

The Strategist's bookshelf

The Age of Agile: a guide to a revolution in innovation management

Seth Kahan

Seth Kahan, an innovation and strategy consultant based in Washington, D.C. (seth@visionaryleadership.com), is the author of *Getting Change Right: How Leaders Transform Organizations from the Inside Out* (Jossey-Bass, 2010) and *Getting Innovation Right: How Leaders Leverage Inflection Points to Drive Success* (Jossey-Bass, 2013).

The Age of Agile: How Smart Companies are Transforming the Way Work Gets Done, Stephen Denning (Amacom, New York, 2018), 302 pages.

Senior managers who confront accelerating change and increasing complexity are realizing that their organizations must become more adaptive through initiatives designed to produce sustaining, customer-focused innovation. It is almost inevitable that when they start down this road they will then encounter the advocates of Agile management, an innovation technology based on small teams completing small steps in brief cycles. Those new to the process often find the Agile language puzzling and the concepts strange.

To bridge this communication chasm between traditional managers and Agile veterans there now is a timely book based on research and first-person investigation. Stephen Denning's new book *The Age of Agile* takes readers to the front lines of innovation by Agile teams for an unvarnished description of what works, what doesn't. It provides helpful models that make it easier to understand and implement the Agile process. Denning not only documents what he learned from studying Agile product development programs in many major firms, but provides a step-by-step guide for anyone who wants to understand and apply the concepts in their own firms.

So, what is Agile? It is the customer-focus mindset and accompanying

team management practices that transforms the process of delivering uninterrupted value to customers. The revolution Agile adherents proclaim is the replacement of hierarchical management with a customer-centric, humanistic approach as the core organizing force behind work. Is it successful? Just think of how many products and services have popped up in the last few years in your personal life that get you what you want before you know you want it. Leading organizations are using Agile teams to continuously refine the ease of use of their products and services to keep customers happy and engaged. And Agile teams are also making innovation breakthroughs that disrupt whole industries.

What I most admire about Denning's book is that he has done his research, speaks from experience, shares stories from innovators that include the bad as well as the good, and provides easy-to-digest frameworks that successfully tackle the hard-to-accomplish mindset change. Denning's is the indispensable map to the future, where competitive advantage is transitory and organizations survive by delivering both incremental and breakthrough customer value. Let's take a look at the backstory that makes this book exceptional.

For two years Denning has collaboratively led a learning consortium bringing together major companies that have made Agile best practice[1]. Consortium members

“Leading organizations are using Agile teams to continuously refine the ease of use of their products and services to keep customers happy and engaged.”

accelerate their learning through mutual site visits, reflecting on what they learned, documenting and sharing their insights. Members include leaders from Barclays, C.H. Robinson, Cerner, Ericsson, Fidelity Investments, Microsoft, Riot Games, and Vistaprint. They study the successes and failures of the operationalization of Agile theory, not shying away from the hard truths and challenges gleaned from watching execution. As a result the consortium has been able to distill the successful cases and describe what Denning calls, “management practices that have a striking family resemblance.” These are:

- Delighting customers.
- Descaling work.
- Enterprise-wide agility.
- Nurturing culture.

For more on the consortium, visit www.sdlearningconsortium.org.

Because Denning is a businessman himself, he knows how to keep the case studies lean and focused on germane issues, while at the same time providing the necessary details of the lessons learned. He has judiciously selected studies that have important lessons to convey and renders them masterfully, showing wins and stumbles. The stories include the 140-year-old Ericsson, for example, retooling a legacy organization, and Spotify, the eight-year-old Swedish music streaming service, demonstrating how Agile works in a digital native.

One of the most challenging aspects of Agile is that it's not just another methodology. It is a different way of looking at how work is done and the true goals of work. A mindset change as radical as this is always challenging to implement successfully. This is where Denning's talented use of frameworks and models really shines. One of the book's most valuable frameworks is the set of three laws – the Small Team, the Customer, and the Network. Readers first encounter these three laws in the book's introduction, and then they are fully explained in Chapters 2, 3 and 4. The Law of the Small Team is the one most familiar to people who took an early interest in Agile. Denning shows how it is interdependent with the other law of Agile such as the Laws of the Customer, which is crucially important “because it makes sense of the other two.” And finally, there is the Law of the Network, which brings together the resources of a firm and its global interconnections. After Denning's descriptions, examples and insights you will be equipped to start down an extraordinarily different path – applying Agile principles to your innovation management efforts.

Denning believes that organizations must embrace this new way of working to succeed today and in the future. This book is required reading for anyone hell bent on staying ahead in our new interconnected marketplace, one which demands customer delight and unique value at every turn.

How Agile teams get work done

The core practices include:

1. Work is organized in short cycles.
2. The management doesn't interrupt the team during a work cycle.
3. The team reports to the client, not the manager.
4. The team estimates how much time work will take.
5. The team decides how much work it can do in an iteration.
6. The team decides how to do the work in the iteration.
7. The team measures its own performance and produces finished work at the end of each short cycle.
8. Work goals are defined before each cycle starts as outcomes through user stories.
9. Managers systematically remove impediments.
10. The team systematically inspects and adapts performance to ensure continuous improvement.

Source: Denning, S., “How Major Corporations Are Making Sense of Agile,” *Strategy & Leadership*, Vol.46, No. 1, Jan/Feb 2018.

Note

1. SD Learning Consortium, www.sdlearningconsortium.org/

Corresponding author

Seth Kahan can be contacted at: seth@visionaryleadership.com