THE IVORY TOWER IS A THING OF THE PAST, LET’S DO BIG ROOM PLANNING!

By László Juhász and Imre Sztanó

Squads, tribes, POs, iterations – we have discussed all of these. We need them to build an agile company, but what makes this skeleton work? To enable our teams to complete the sprints that yield the highest value-added, we need to provide them with the resources and autonomy they need to succeed. That’s why we’re putting planning on a whole new footing in agile. With new techniques like big room planning (BRP), we’re giving our colleagues direct insight into and the opportunity to impact what and how we want to carry out with their involvement.

How is strategic planning done these days most of the time? Imagine for a moment what comes to mind of the average employee when you say: corporate strategic planning. They will probably think of some complicated central planning, received ready-made from the management. Something that they will regard at the very first look as impossible to implement and thus to be buried in the bottom drawer. If she or he does not identify with the plans, it is nearly certain that the execution will be far from optimal.

Employees often lack the oversight of corporate goals and how their daily work contributes to those. More often than not, even what is directly expected from the employee is not articulated clearly, making it impossible for them to develop a stance of ownership. Furthermore, large companies often try to fix their resource plans for too long a term, turning the organization too rigid for any change. Last but not least cooperation is often less tight between the various business areas and IT as it would be desirable to support development initiatives.

In contrast, the agile operating model transforms and improves planning with three major innovations:
1. It breaks down corporate strategy into digestible chunks so everyone can see how their daily work relates to the strategy,

2. Replacing the regime of once-a-year planning, it makes planning continuous by introducing cycles that build on one another, providing much more opportunity to organizational learning,

3. It demolishes the ivory tower around strategic planning by creating new forums and attitudes, turning planning into a transparent and collaborative process.

Ultimately, we want to establish a planning process that is single-channel, transparent, and value-based.

**Let’s demolish the ivory tower**

The main purpose of resource planning is to make effective use of the resources at our disposal to reach our goals – this is clear. However, there are various means to achieve these goals so it is our job to find the one that suits us the best.

“To do that, we need to challenge the ideas constantly and right from the start to see why we should work with one and not with the other,” said László Juhász, Managing Director and Senior Partner at Boston Consulting Group. “That is the way to figure out where to go next. It’s not easy, but we need to use this multi-round, value-based approach to cross off the tasks on our list so we can focus our resources appropriately. This, naturally, can also be done in a non-agile organization, but experience shows that this technique is rarely used in a waterfall system.”

Management alone is not enough to carry this out, the involvement of the employees is also necessary. In an agile organization, the plan to implement the strategy is not developed in a mysterious ivory tower in some invisible way. The top-down process is restricted to the board’s setting the vision and the framework as reference points.

First, strategy is broken down into specific business objectives, or themes, which show what we want to achieve and how we want to strengthen the company’s market presence in a given time frame. Our tribes, described in *part three*, will further elaborate
these in the form of epics, shedding light on how we will execute each theme. These are still big targets that typically cannot be met in three months. Therefore, the squads need to divide them up further, into individual features with a business value, which can be implemented in sprints, in a matter of weeks. For each sprint, squads compile these features into so-called user stories, to which each team member’s tasks and daily jobs are tied.

This process shows that we get employees involved in planning much sooner and with a much greater impact than usual: we build on their expertise and ownership attitude in implementing our strategic goals, setting the specific course of action, and scheduling the execution. This agile way of working ensures our employees much greater professional autonomy.

**How to avoid the ‘everything too’ syndrome**

We thus jointly break down the medium-term objectives by the quarter. The upcoming quarter is planned very accurately, with two-week iterations for all activities, at the big room planning (BRP). BRP is a new forum set up for this purpose, with all team members’ participation - hence the name – big room. We also set precise goals for the following quarter, but we don’t schedule them yet. We just summarize the main guidelines, themes and epics for the six months after that. This ensures flexibility to make any changes necessary.

It is not surprising that teams are always in demand far beyond their capacities, and that the teams themselves tend to underestimate the complexity of the features and the time needed to resolve them. That is why continuous learning from experience and thorough prior preparation for the BRP are key for both the team members and managers so we won’t under- or over-plan for the next quarter.

Therefore, based on team capacities, Product Owners (POs) regularly consult business owners on the expected tasks and their resource requirements throughout the quarter, under the coordination of the portfolio manager. Based on this, our development portfolio clearly identifies each epic and feature in terms of business value, risk, urgency, and resource requirements for their implementation. All of these receive scores to give the teams the ability to compare, prioritize, and iterate the individual tasks at the BRP.
This kind of planning is done not once a year in an agile operation, but in successive cycles, continuously, unlike in a traditional organization. We review our plans in quarterly cycles: the what – the goal – remains unchanged, but we can flexibly modify the how, based on any changes and experience. We always close each cycle by reviewing the period to define specific changes that could make the next cycle more effective.

May BRP and the moment of truth come!

This is where perhaps the most spectacular innovation of the planning process comes into play: the extended quarterly planning forum, the big room planning. At these, we practically lock all the affected teams from operational executives to control functions in full numbers – from team members to product owners – in a room for two days. As opposed to the usual structure, the BRP brings together business and implementation areas in a forum to match needs and capacities to the quarterly program plan.

The squads here utilize the predefined scores and decide what to do next. It also comes to light here which tasks may not fit into a given quarter, or where resource problems may occur between two or more elements. A clear list of priorities helps ensure that the available capacities will generate the highest value added that can possibly be realized in the given time frame.

Participants create a so-called “program board” that lists each feature and their dependencies on separate cards so that every team will know exactly what to do and when to deliver for the next period.

“This is a tremendous help for a business executive: you stand in front of the program board and you see the whole company with features, timing, dependencies, accomplishments and delays – all in one minute, as a unified whole. This is also true for individual colleagues: everyone can see where and how they are contributing to the overall goals. This is the basis of a true ownership approach,” said Imre Sztanó, NN Insurance Chairman and CEO.

Finally, the moment of truth comes: the closing confidence vote. After the design is complete, the implementation teams vote on how much they believe in its feasibility. With this vote, everyone has an influence in earnest on the planning of their work. And if the votes cast doubts on the plan, the participants will jointly seek to resolve the dependencies or contradictions so they can develop a plan that will be supported.

“We don't want to build castles in the air, we want the teams to make realistic commitments, because at the end of the day, they will be responsible for meeting them. Therefore, with the use of agile planning, we can create a roadmap that we can build on to achieve the longer-term goals. That, let’s admit, does not happen often in the traditional structure,” said BCG’s Juhász.
WITH AGILE PLANNING, WE CAN BUILD A PLANNING METHOD THAT...

- clearly shows which activity generates what value, what resources are needed to generate it, and what interdependencies may occur among the teams involved;
- outlines how to move forward on an interactive and personal basis, building on the teams' commitments, reinforcing both the credibility of the plans and the commitment of the staff;
- promotes collaborative learning, encourages everyone in the organization to regularly look in the mirror to see how they are progressing, how they can improve, and how they can change their commitments in the future;
- serves as a company-wide information platform, providing each team and team member with insight into the operation of the company as a whole and that of the other teams, thereby enhancing transparency, engagement and commitment.

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