Agile FOCUS

Pocket guide for executives in transformation

in governance

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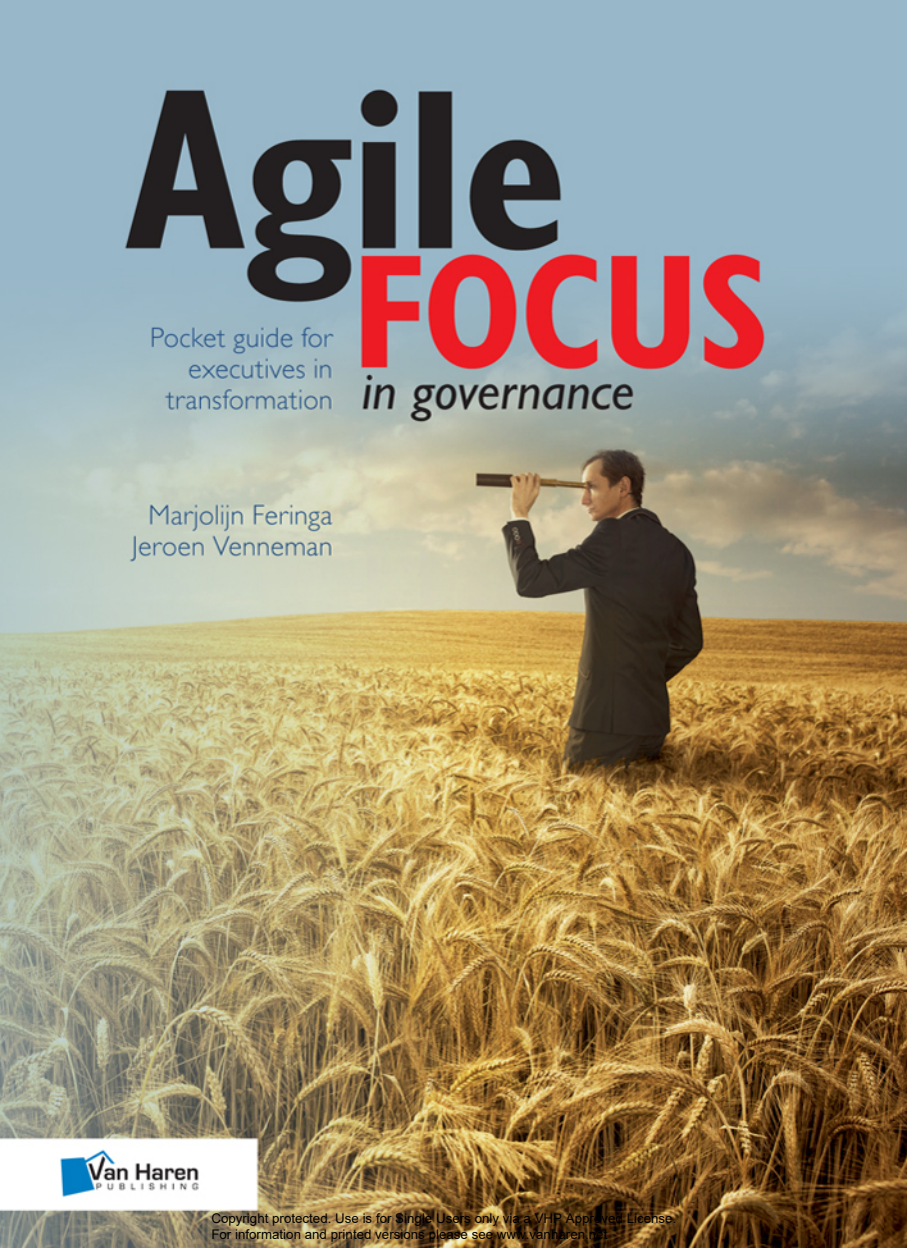

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A pocket guide for executives involved in transformation

Marjolijn Feringa and Jeroen Venneman

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Colophon

Title:	Agile FOCUS in governance
Subtitle:	A pocket guide for executives involved in transformation
Authors:	Marjolijn Feringa and Jeroen Venneman
Publishers:	Van Haren Publishing, 's-Hertogenbosch-NL www.vanharen.net
ISBN Hard copy:	978 94 018 0695 4
ISBN eBook (pdf):	978 94 018 0696 1
ISBN ePUB:	978 94 018 0697 8
Edition:	Original Dutch edition: February 2019
English translation:	First edition, first impression, October 2020
Text editor:	Steve Newton (Galatea)
Layout and Design:	Coco Bookmedia, Amersfoort-NL
Copyright:	© Van Haren Publishing, 2019, 2020

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Foreword by Wiebe Draijer

Within Rabobank we are transforming to work in an Agile way. This means a different way of steering for us as a managing board and for me personally. The FOCUS board is a beautiful and practical way to shape this.

Every Monday we start our managing board with a stand-up. Our joint agenda of change programs is central. We discuss in a very focused way the topics that need our attention or the coordination of the board members.

We use the techniques of Agile working ourselves. In the beginning it was a bit uncomfortable, but we have kept on learning and gradually are becoming more effective in this approach. In particular, the short meeting at the beginning of the week gives us the right focus on our change agenda.

I am convinced that this pocket guide will help management teams and executives to apply Agile governance successfully in practice.

Wiebe Draijer
Chairman of the Board, Rabobank.

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Foreword by Peter Coesmans and Katie Taylor, Agile Business Consortium

What a great pocket guide!

Much has been written about Agile lifecycles and teams, so it is refreshing to see something that focuses on the management team, senior executives and governance. This concise guide explains how agile principles and values can be adopted at board level. It provides senior teams with practical advice and tools that they can use to build a more resilient, flexible organization capable of delivering better value.

The text is written in "an agile style". The ideas and techniques are described with tips and examples, encouraging the reader to consider how to interpret and adapt these to their own particular context. Using a storyline of an organization going through change makes the book easy to read and to understand. The tips it gives are obviously gathered by working with executives *and* practitioners, meaning they are both practical and powerful at the same time. The FOCUS board helps to resolve team dilemmas by facilitating *useful* board room decisions. And of course, it is visual, it is jointly owned and it supports change. It is a great tool to complement those who are embarking on agile portfolio management, which the Agile Business Consortium launched back in 2017.

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The Rabobank case study describes how the FOCUS board and techniques came about and were adapted when needed. So for all those who want to continue this agile journey, first ask yourself what the purpose of your journey is. Then read the book and get inspired, and find your own path by adopting and adapting the FOCUS board and continuing your learning journey.

Marjolijn and Jeroen's years of experience and their individual expertise in the area of Agile transformation are clear to see throughout the guide. Senior executives looking to make a positive impact on their organization should take advantage of this expertise by making this pocket guide a "must read".

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Foreword from the authors

We have been helping organizations with effective ways of working and creating more client value through continuous improvement for many years now. Change management, Lean and Agile are the common threads here. The visible and sensible change often starts in the workplace and gains significant value when the whole organization gets involved and reinforces everybody, even inside in the boardroom

We often get the questions “How does this work?” and “What are your experiences?” “What does this mean for board members?” and “How do you apply this in concrete terms?” We started to write this down to help more people with this and that is how this pocket guide originated.

A key success factor in transforming to a new way of working within the whole organization is to have at least one authentic sponsor among the board members. This is often someone who has gained experience in other companies before he or she joined the organization and has seen previous results. The influx of an experienced board member can help because they can share that experience when addressing the challenges posed by transformation.

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Alongside this success factor, the present board members need enthusiasm, guts and courage to try new things and experiment. Often these competences are present, but they need an incentive to ignite them within the team.

In this pocket guide we explain the use of the FOCUS board as a tool to provide this incentive.

The FOCUS board is as easy to understand as the corresponding activities like the stand-up and the quarterly change. The challenge is in the using it. That is why we describe our experiences in this pocket guide at the same time as explaining the techniques.

We hope that everyone who reads this book gets the inspiration to use continuous improvement throughout the entire organization in order to reach their strategic goals. We wish them every success in applying it, since the whole organization will benefit from it.

To complete this foreword we would like to thank the following people for reviewing and giving constructive feedback which has contributed significantly to the versions of the book: Ernst Bik, Theo Gerrits, Barbara Roberts, Patrick Verheij and Gijs Wijers.

Marjolijn Feringa and Jeroen Venneman
Winter 2019

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1 Preface

> "One must always be careful of books", said Tessa, "and what is inside them, for words have the power to change us."
>
> *Cassandra Clare (1973), Clockwork Angel*

Big innovative themes like digitalization, globalization, robotics and artificial intelligence (AI) demand that organizations change. If you do not go along you can no longer play.

Those organizations who can respond and adapt quicker to these changing customer wishes and needs have a much better chance to survive than organizations who cannot. But becoming an adaptive and agile organization is not easy and a lot of board members are struggling with these transformations.

The American consultancy office McKinsey & Company points out in their influence model what you need for an effective transformation.

In this model there are four parts that, when used together, lead to change by employees and with that, the whole organization.

Employees change when the purpose, the common goal, of the organization is clear so they understand what is being asked of them and that this

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is logical for them so that they can connect to it. But that alone is not sufficient. The processes in the organization must have a perfect fit with the changes the organization is making. The employees must be educated in these new ways so that their talents and capabilities are consistent with the purpose and processes.

And finally acting as a "role model" is important. Show exemplary behavior: "be the change". Transforming into an organization which is adaptive to the innovative themes and changing customer needs requires a "purpose" which connects to behavioral change in the whole organization.

The four sequential parts which provide the basis for an effective Agile change are:

1. Explain to all the employees why the change is necessary in relation to the strategic goals.
2. Introduce a system of short cyclical adjustments, with which you steer towards the long-term strategic goals.
3. Educate employees (including members of the board) in the new way of working, the Agile mindset.
4. Show exemplary behavior by, for example, organizing stand-ups with board members and stimulate transparency and learning from mistakes.

Adaptiveness is at the core of the principles and assumptions of the Agile way of working. Many books have been written about this way of working. Most of them are about how to do this with teams on the work place. But few of these explain how executives can put this into practice and how to connect with the work place so both sides reinforce each other.

The more focus the boardroom gives to their organization and their strategic goals, the bigger the chance they will actually achieve these goals. In this pocket guide you will find a concrete and practical way of working to get this focus in agile governance.

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The topics in this pocket guide are connected through a case study. This case study describes a situation in a fictional organization, WeTrans4m. It is a medium sized organization with a board consisting of a chairman and four board members. Each board member has their own management team (MT) consisting of four managers and each manager has eight operational teams.

The organization has been working on continuous improvement for eight years now, using a combination of Lean and Agile. They call this "the Trans4M Way of Working".

The following persons each have a role in this case study:

- Chairman, Victor;
- Member of the board, Diana;
- Manager, Mike;
- Team member, Tim;
- FOCUS coach, Kate.

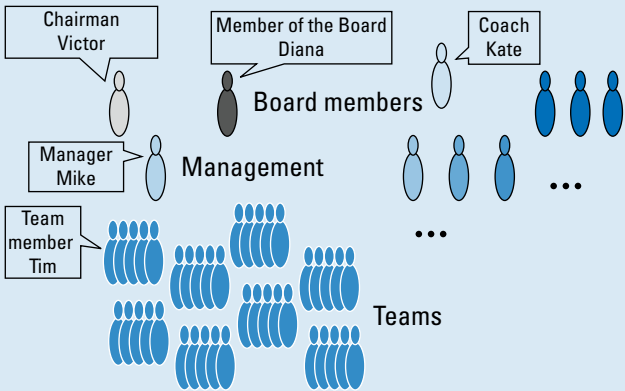

Figure 1 Organization chart WeTrans4m

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2 What is Agile? The Agile Executive Manifesto highlighted

"I know of no single formula for success. But over the years I have observed that some attributes of leadership are universal and are often about finding ways of encouraging people to combine their efforts, their talents, their insights, their enthusiasm and their inspiration to work together."

Queen Elizabeth II (1926), Queen of Great Britain

To understand what Agile is, we look back to the Agile Manifesto. It was created in 2001, which is a long time ago and its origin in IT is easy to recognize. However, the four values and twelve principles are still just as usable today to provide the basis of where Agile came from and where it is moving towards.

The form of the Manifesto includes values on both the right and left sides. The values on the right show where a lot of organizations are coming from, whilst the values on the left indicate where they want to move to. This from/to setup of the Manifesto is used frequently in change processes. In this chapter you will find an example of its use.

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