



Is the current trend of “agilising” entire project organisations really the winning strategy to survive the digital revolution?



Is the current trend of “agilising” entire project organisations really the winning strategy to survive the digital revolution? An introduction to Wagile.

With the upcoming of agile methodologies, project managers face more and more the situation of applying different modes of delivery, even within the same project, while the company financial planning is still on a yearly basis and mostly linked to upfront defined project deliverables. This situation creates confusion and challenges in many project management processes as well as for a realistic management of stakeholder expectations.

Wagile* is a concept framework developed by project management experts. It simplifies the combination of planning elements from **Waterfall** and **AGILE** methodologies – WAGILE. The initial objective is to create transparency and to enable effective project execution monitoring for project managers. Today, Wagile concepts are also applied in program and project portfolio management, in particular in the areas of project selection, prioritisation, decision research and decision making.

“Digital disruption is now causing the rate of change to accelerate in ways that are leaving some of the world’s largest brands eating the dust of their newer competitors” (SAFe® 4.0 Introduction).

Statements like the above are pushing corporations to rethink their entire delivery process and organisation, regardless of their size, geography, or industry. The motivation for such drastic changes is the strong believe that the way to create and deliver customer value has to be adapted in order to succeed in this “digital disruption”. The ability to quickly deliver change is considered to be the key success factor. Accordingly, decision makers start to introduce agile methodologies and to transform their organisation towards more agility, and they accept substantial business risks by doing this.

Is this strong focus on agility the right strategy to successfully manage a digital transformation?

Until 2010, project management methodologies were not considered as a strategic area in most of the top 100 MBA programs nor in the most referenced business management theories by Taylor, Ducker or Porter for example. This might be an explanation why today’s decision makers still see project management as a mostly engineering discipline, and therefore struggle in selecting and prioritising new project proposals, in creating a realistic project portfolio roadmap and in taking operational dependencies into consideration when defining the company strategy.

It is therefore not a surprise that the latest Chaos Manifesto statistics prove (again) that the efficiency of project delivery has not significantly increased during the last years, using waterfall concepts or agile methodologies alike. There is still around 60% of the projects failing to achieve their initial objectives. Poor management decision making has been identified by PMI as one of the leading reasons (Pulse of the Profession® in-depth report 2015). With regards to the mentioned poor project management education at top management level, initial project objectives might also be wrongly set and the entire delivery organisation constantly runs behind unrealistic targets.

Wagile believes that project delivery efficiency is not exclusively linked to the project itself, nor to the project delivery strategy or the delivery organisation. Strict formal processes, imposed roles and responsibilities or the forced use of “standard” tools and templates are not considered to add significant value to increase the project delivery efficiency.

Instead, in Wagile the focus is on the management of external project factors, on transparency and on reduction of the dependency on competency, availability or accountability of decision makers.

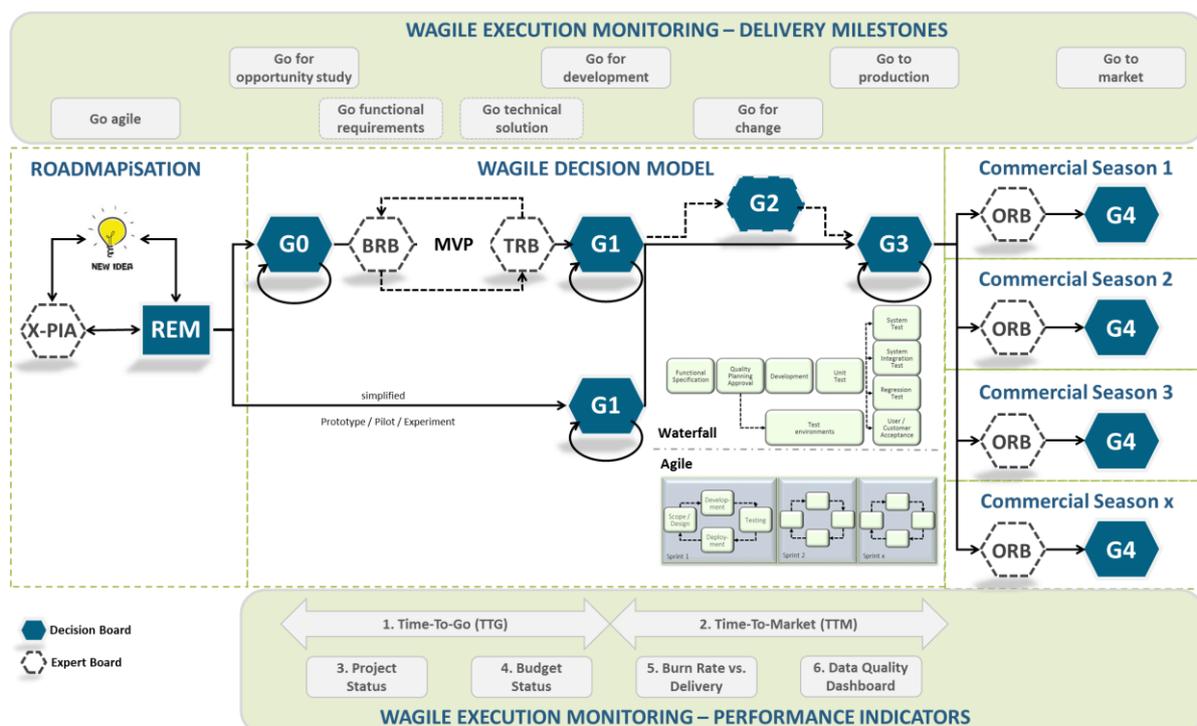
The key success factor in Wagile is the ability of *quick and informed decision making* and the *empowerment of the delivery teams*. The overall objective is to facilitate and accelerate *informed and*

transparent decision making. Project delivery processes, the delivery organisation and tools or templates are less relevant as long the project manager is in control of the project execution.



Wagile normalizes project execution monitoring and facilitates decision making by introducing common key performance indicators (KPIs) and decision gates (DGs) for all types of projects. These KPIs are used as benchmark, like the Time-to-Market (TTM). A deviation to this benchmark is a valuable indicator of the project performance and allows comparison between projects. It sets realistic management expectations to project stakeholders and to delivery teams alike. The idea of introducing benchmarks in complex business context is not new, similar strategies are used in commodities and energy markets, where prices are not determined by the stock exchange and have constantly to be re-negotiated, like prices for oil, iron ore, sugar, coffee and many others. In such markets, benchmarks help to accelerate price finding and to set realistic market expectations.

On a more operational level Wagile puts strategic / financial planning and project execution in one integrated context, the *Wagile Delivery Framework*. Below an example of a Wagile implementation.



The concept of ROADMAPISATION facilitates the companywide alignment of capital expenditures and project selection / prioritisation by actively applying a healthy competition for limited resources.

The Wagile Decision Model stimulates anticipatory and informed decision making by introducing a formal decision research in expert boards (white boxes) and by imposing legitimacy and accountability to decision makers in decision boards (blue boxes).

The concept of Commercial Seasons realizes economies of scale for go to market activities and provides one common delivery frame with a cross functional vocabulary, by time scaling business related activities (e.g. in marketing or sales), with technical release and change management.

The Wagile Execution Monitoring defines delivery milestones and benchmarks like Time-to-Go (TTG), Time-to-Market (TTM) or cost burn rate, valid for all nature of projects. This allows project comparison and performance monitoring.

Returning to the initial question: Is this strong focus on agility the right strategy to successfully manage a digital transformation?

The basic idea of agility is to empower responsible delivery teams in autonomous decision making. It is generally agreed that agile methodologies are well working instruments to improve the delivery efficiency of *well-chosen* development teams, not necessarily of all development teams. An adaptation of the entire delivery organisation leads in any case (agile or not) to direct change management costs with a high risk of indirect costs (frustration, employee turnover). It also takes time. The decision to introduce agility to the entire delivery organisation is therefore based on the assumption to have enough time for such a change and to increase the project delivery performance to a level, which cannot be reached by applying alternative strategies on the one hand and which compensates the mentioned risk of change on the other hand.

The challenge for companies during a digital transformation is the orchestration of multiple business transformations, while modernising IT and infrastructure strategies, respecting compliance requirements and reducing the overall cost structure. A clear vision of the system architecture, the ability to make quick informed decisions and their transparent communication to the entire organisation are the key success factors.

Wagile provides a framework which facilitates informed decision making by introducing expert boards and by reducing the dependency on individual decision makers. Wagile sets realistic management expectations with the use of comparable delivery benchmarks. Wagile introduces a common language on project portfolio level, which facilitates the selection and prioritisation of projects and their Go-to-Market.

By applying the Wagile framework, it is possible to formally separate the accountability of decision making and the responsibility of decision delivery. As a consequence, the formalisation of the project delivery strategy and project organisation are less relevant for an efficient project delivery, as this should be the entire responsibility of the entity responsible for the decision delivery – the project manager.

For more information, please see www.wagile.ch.

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