

## ADOPTING AGILE

# AGILE FROM HOME? AGILE TRANSFORMATIONS ARE FACED WITH NEW CHALLENGES

By László Juhász and Imre Sztanó

Truly agile organizations respond more flexibly to COVID-19-posed challenges than their competitors. But what about firms that were just to introduce or are right in the middle of an Agile@Scale transformation? COVID-19 - and the work-from-home way of working associated with it - does not necessarily need to divert them from the agile transformation path. But they will definitely need to adapt to the fresh challenges. Putting agile techniques into a virtual setting is already far from easy, but maintaining employee motivation and ability to collaborate in the absence of personal contacts is an even greater challenge. The crisis has also created opportunities as it has forced a greater willingness on all parties to change.

We can only hope that economic recovery will take a more optimistic one from the V, U or L shapes. However, we can forecast with more certainty that even under a relatively rapid recovery the current crisis will leave a lasting impact on a number of things. One example: customers who used to be offline now have received a taste of

the online world and are unlikely to fully return to their old consumer habits.

Current operational challenges and anticipated changes in consumer habits are even raising the spectre of no survival for some players in the economy. The challenges are enormous even for those whose existence is not at stake. They have to implement fundamental and immediate changes to their operations in parallel while they also need to adapt to the business and consumer realities of the future.

A large number of companies has had to digitize entire processes from one week to the other, and they have had to do that while working from home. Home office is not an easy transition either at an individual or organizational level, but discussing that in detail is not the purpose of this piece. But what about Agile? How do you work from home and be agile at the same time? And is it true that firms that have undergone an agile transformation are better able to adapt to the new situation?



## Agile revisited

**Imre Sztanó (NN Group):**

*"The answer is not black or white. Truly agile organizations do respond to change easier. However, companies at the start of their agile transformation process may be sensitive to the current situation. An organization already turned upside down but not mature yet from an Agile point of view is faced with the need to adapt to the new environment. At many firms, NN Hungary included, agile principles have not yet been fully integrated into the company's DNA, and thus not everyone has adopted yet the agile operational routines. In this case, two tasks must be implemented simultaneously: fine-tuning agile (Agile@Scale) at the organizational level and adapting agile to the home office setting."*

Adapting the agile way of working to the work-from-home setting is not easy at all. Not least because some interpretations of Agile (including those of the authors) posited until now that working from home is fundamentally alien to agile functioning. After all, agile methodology is based, among others, on the principle of collocation, team collaboration and joint learning - fueled by physical proximity - to arrive at the resulting efficiency.

Ditching an ongoing Agile@Scale transformation now due to the need to work from home would be a big mistake in almost any case. The weaknesses of the former "water-fall" operational world such as slowness, low implementational ability, and limited organizational learning would surely continue to exist.

Due to the radically changed circumstances, it is essential, however, to change our agile operations. It is not sufficient to keep operating the same agile way, just online. The task is to rethink the logic of collaboration. To do that, management has responsibilities both at the team and organizational levels.

## Team level tasks

The extent of the challenges fundamentally depends on the maturity of the agile operation at the squad level as well. However, in our experience, difficulties tend to be lighter there. Teams that were behind in managing backlogs and documenting user stories, or were slow at drawing the lessons at the end of their sprints already prior to the COVID-19 crisis are facing much bigger challenges in the new, changed environment. In general, we can state that standups and other events require more organization and coordination.

**Imre Sztanó (NN Group):**

*“Following the implementation of work from home throughout the firm, NN’s Hungarian teams needed more time for online discussions than usual. At first, the daily standups also dragged on for 40-60 minutes because many of the questions only came to the table there due to the lack of daytime interaction.*

*However, at most teams, the previous operating order was restored within two weeks. This required team members to collect their questions and statements in advance, which, in turn, made the discussions much more to the point. Of course, it is still difficult to avoid having more free riders than when doing the collocations in person. To facilitate adaptation, we quickly published guidelines and specific recommendations within the NN Group on how to change the ceremonies and their preparation to maintain efficiency.”*

Even more responsibility lies with the agile operation’s key players because of the new situation. They also need to address separately how to maintain employee motivation and willingness to cooperate amid the absence of personal contact. They need to ensure that operation remains agile not on paper but in spirit.

As an example, it is essential that product owners demonstrate a greater degree of precision in goal setting, prioritization, and support for work in the squad. It is especially challenging for them to negotiate tasks and dependencies with partners outside the squad, and to obtain all the information the squad needs to complete the sprints.

**László Juhász (BCG):**

*“Scrum masters also have a key role to play in maintaining effective teamwork. They can help maintain the focus of the discussions by actively managing team dynamics and adjusting the time frame. Actually, this really shows who is a scrum master to the bone and who is a scrum master only out of fashion. Scrum master support may take the form of giving teams tips for each type of ceremony on what technical and group dynamics tools to use, or how to share facilitator roles during the discussions. As an example, the team could appoint someone to pay attention to adherence to time frames or turn the webcam on to boost meta-communication. Someone else may help with making sure that everyone has their turn, not letting anyone skip the conversation. Team members may work together this way to ensure appropriate energy levels at the meetings, a key for home office work.”*



## Company level tasks

Coordinating work is quite complex even in the case of a 6-8 person squad, let it be at a completely agile or scaled-agile organization. Take e.g. big room planning (BRP), which we wrote more about in the [fifth part of the series](#). Probably no one has significant experience yet with how to effectively conduct such quarterly planning during the epidemic since we are now in the first such planning season.

### Imre Sztanó (NN Group):

*“In Hungary, we customarily place more emphasis than usual on the preparation of BRP. Due to the currently high degree of uncertainty, the detailed planning horizon has somewhat shortened this time - we tend not to plan for a period longer than 4-5 sprints. Furthermore, we have encouraged the teams to avoid designing overly complex features, and not to tie up the usual portion of their capacity with goal setting in such an uncertain situation, but to anticipate higher support needs in advance.*

*Considering the circumstances, the first online BRP turned out to be quite successful at NN Hungary. A more conscious pre-event preparation offset the loss of efficiency due to online participation. The big question was how to get so many people involved in an online event. However, the dynamics was even better than expected. There is still room for improvement, but, to a large extent, that is independent of the form of the event. This typically entails that some of the teams continue to undertake too many tasks despite all the guidance.*

*There are also countries where we chose a different path from Hungary. Taking local circumstances into account, we decided to postpone big room planning at our Spanish company and, instead, we extended the current period with a few more sprints.”*

As our experience increases with BRP, we may become increasingly effective in conducting online BRPs.

### László Juhász (BCG):

*“We have experienced at several of our clients that new formats need to be identified for remote working to replace bilateral negotiations that otherwise organically develop at the BRPs. We pre-planned 10-minute “speed dating” sessions to take place in virtual rooms, where dependences between teams could be resolved. Establishing full transparency, both in advance and after the conclusion of the BRP, should be supported by simple tools that do not require a drivers’s licence.”*

All in all, now is the time to be truly agile and not only act agile in form. To consciously respond to the new conditions, make up for your shortcomings, keep learning, try new things, and fine-tune the agile methodology.

True, it is still difficult to imagine that Agile at scale may be as effective in a remote setting as in person. But operating fully remotely won’t be necessary for long, hopefully. With the normalization of the situation and the continuous improvement of the agile methodology, a mixed (office-and-home) operation will likely emerge that motivates colleagues and may near if not exceed the efficiency of previous, almost exclusively in-person agile operation method.

Being open to accepting change in these extraordinary times may help achieve that. We may be willing to take steps that we could not or would not dare to take under the pre-COVID-19 conditions. If there is a positive to be found amid these difficult times in the lives of companies like during the Coronavirus epidemic, then this could be it.

### About the authors:

**László Juhász** is Managing Director and Senior Partner of Boston Consulting Group. László is a leading expert in Agile methodology. He has supported several Agile transformation projects.

**Imre Sztanó** has been the Chairman and CEO of NN Insurance Hungary since March 2016. Imre launched and sponsored the company's Agile transformation.

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we help clients with total transformation—inspiring complex change, enabling organizations to grow, building competitive advantage, and driving bottom-line impact.

To succeed, organizations must blend digital and human capabilities. Our diverse, global teams bring deep industry and functional expertise and a range of perspectives to spark change. BCG delivers solutions through leading-edge management consulting along with technology and design, corporate and digital ventures—and business purpose. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, generating results that allow our clients to thrive.

© Boston Consulting Group 2020. All rights reserved.

For information or permission to reprint, please contact BCG at [feher.margit@bcg.com](mailto:feher.margit@bcg.com). To find the latest BCG content and register to receive e-alerts on this topic or others, please visit [bcg.com](http://bcg.com). Follow Boston Consulting Group on Facebook and Twitter.