Consulting Services 2016

"Deloitte combines market leading depth and breadth in innovation strategy. Although the combination of design, digital and strategy assets that Deloitte brings to bear is not unique, the volume of these resources and the way the firm has evolved to make them work together effectively are."

ALM Vanguard Intelligence
Report 2016
Worldwide Innovation Strategy
Consulting Services

We@Deloitte | Agile Community at Deloitte

Our mission is to bundle our Agile capabilities and to support our clients during their Agile Transformation journeys

WORKSHOPS, AGILE BOOTCAMP

PEOPLE & PROJECTS

SERVICE OFFERING

Our Service Offerings

TRAININGS & TRAINERS

ENTERPRISE AGILE TRANSFORMATION

GLOBAL AGILE COMMUNITY

AGILE MATURITY ASSESSMENT
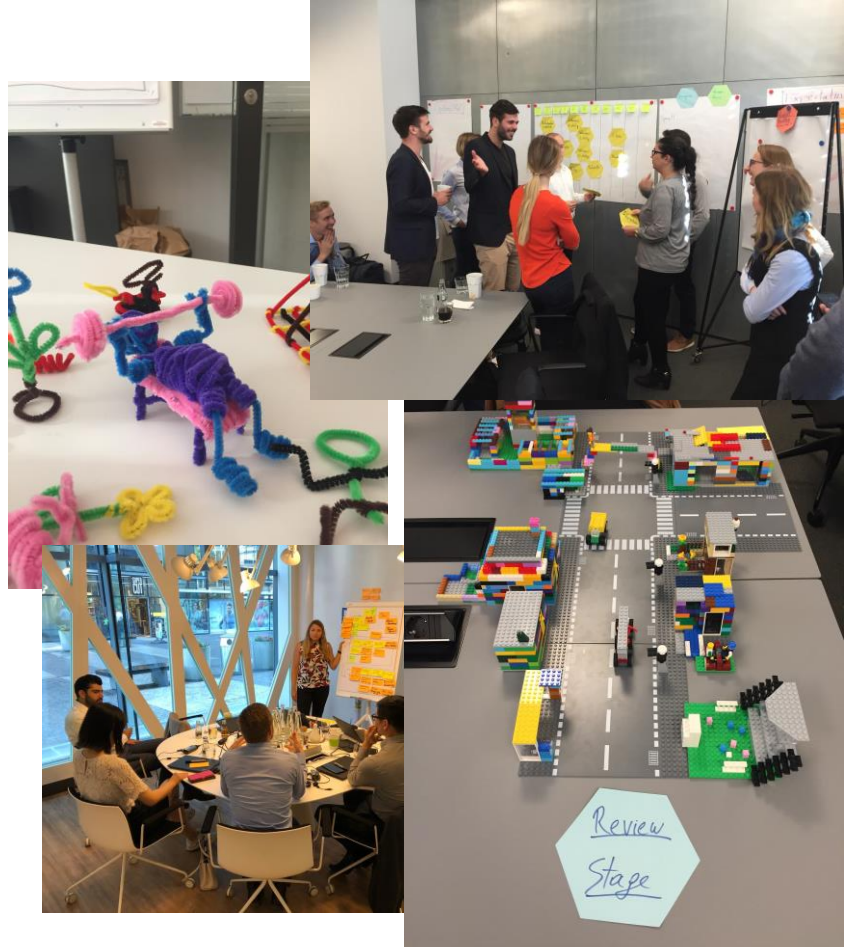
Why Agile?
Facts and Figures

Agile Project Management
Contrary to popular belief...
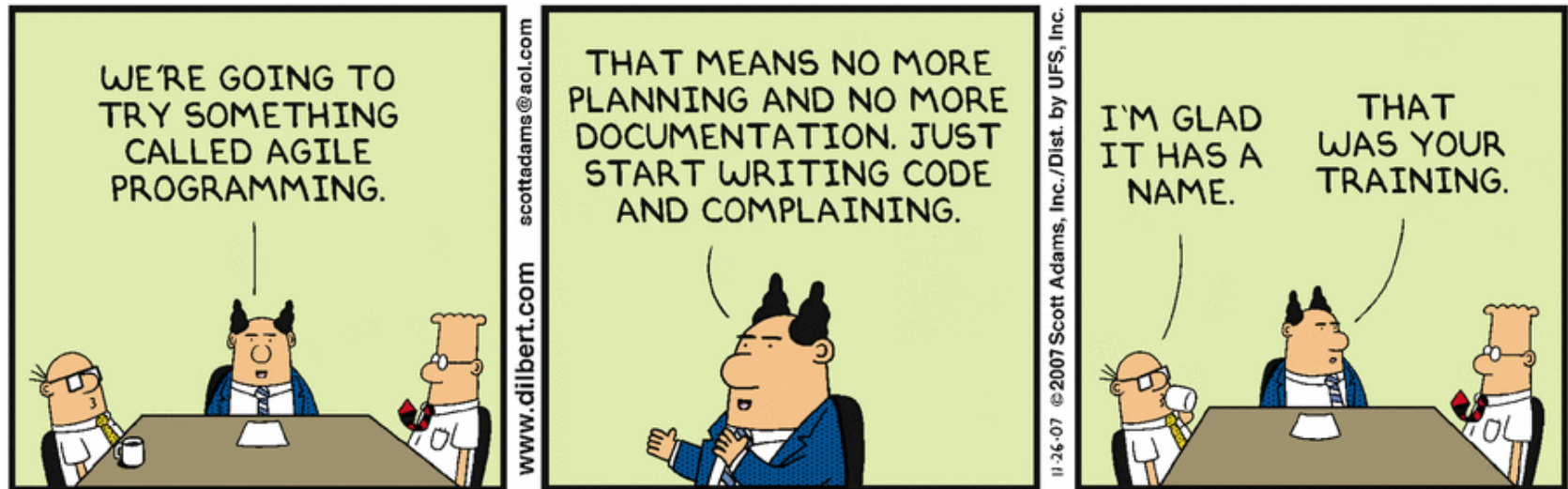
Why Agile | Market View on "Agile"

According to Forrester Study, Agile practices are being used in more and more companies of all sizes

"Roughly what percent of development teams in your organization are using Agile practices?"

- ■ 2013
- ■ 2015
- ■ 2017

Few (<25%): 45%, 23%, 16%
Some (25%-75%): 33%, 35%, 34%
Most (>75%): 22%, 42%, 50%

Base: 182 (2013), 149 (2015), and 232 (2017) professionals with knowledge of their firm's Agile techniques
Source: Forrester's Q3 2013, Q2 2015, and Q3 2017 Global Agile Software Application Development Online Surveys
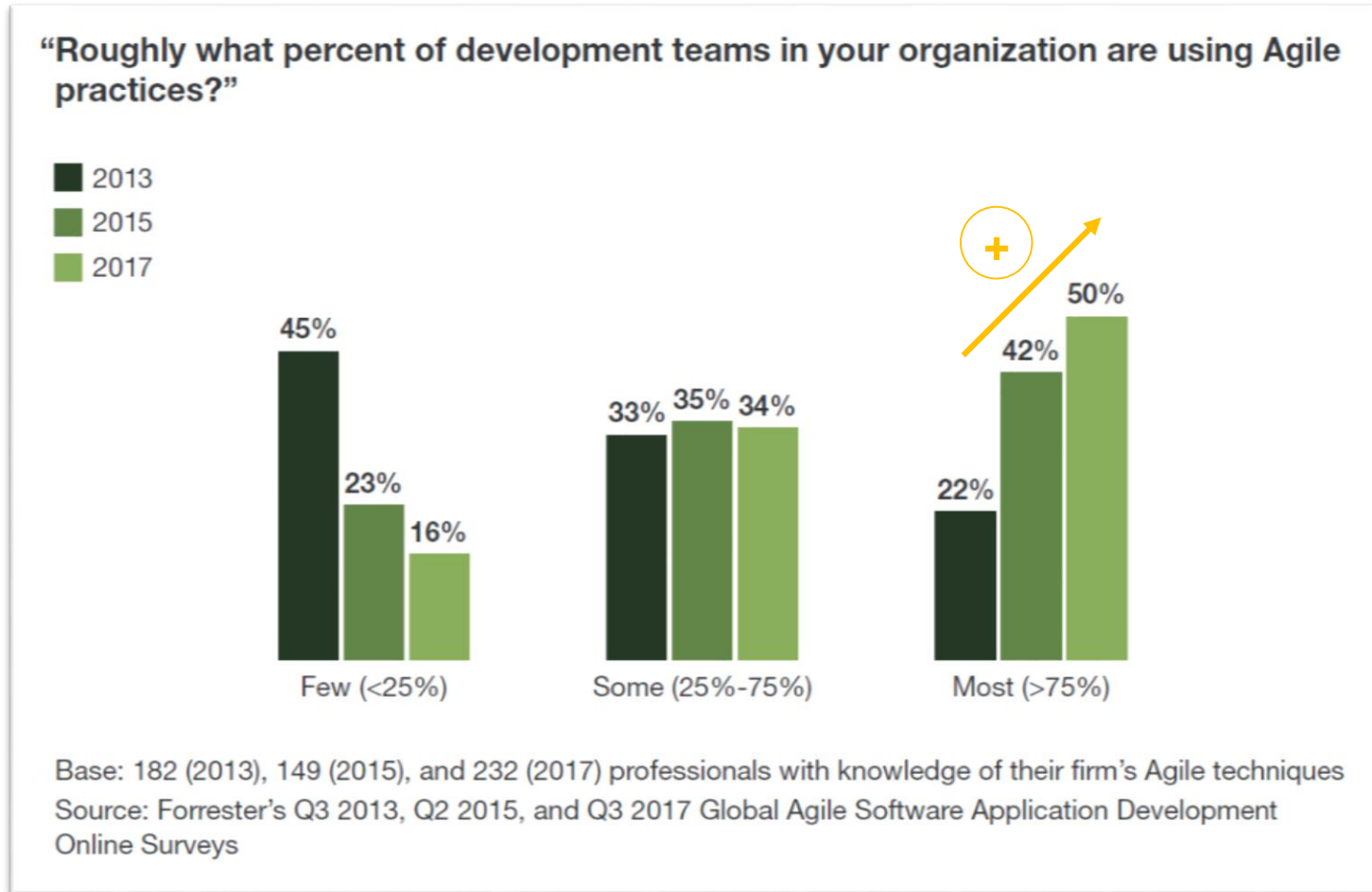
Source: Forrester Research, Inc. - December 14, 2017 "The state of Agile 2017: Agile At Scale"

Why Agile | Benefits at a Glance

If implemented right, many business-critical benefits can be reaped with Agile Project Management

Value focused
Project is executed on a priority basis, taking into account constraints and dependencies

Adapt to change
Changing require-ments can be incor-porated at all times

High quality
Reviews at the end of each sprint enable issues to be solved early; less rework

Low Time-to market
Incremental approach ensures that results are produced early and continuously

Reduced risk
Corrections can be made early due to high transparency

Why Agile | The Spectrum of Process Complexity
In contrary to popular belief, complex situations are ideally suited for an agile approach

When there is **extreme uncertainty,** even agile methods may not suffice.

Empirical methods such as **agile/Scrum** are recommended as projects become **more complex.**

Predictable projects can be delivered using **traditional methods** such as **waterfall**.
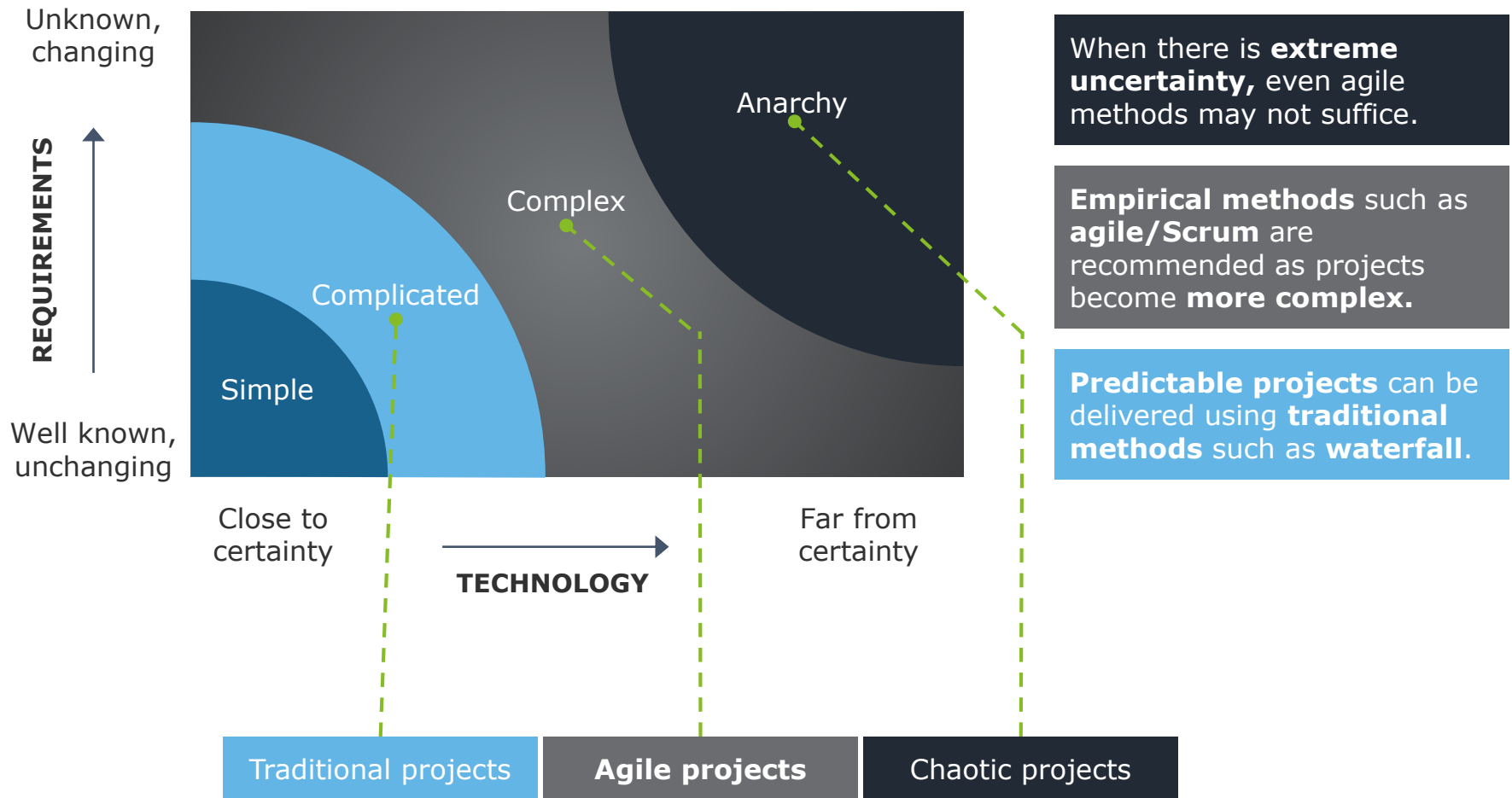
Chalk Talk

Let´s have a quick quiz!

The "Chalk Talk" Scrum Process
The power of Scrum is in its ability to be tailored to a client's particular need, but first we need to know the baseline process

Scaled Agile
Methods and Approaches

Scaled Agile | Extract of Agile Approaches
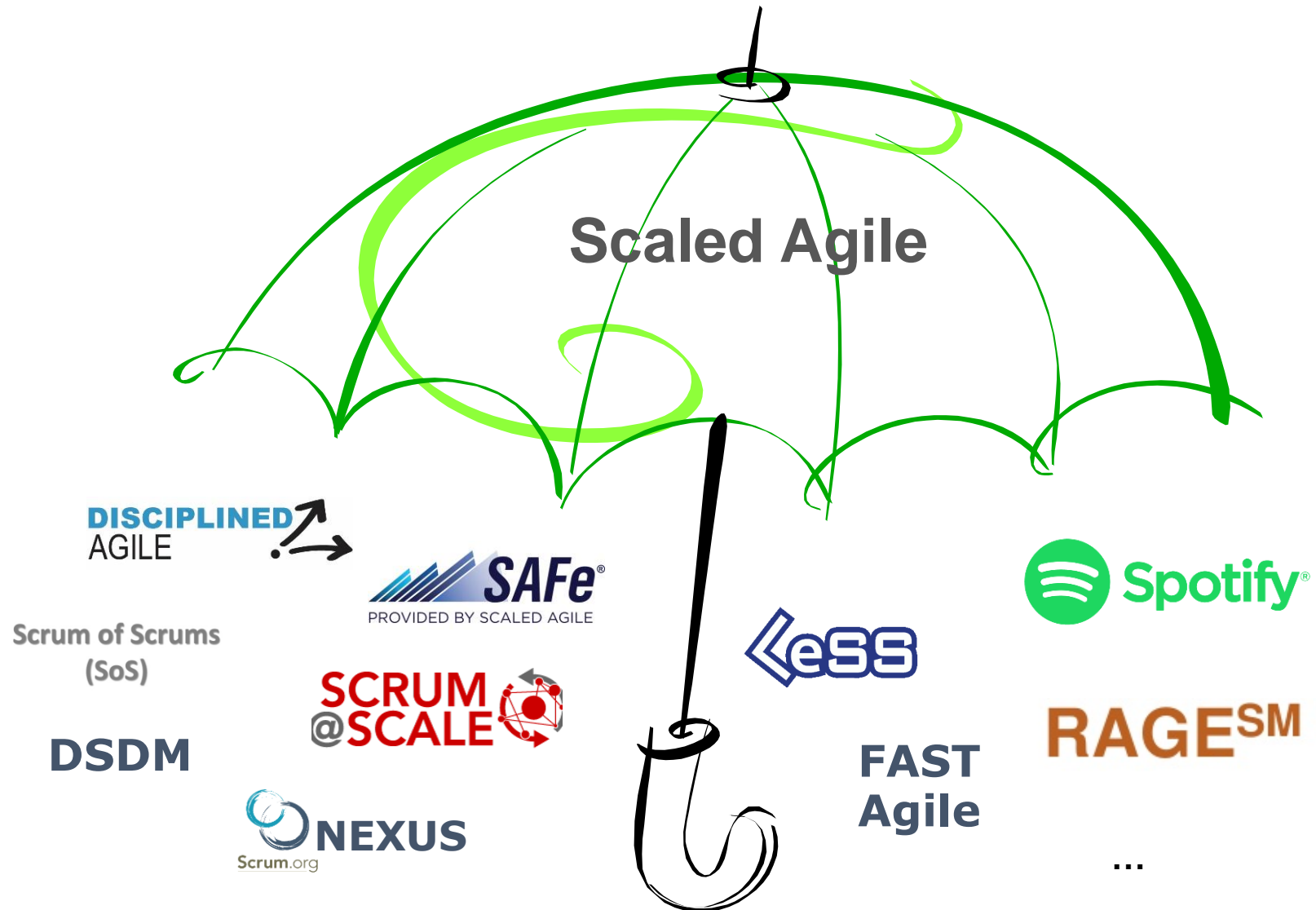
Scaled Agile | Market View

Scaled Agile Framework (SAFe) remains the most popular Agile scaling method

Scaled Agile Framework (SAFe)

29%

Internally created methods

19%

10%

SoS / Scrum of Scrums

5%

DAD / Disciplined Agile Delivery

5%

LeSS / Large Scale Scrum

Enterprise Scrum

Lean Management

Agile Portfolio Management

Nexus and more…
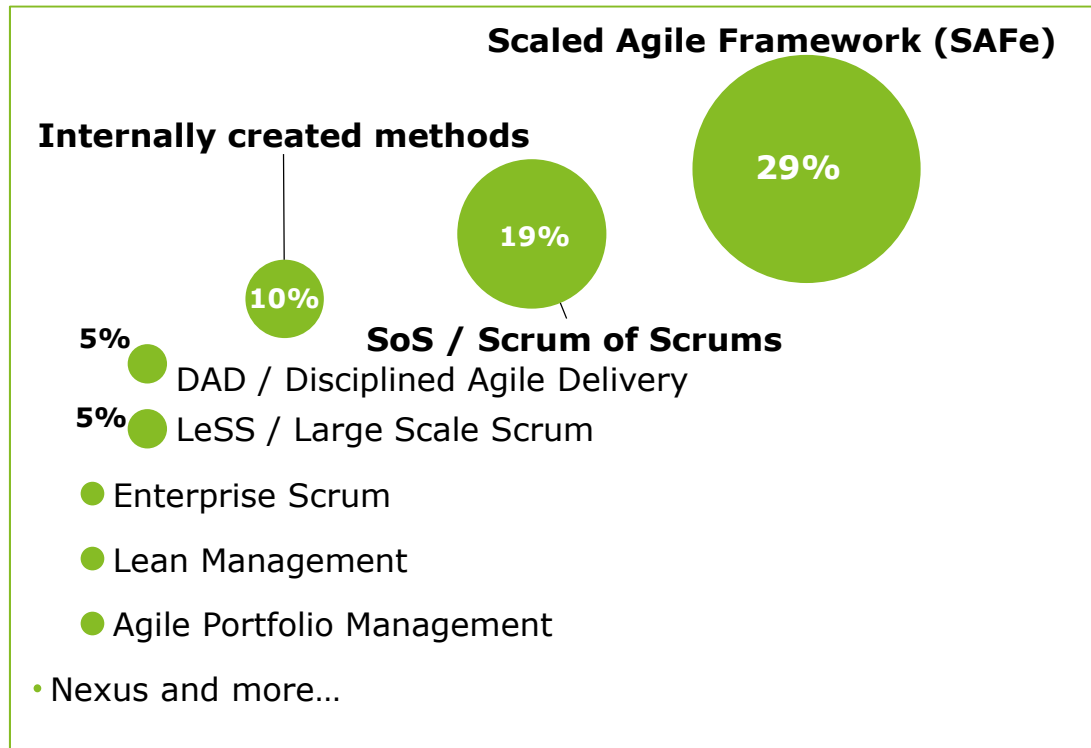
Top 5 tips for success with Scaling Agile:

1 Internal Agile Coaches

2 Consistent Practices

3 Common Tool

4 External Coaches / Trainers

5 Executive Sponsorship

Source: StateOfAgile "12th annual State of Agile Report", 2018, COLLAB.NET VERSIONONE.COM

The survey collected responses from a diverse set of organization sizes, geographic locations, roles and industries

Scaled Agile | Horizontal Comparison
Top 10 leading scaled agile frameworks in comparison

Frame-works	Completeness of coverage of "organization levels"				Tech practices	Popularity	Flexibility	Scalability
	Portfolio	Program	Team Coordination	Team				
SoS	◑	◑	◕	◕	◔	●	●	◔
Less	◕	◐	●	◕	◕	◕	●	◕
SAFe	◕	●	●	●	◕	●	◔	●
Disciplined Agile	◔	◔	◑	◑	●	◑	◑	◕
Spotify	◐	◐	●	●	◕	◕	●	◕
DSDM	●	●	●	◕	◕	◔	◑	◕
RAGE	◔	◔	◕	◕	◕	◔	●	◕
Nexus	◔	◑	◕	●	●	◔	◑	◔
Scrum at Scale	◕	◑	◕	◕	◕	◔	◑	◑
Fast Agile	◔	◑	●	◕	◕	◔	◑	◕

Source: Deloitte survey

Note: High does not mean better - need to consider your goals & approach

Scaled Agile | SoS

When scaling Scrum typically a Scrum of Scrums is established to sync activities between involved Scrum Teams

Sync between Scrum Masters

Sync between Product Owners

Scrum of Scrums

Objectives
- Inform about team activities
- Identify dependencies
- Discuss cross team solutions
- Identify and resolve impediments
- Negotiation of responsibilities

Nomination of a representative

Scrum Team 1

Scrum Team 2

Scrum Team 3

Product Owner   Chief Product Owner   Scrum Master   Development Team   Representative of Dev. Team

Scaled Agile | LeSS

Large Scaled Scrum aims to create adjustable product cycle margins while lowering administrative overhead

Source: https://less.works/less/framework/introduction.html
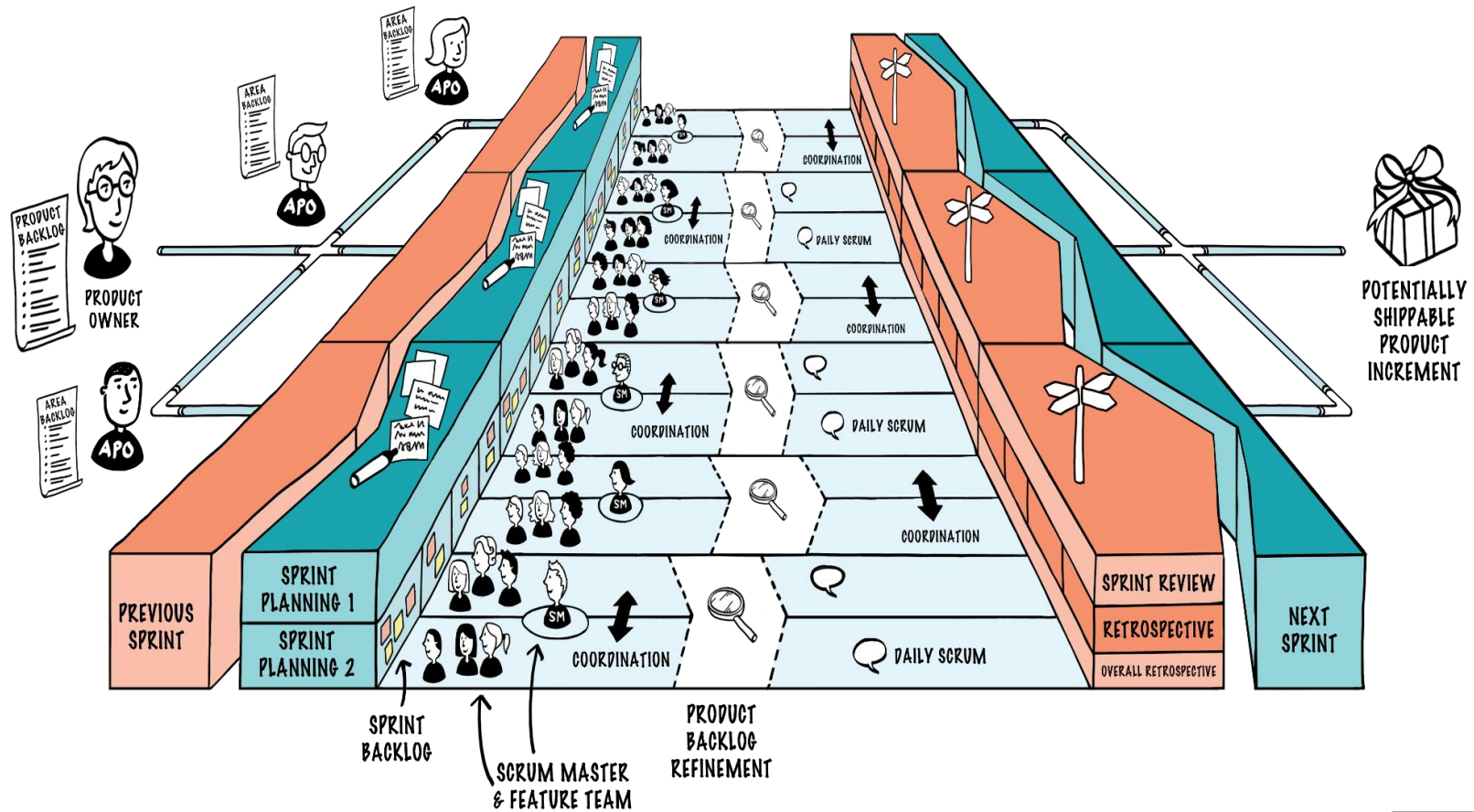
Scaled Agile | Feature Teams
Example MS Outlook

Theme											
Organize Email		Manage Email			Manage Calendar				Manage Contacts		

Epic

| Search Email | File Emails | Compose Email | Read Email | Delete Email | View Calendar | Create Appt | Update Appt | View Appt | Create Contact | Update Contact | Delete Contact |

User Story

Release 1:
- Search by Keyword (WIP), Move Emails
- Create sub folders (Done)
- Create and send basic email (Done), Send RTF e-mail
- Open basic email (Done), Open RTF e-mail
- Delete email
- View list of appts (Done), View Monthly formats (WIP)
- Create basic appt (Done), Create RTF appt
- Update contents /location
- View Appt (Done), Accept/Reject/Tentative
- Create basic contact (Done)
- Update contact info (WIP)

Release 2:
- Limit Search to one field, Limit Search to 1+ fields
- Send HTML e-mail, Set email priority
- Open HTML e-mail, Open Attachments
- Empty Deleted Items
- View Daily Format
- Create HTML appt, Mandatory/Optional
- Propose new time
- Add address data
- Update Address Info
- Delete Contact

Release 3:
- Search attachments, Search sub folders
- Get address from contacts, Send Attachments
- View Weekly Formats, Search Calendar
- Get address from contacts, Add Attachments
- View Attachments
- Import Contacts, Export Contacts

Scaled Agile | Scaled Agile Framework (SAFe)

SAFe is a top-down approach to Agility that encapsulates the Agile Delivery engine within the larger organization

Source: http://scaledagileframework.com/
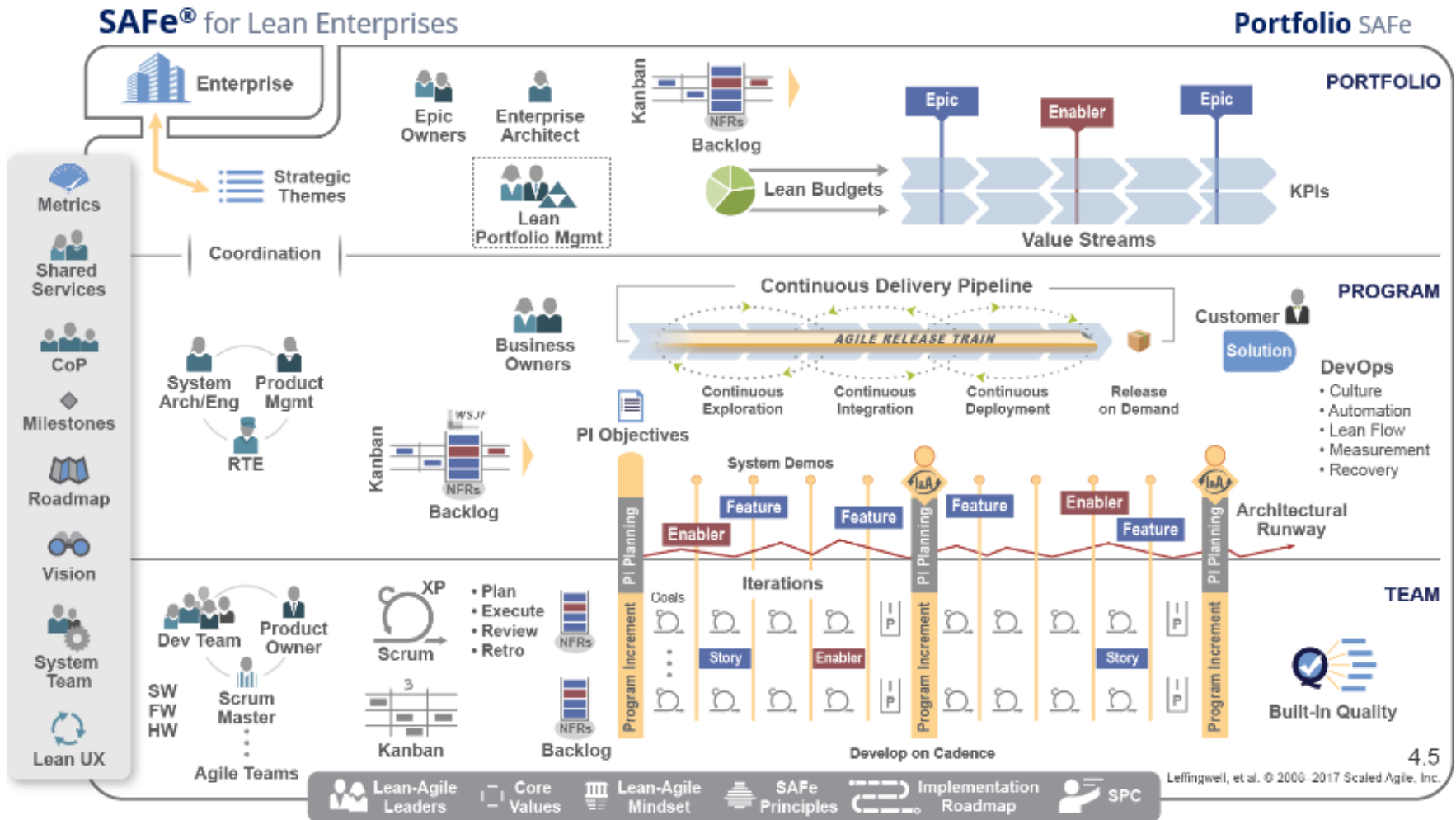
Scaled Agile | Spotify Approach

Together with the Portfolio and Enterprise level of SAFe, the Spotify model offers a way of working that is applicable to the entire organization

Source: https://blog.crisp.se/wpcontent/uploads/2012/11/SpotifyScaling.pdf
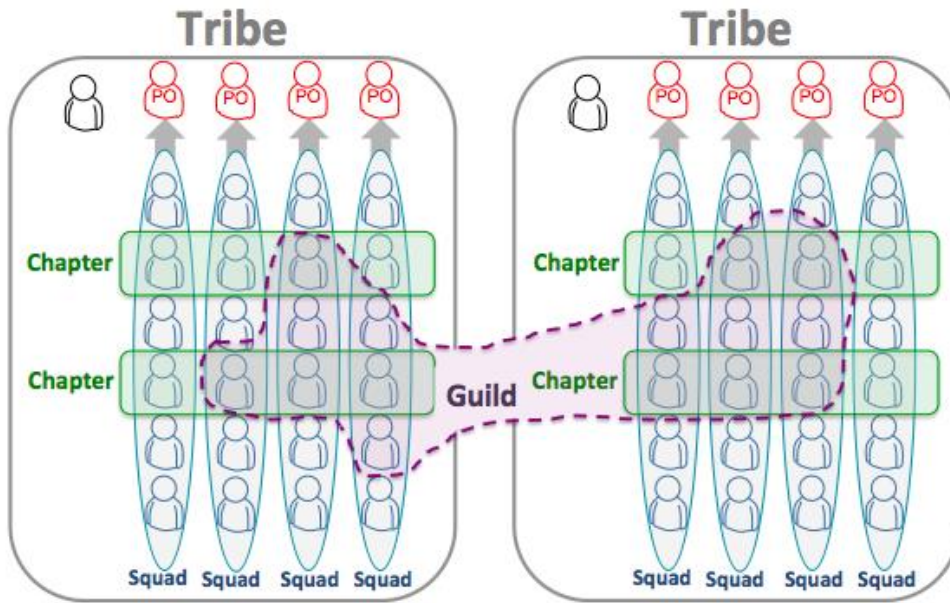
- Agile at e**nterprise level** is often based on the **Spotify** example

- Added practices like **chapters** and **guilds**

- Viable for **digital first business model**

- **Backlogs at all levels**, run from portfolio marketplaces

- Agile team variants **encompassing all functions**

- Teams are **long-lived at all levels**

- **Strategic** planning and development is **iterative**

- Structures to incorporate **supporting functions** such as **HR** are for instance freely associated chapters

Scaled Agile | Common Principles of Most Relevant Frameworks

2019 Deloitte
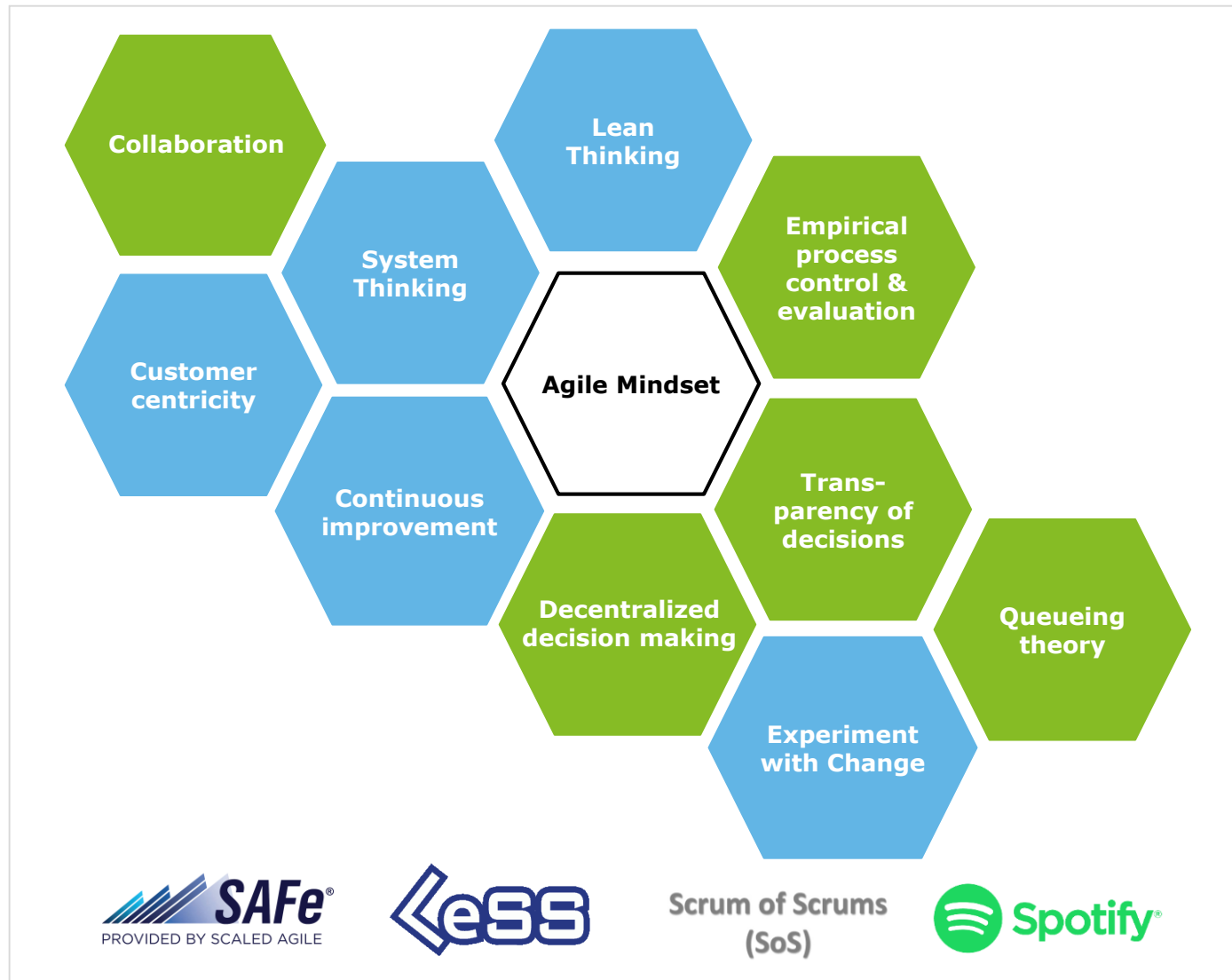
Scaled Agile | Advantages of Scaled Agile

Strategic alignment, high transparency and built-in quality are the main advantages of successfully implemented scaled agility

ALIGNMENT

TRANS-PARENCY

BUILT-IN QUALITY

- Consistency in **strategy and communication** and **alignment** with **business goals**

- Alignment between teams, central roles and ceremonies supporting **multi-team coordination**

- Alignment from **top-down but also bottom-up**

- Addresses **roles and responsibilities** across teams, program and portfolio

- Easily handles coordinated strategy for **large-scale and complex projects** with more than one agile team

- **Comprehensive documentation** at program and portfolio levels

- Each Solution element, at every increment, meets **appropriate quality standards** throughout development

- Ability to **deliver new functionality** with the **shortest sustainable lead time**

- **Adapt** to rapidly changing **business environments**

Scaled Agile | Typical challenges of Scaled Agile

Globally distributed teams: How best to orchestrate different time zones, cultures and working modes?
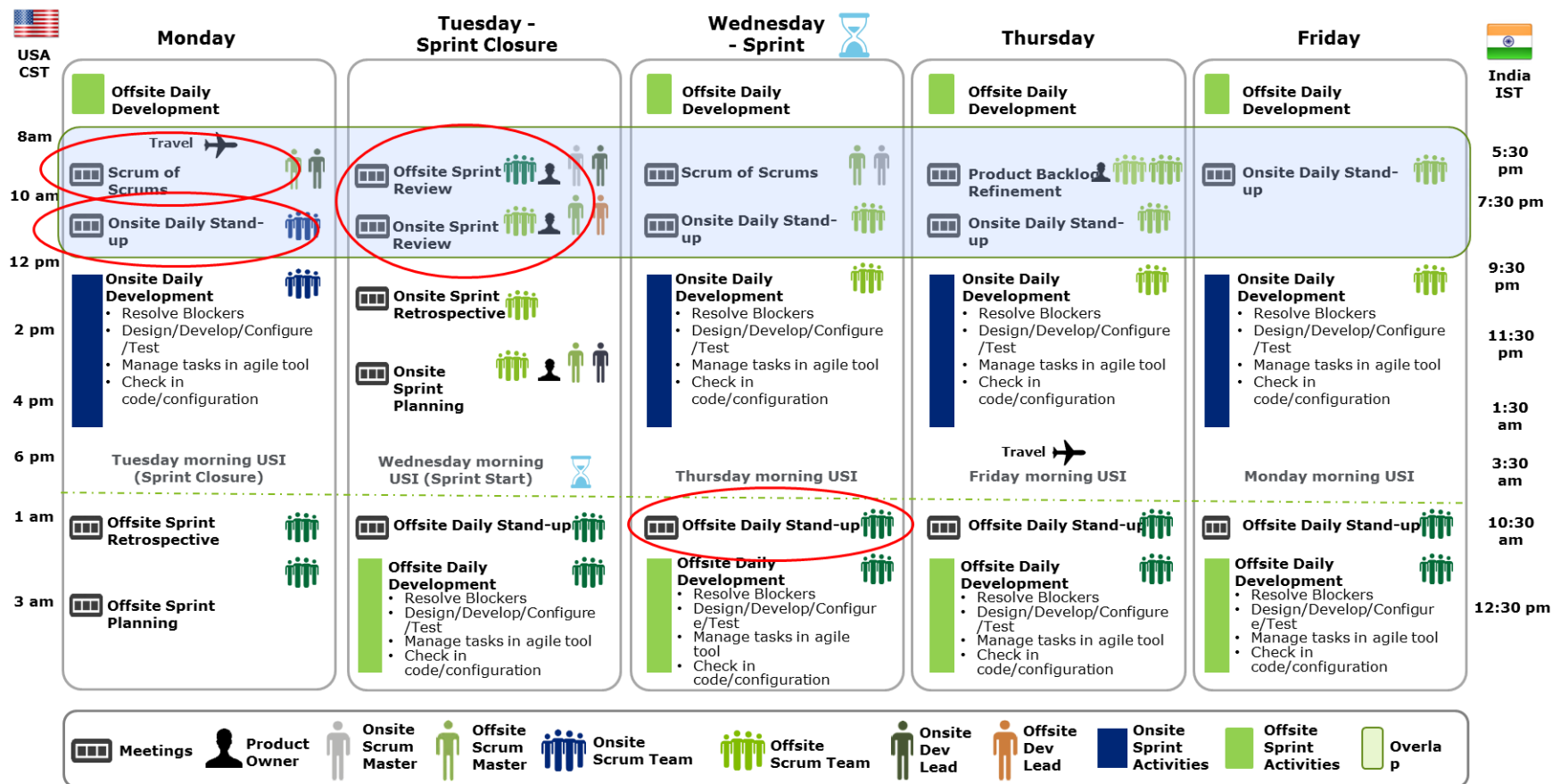
Source: Deloitte project experience

Scaled Agile in Practice
Project examples

Agile and Digital Transformation - inseparable

Digital Transformation requires Scaled Agile Frameworks to be successful in the Financial Industry

When talking about **Digital Transformation** in banking industry, Forrester states that …

"…Leaders see beyond technology investments, driving fundamental change in process and people, **leveraging scaled Agile frameworks** …"

FORRESTER

Nov 2017, "Predictions 2018: Financial Services Companies Get Serious About Digital Transformation"
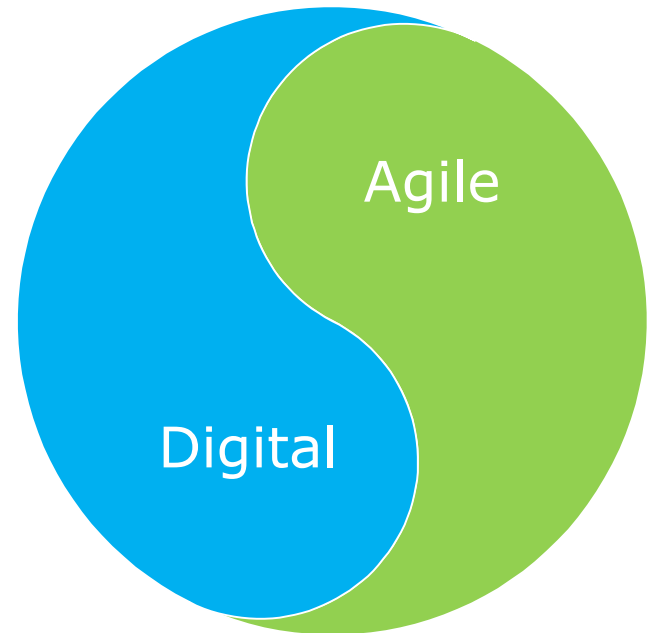
#1 | Implementation of a Sales Tool with SoS
Large German Insurance Company

Short project profile

Development of a sales tool that guides the intermediary through the complex process of product selection
- Agile as the backbone of Digital Transformation within the insurance company
- Further Facts: **12 Months, 18 team member, Scrum of Scrums**

Benefits and implications:

⊕
+ Highly motivated and very structured ceremonies

+ High transparency and high confidence of the Journey/Product Owner

+ Continuous delivery of new results

+ Highly flexible team

+ Better quality through continuous testing

⊖
- Conflicts between internal and external developers

- Conflicts between short-term Scrum planning and business expectations

- Conflicts between traditional/linear and agile thinking, especially with the OE

#2 | Implementation of a Digital Marketing Platform with LeSS
Large German Insurance Company

- The project aimed to implement a shared digital marketing platform based on Adobe solutions
- Decided to implement LeSS to efficiently manage up to ten 10 Scrum Teams
- Further Facts: **9 Months, ~90 People, LeSS**

Benefits and implications:

+ Close collaboration and more efficient planning due to highly committed Product Owner

+ Shorter delivery cycles and better results with cross-functional teams and integrated tests

+ Close alignment between scrum masters

+ Highly motivated teams and very structured scaled ceremonies

- Significant resistance from some internal team members

- Conflicts between internal and external DevOps members

- Conflicts between short term Scrum planning and time consumed infrastructure development

- Conflicts between traditional and agile mindsets

#3 | Implementation of a Sales Tool with SAFe
Large German Bank

Short project profile

Enterprise Agile Transformation in step-by-step implementation

- Agile as the backbone of Digital Transformation within a large German bank
- Further Facts: **36 months, 150 People, SAFe**

Benefits and implications:

⊕ + Intensive Scrum Training of relevant teams, Change Management activities, High level of Management attention and Management support

+ Scrum Coaching, Measurement of performance, KPI- Reporting, Co-located teams collaborate closely (about 60 team members), set up additional agile teams

⊖ - Lack of transparency in regard of project progress

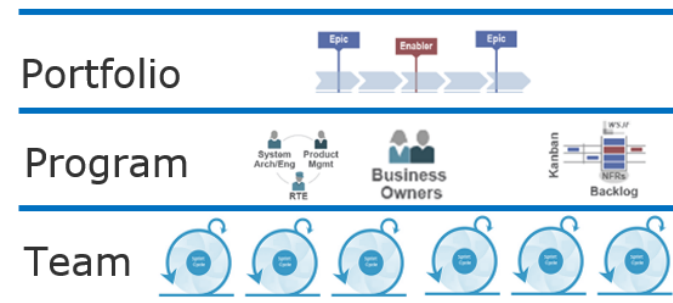- Regular delay in delivery

- Strong "Silo Mentality" within team

Step 1: Waterfall

Step 2: Pilot Agile

Step 3: Agile With SAFe

Portfolio

Program

Team

Questions
Stage is yours!

Many thanks for your attention!