NOW SHOWING:

AgileAus 2017 Sessions

* Agile Governance: Evolution or Revolution
  Stuart Mitchell

* Saving the Plane from a Nosedive
  Alex Logan

* How the Olympics Can Make You a Better Person
  Sandy Mamoli

* Funding Agile Delivery
  Eric Naiburg  Erwin van der Koogh
Agile Governance: Evolution or Revolution
DISCLAIMER

I REPRESENT NO COMPANY AND THE THOUGHTS AND OPINIONS ARE ENTIRELY THAT OF THE PRESENTER.
11yrs using Agile at the ‘coal face’

Scrum Alliance Certified Scrum Professional, CSPO and CSM (‘08)

Keynote Speaker at Agile Conferences in Europe and in Asia

Over 100 projects Coached / Consulted / Run

Winner of ‘Most Valuable Agile Project in the UK’ 2010
Runner Up ‘Most Valuable Scrum Master in the UK’ 2010

Author of Making Agile Work and contributory author to UK Government Agile Report and National Audit Office ‘Agile Governance’
OMG! Governance!
Fire Brigade

Police

Surf Rescue

Ambulance
1. Cost Reduction - Efficiency gain – which leads to spending less money which helps us make a PROFIT

2. Wealth Creation – More Products - Income Enablement – Competitive Advantage

3. Keep the doors open – maintenance / regulatory governance – the cost of doing business
The only way that ANY of these initiatives are realised is by getting the product into .......

MARKET
Ensuring that we are running the RIGHT projects

Ensuring that what is delivered works, is compliant with legislation and corporate policy.

Enterprise Agile Governance

The Challenge: Achieving both goals effectively and in a way that doesn't interfere with the Agile way of working.
Components of IT Corporate Governance

- Compliance & Legal
- Testing
- Architecture
- Finance
- Risk
- Audit
IT governance is the safety net.
Computer glitch hits super payments of thousands of public servants

Noel Towell
9 May 2017, 8:09 a.m.

Computer glitches are being blamed for the failure to pay millions of dollars into retirement savings of thousands of public servants at several large federal departments in recent months.

Private sector outfit Pillar Administration, hired by the Commonwealth Superannuation Corporation to manage payments, is struggling to integrate a new computer system and members of the PSSap fund have been the losers.
Toyota recalls 625,000 hybrids: Software bug kills engines dead with THERMAL OVERLOAD

Prius owners look less smug

"In the involved vehicles, the current software settings for the motor/generator control engine control unit (ECU) and hybrid control ECU could result in higher thermal stress in certain transistors, potentially causing them to become damaged," Toyota said in the recall notice.

"If this happens, various warning lights will illuminate and the vehicle can enter a failsafe mode. In rare circumstances, the hybrid system might shut down while the vehicle is being driven, resulting in the loss of power and the vehicle coming to a stop."
Nest Thermostat Computer Glitch Leaves Users in the Cold

The Nest Learning Thermostat is dead to me, literally. Last week, my once-beloved “smart” thermostat suffered from a mysterious software bug that drained its battery and sent our home into a chill in the middle of the night.
Key academic work studying over 20,000 projects between 1983 - 2003

DORSEY-1

... Failure rate of waterfall projects was between 50%-80%...

... This is a catastrophe...

Dr. Dorsey (2005)

(one of the most widely quoted pieces of academic work in the industry)
The believe that Governance was broken and NOT Waterfall led to a massive expansion of EVRYTHING Governance related.
Now we’re really safe !!!
The contents of Plan B are just MORE of what was in Plan A
IT Governance

240 yrs of Evolution

Processes

Artifacts

Red Tape

Stage Gates

Review Panels

Established 1977

Compliance
Audit
Security
Risk
Legal
AUSTRALIA

EST. 1788

230 yrs of EVOLUTION
## Reference Matrix - PRINCE2 Products

### 2009 Edition

<table>
<thead>
<tr>
<th>Process Model</th>
<th>Initiating the Project</th>
<th>Define the Project</th>
<th>Direct and Manage the Project</th>
<th>Control the Project</th>
<th>Close the Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appoint the Executive and the Project Manager</td>
<td>A</td>
<td>U</td>
<td>C</td>
<td>C</td>
<td>C</td>
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<tr>
<td>Capture previous lessons</td>
<td>U</td>
<td>U</td>
<td>A</td>
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<tr>
<td>Design and appoint the project management team</td>
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<tr>
<td>Prepare the outline Business Case</td>
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<tr>
<td>Select the project approach and assemble the Project Brief</td>
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<tr>
<td>Plan the initiation stage</td>
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<tr>
<td>Authorise the project</td>
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<tr>
<td>Authorise a Stage of Exception Plan</td>
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<tr>
<td>Give advice to do</td>
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<td>Authorise project change</td>
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<tr>
<td>Prepare the Project Management Strategy</td>
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<tr>
<td>Prepare the Configurable Management Strategy</td>
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<tr>
<td>Prepare the Change Management Strategy</td>
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<tr>
<td>Set up the project controls</td>
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<tr>
<td>Create the Project Plan</td>
<td>C</td>
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<tr>
<td>Refine the Business Case</td>
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<tr>
<td>Assemble the Project Initiation Documentation</td>
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<tr>
<td>Authorise a Work package</td>
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<tr>
<td>Review Work Package status</td>
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<tr>
<td>Receive completed Work Packages</td>
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<td>Review the stage status</td>
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<tr>
<td>Report highlights</td>
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<tr>
<td>Capture and examine issues and risks</td>
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<tr>
<td>Resolve issues and risks</td>
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<tr>
<td>Take corrective action</td>
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<td>Accept the deliverables</td>
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<td>Execute the Work Package</td>
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<tr>
<td>Deliver a Work Package</td>
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<tr>
<td>Plan the next stage</td>
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<tr>
<td>Update the Project Plan</td>
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<tr>
<td>Update the Business Case</td>
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<tr>
<td>Report stage end</td>
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<tr>
<td>Produce an Exception Plan</td>
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<tr>
<td>Prepare planned closures</td>
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<td>Prepare premature closure</td>
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<tr>
<td>Hand over products</td>
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<td>Evaluate the project</td>
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<td>Recommend project closure</td>
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</tr>
</tbody>
</table>

### Legend
- AS = ASSEMBLE
- AP = APPROVE
- C = CREATE
- Cl = CLARIFY
- I = INPUT
- O = OUTPUT
- OB = OBTAIN
- P = PREPARE
- R = RAISE
- U = UPDATE
'... it's less risk mitigation but more artifact generation... giving the illusion of safety.' (Jim Highsmith)
WATERFALL

STAGE GATES / MEETINGS / ARTEFACTS

AUDIT
SECURITY
TESTING
LEGAL & COMPLIANCE
ARCHITECTURE
IT FINANCE
RISK
INFRASTRUCTURE
Executives continue to struggle to successfully deliver on projects that improve performance, operational efficiency, and citizen engagement. The increased risk and cost of these projects has prompted a move to more modular agile project management approaches.

This shift provides unique challenges in the area of IT governance and IT investment oversight.

Linda Cureton, former NASA CIO
Tollgates, artifacts requested, Extra Controls around security, 4 x eye Reviews, Limited sign-off by qualified staff, Extended sign off procedures, Extra committees, increased Approvals and more stringent Guidelines

NEW Tollgate
Oct

NEW Tollgate
Feb

NEW Tollgate
Mar

NEW Tollgate
May

NEW Approval
Oct

NEW Test
Feb

Reviews
Jan

control
Feb

Review against Guidelines
Feb

Extra - Audit Lev 2 Review
Apr

NEW TOLLGATE

Reviews
Mar

Extra
Audit Lev 2
Review

Q4
Q1
Q2
Q3

4 1 2 3
Governance is holding back the effectiveness of Agile
‘For all the right reasons, for which they were built, IT Governance Teams are no longer just keeping companies safe, they are also putting them at risk! We have to change’

- Jim Rankin (FedEx CIO)
You don't do it often and you want to get it right!!!

Changing a company's governance is like having open heart surgery.

Heart with stitches drawn on it.
CHANGE

RISK

"SOMETHING MA-1 FALL THROUGH THE CRACKs"

COST

"RUNNING 2 TEAMS OLD + NEW"

EFFORT

MORE WORK

HAPPINESS

CONFUSION
The challenge to change Governance is just TOO hard
Disruptors
OMG!
Disruptors!
A SEISMIC SHIFT

PRE DISTURBANCE

POST DISTURBANCE
FinTech
1,027 Companies

Contact info@venturescanner.com to see all
GOVERNMENT ANNOUNCED A % RATE CHANGE

... IT TOOK US 3 WEEKS

... IT TOOK THEM 3 HRS (FINTECHS)
<table>
<thead>
<tr>
<th>COMPETITIVE LANDSCAPE</th>
<th>Retail</th>
<th>Business and Corporate</th>
<th>Protection and Wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td>THE 4 PILLARS (&quot;Big 4&quot;)</td>
<td>Home Loans</td>
<td>Credit Cards</td>
<td>Business and corporate lending</td>
</tr>
<tr>
<td>REGIONAL BANKS, CREDIT UNIONS</td>
<td>Deposits</td>
<td>Business and Corporate</td>
<td>Equities</td>
</tr>
<tr>
<td>INVESTMENT</td>
<td>Credit Cards</td>
<td>Corporate Syndicated lending</td>
<td>Life insurance</td>
</tr>
<tr>
<td>OVERSEAS BANKS</td>
<td>Business and Corporate</td>
<td>Equities</td>
<td>Protection and Wealth</td>
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<tr>
<td>INSURERS</td>
<td>Corporate Syndicated lending</td>
<td>Life insurance</td>
<td>Retail funds management</td>
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<tr>
<td>FUNDS MANAGERS</td>
<td>Equities</td>
<td>Protection and Wealth</td>
<td></td>
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<tr>
<td>RETAILERS</td>
<td>General Insurance</td>
<td>Retail funds management</td>
<td></td>
</tr>
<tr>
<td>FINTECHS</td>
<td>Life insurance</td>
<td>Retail funds management</td>
<td></td>
</tr>
</tbody>
</table>

**RISING PRESSURE FROM NON-TRADITIONAL PLAYERS**

- **Retailers**: Apple Pay, Coles
- **FinTechs**: SocietyOne, PayPal, Google Wallet, Simple
- **Payments**: P2P Lenders, Google Wallet
- **SME Accounting**: Xero
- **Digital Vault**: tröv
- **Neo-Banks**: Moven

**Examples of Companies**

- Suncorp
- ANZ
- Westpac
- NAB
- Bendigo and Adelaide Bank
- BOQ
- Cuscal
- Macquarie
- Citi
- HSBC
- Rabobank
- RBS
- UBS
- Mitsubishi UFJ
- QBE
- IAG
- TAL
- AMP
- Mercer
- Digital Vault

**Adjacent Companies**

- Neo-Banks: Moven
- Payments: PayPal, Google Wallet
- SME Accounting: Xero
Prediction 24% of the financial market taken by fintechs.
EVERY company now has to EVOLVE
Technology Adoption Life Cycle

- 2.5% Innovators
- Early Adopters 13.5%
- Early Majority 34%
- Late Majority 34%
- Laggards 16%

(Source: http://en.wikipedia.org/wiki/Technology_adoption_lifecycle)
– Making Change Happen –
The Governance teams look begin work on the Product. The engagement is un-coordinated and cumbersome. The impact on the team is dramatic.
Agile teams establish DMZ’s. Sharepoint's/Confluence pages with WAGILE style artifacts as a way for Waterfall orientated Governance teams to engage.
Governance Teams become synchronised. Duplication of documents, number of meetings and stage-gates all substantially reduced.
Final Stage - Governance Teams engaged at the START of the development. Process and procedures are ‘baked in’. DevOps procedures now include Governance requirements.
Remove Secrecy

GOVERNANCE

Remove Duplication

Engage with Agile Teams
E M P A T H Y

P R O M O T I O N S
O V E R 3 0 Y E A R S

1 9 8 7

2 0 1 7
What does good governance look like?
Change is hard at first, messy in the middle and gorgeous at the end.

Robin Sharma
1. Governance is part of the product's DNA.
IT GOVERNANCE: THE NEW WORLD
2. Trust exists between governance teams and agile projects.
3. DevOps

with IT’s automated testing, cont. integration, cont. delivery is embedded.
4. Governance engagement with agile teams is **appropriate**.

- Too hot
- Just right
- Too cold
S. CIRCLES OF
INSPECT + ADAPT
EXIST
6. Agile teams are empowered.

- Governance is not an impediment.
- Experimentation is conducted.
- Safe to fail.
CHANGE

RISK

"SOMETHING MA-1 FALL THROUGH THE CRACKS"

COST

"RUNNING 2 TEAMS OLD + NEW"

EFFORT

MORE WORK

HAPPINESS

CONFUSION
IS REDUCED WITH AGILE

REDUCED OVERHEADS, EFFICIENCY OF SCALE

RISK

COST $

(REDUCED AS ISSUES FOUND QUICKER, DELIVER LESS COMPLEXITY)

EFFORT

HAPPINESS

CHANGE
Benefits of a combined Agile : Governance Approach
Companies adopting a combined approach are **safer**, and risk is reduced.
Higher Return on Agile Investment

- Teams more effective
- Increase of workflow
3 Agile Industry Boost Removal of one of the biggest impediments
‘Agile is the fastest growing Project Software Development methodology in the world wide IT Industry …..it is estimated that within 2 years Agile will account for 80% of all software development projects.’

November 2013
Challenges Experienced Adopting & Scaling Agile

While the vast majority of respondents and their organizations have realized success from adopting agile practices, they recognize that there are challenges to scaling agile. The top two challenges cited were organizational culture at odds with agile values (63%), and lack of skills or experience with agile methods (47%).

- Company philosophy or culture at odds with core agile values: 63%
- Lack of experience with agile methods: 47%
- Lack of management support: 45%
- General organization resistance to change: 43%
- Lack of business/customer/product owner: 41%
- Insufficient training: 34%
- Pervasiveness of traditional development: 34%
- Inconsistent agile practices and process: 31%
- Fragmented tooling, data, and measurements: 20%
- Ineffective collaboration: 19%
- Regulatory compliance and governance: 15%
- Don’t know: 2%

*Respondents were able to make multiple selections.*
So, IT Corporate Governance what is it,
Thank you
QUESTIONS