HOW TO SUPPORT AGILITY IN A COMPANY USING

AGILE SCORECARD

By Aleksey Savkin

AGILITY IS GREAT, BUT WHAT IS IT ACTUALLY?

Agility is **not only** about **making things faster…**

…it is about a focus on better delivering of a **customer value**!

Business scorecards help management with this as well…

Let's then use agile scorecard to support agility!

AGILE SCORECARD — SAFETY RULES

1. "Scorecard" is a buzz word, so be careful when you use it.
   - It is not (only) about indicators/KPIs, so don't get confused by the word "scorecard."
   - It is very similar to the "Balanced Scorecard," but it is another buzz word even more dangerous than just "scorecard."
2. Don't call every number with a meaning a "KPI," instead call it an indicator or metric.

It's better to call it something like
"Our way to win!"

AGILE SCORECARD. STEP 1. MISSION

- What is your mission?
  - It is boring? Generic?
  - Do people know it?
  - Does it motivate them?

- Put it on the top of the agile scorecard!

AGILE SCORECARD. STEP 2. STRATEGY
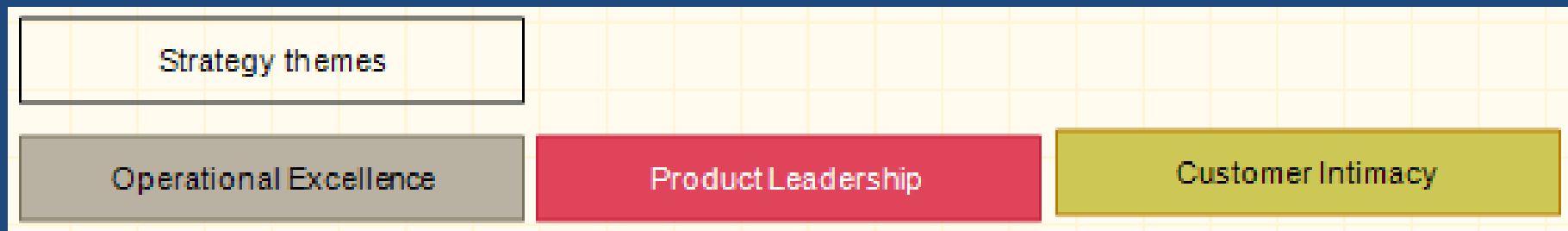
- What is your strategy?
  - Does it include:
    - The analysis of the challenge
    - The analysis of its reasons
    - The coherent action plan

- Be prepared for the controlled experiments!

AGILE SCORECARD. STEP 2. STRATEGIC THEMES

- Playing with strategic hypothesis (3 strategic themes)

Strategy themes		
Operational Excellence	Product Leadership	Customer Intimacy

- A company is good at all strategic themes and achieved excellence at one of them

AGILE SCORECARD. STEP 3. STRATEGY MAP

- Mapping the strategy (specific objectives)
  - How does the value creation support your mission?
  - How are financial results linked to the created customer value?
  - What do your customers need?
  - How do you satisfy customer's needs?
  - Where do you need to focus your future efforts?
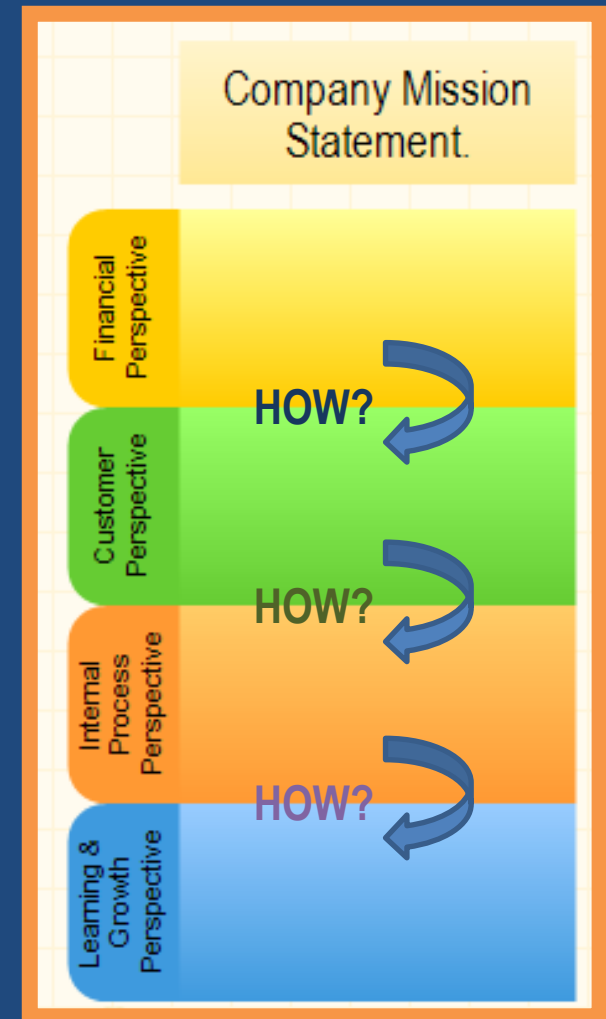
AGILE SCORECARD. STEP 4. INDICATORS

- How do we know that we are on the right track?
  - **Leading** indicators – predicting the future
  - **Lagging** indicators – explaining the history
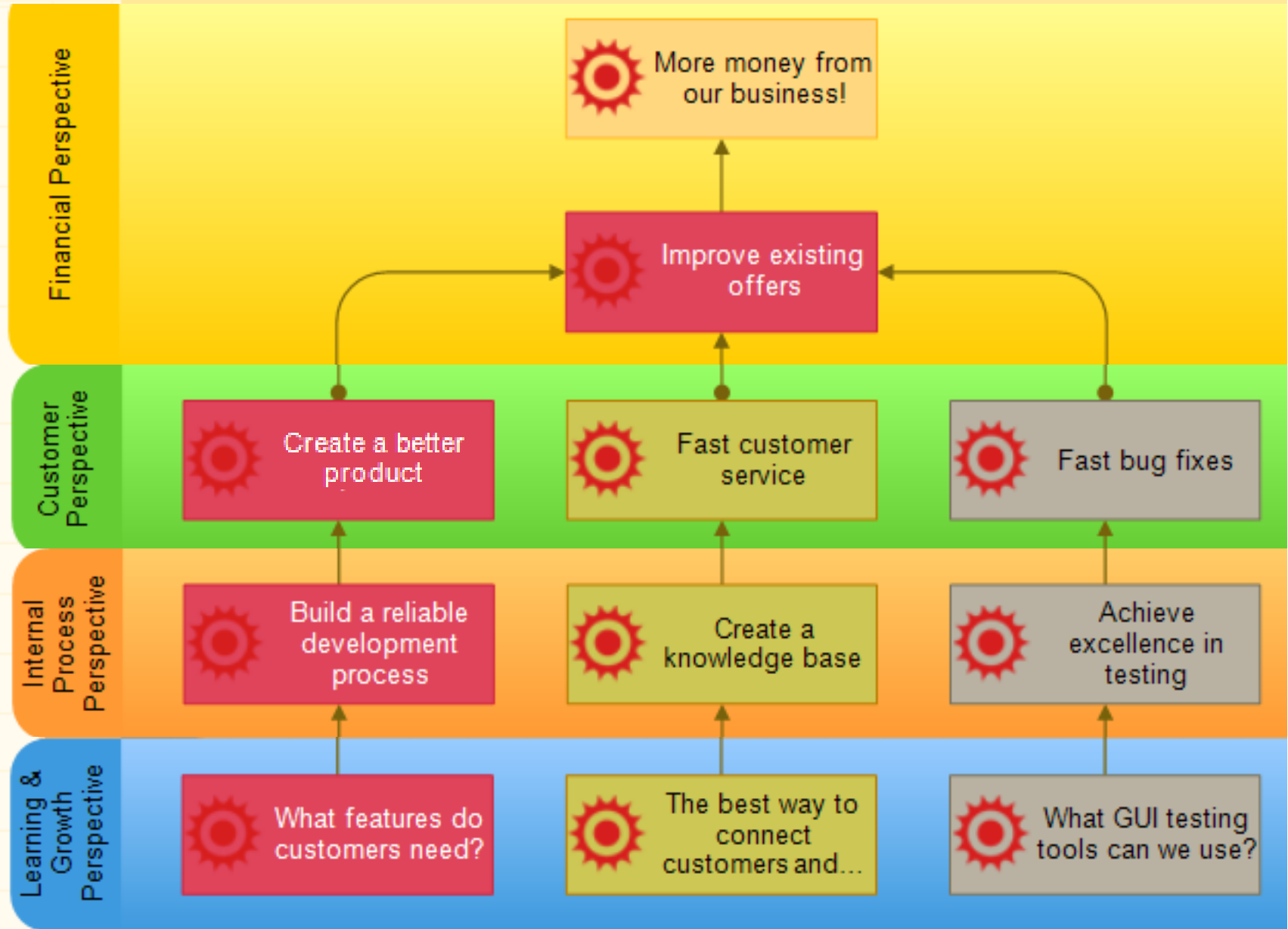
STOP! ARE YOU DOING THIS ALONE?

- Is your team emotionally connected with your mission?
  - If not, you might be in trouble soon.
- Strategy is a collective product
  - It must shine on all levels from a top managers to employees.
- Business goals are not mandated
  - They are discussed and "aligned" with top level priorities

AN EXAMPLE IS WORTH A THOUSAND PICTURES

- Grow your agile scorecard vertically
  - from Mission to Finance, Customer Value, Operations, and Learning.

- Let's have some fun and build a agile scorecard quickly…

Save the world from ineffective software...

Financial Perspective

More money from our business!

Improve existing offers

Customer Perspective

Create a better product

Fast customer service

Fast bug fixes

Internal Process Perspective

Build a reliable development process

Create a knowledge base

Achieve excellence in testing

Learning & Growth Perspective

What features do customers need?

The best way to connect customers and...

What GUI testing tools can we use?

AN EXAMPLE IS WORTH A THOUSAND PICTURES

- Add more layers to your agile scorecard
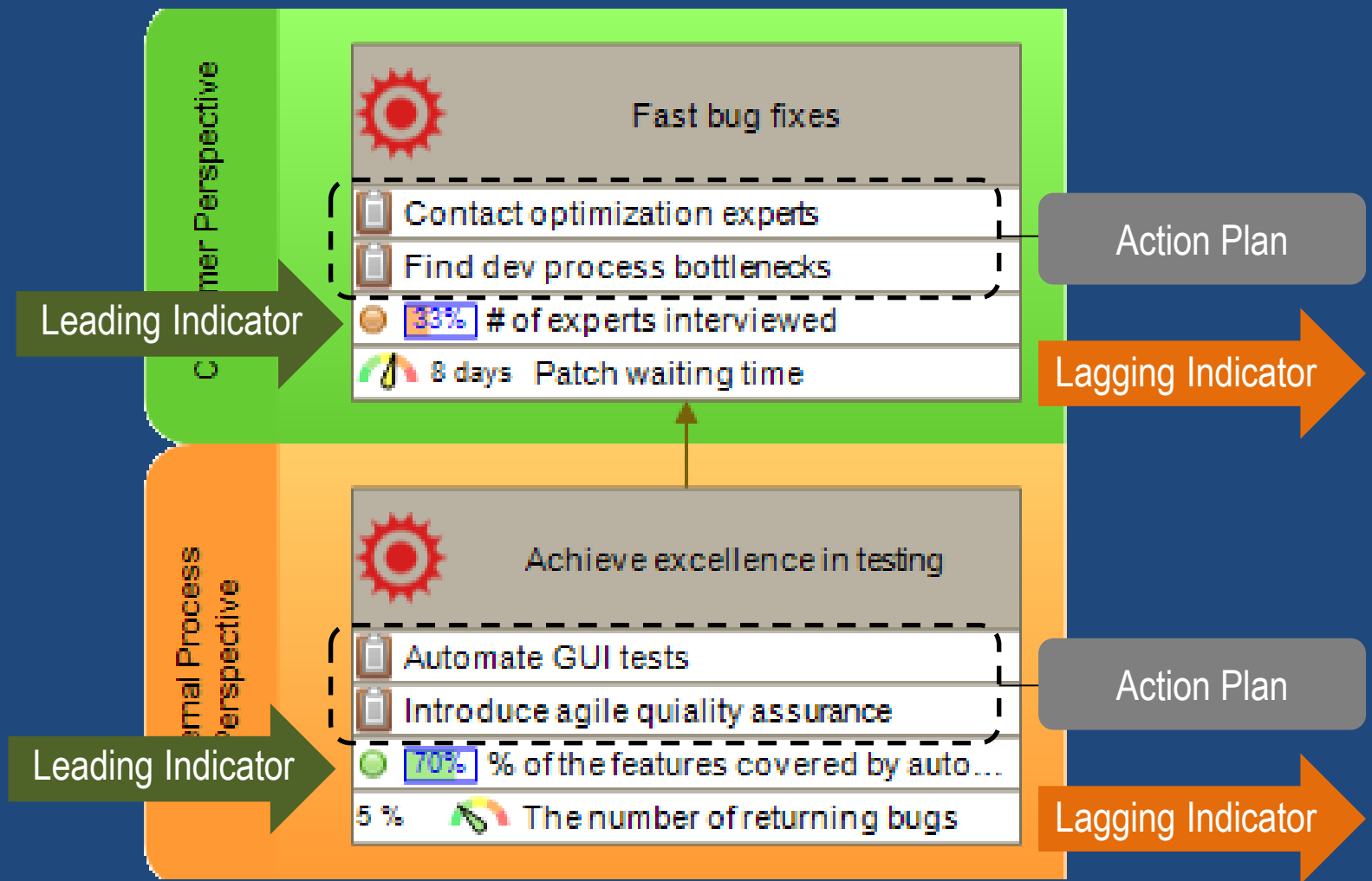 - Show how the departments are going to help the company to achieve this

STRATEGY IS ALSO ABOUT NOT DOING SOMETHING

- Crash-test a new idea
  - Use agile scorecard to understand if/how the new idea supports your strategy
- Use a strategy map as a base for future discussions about new ideas
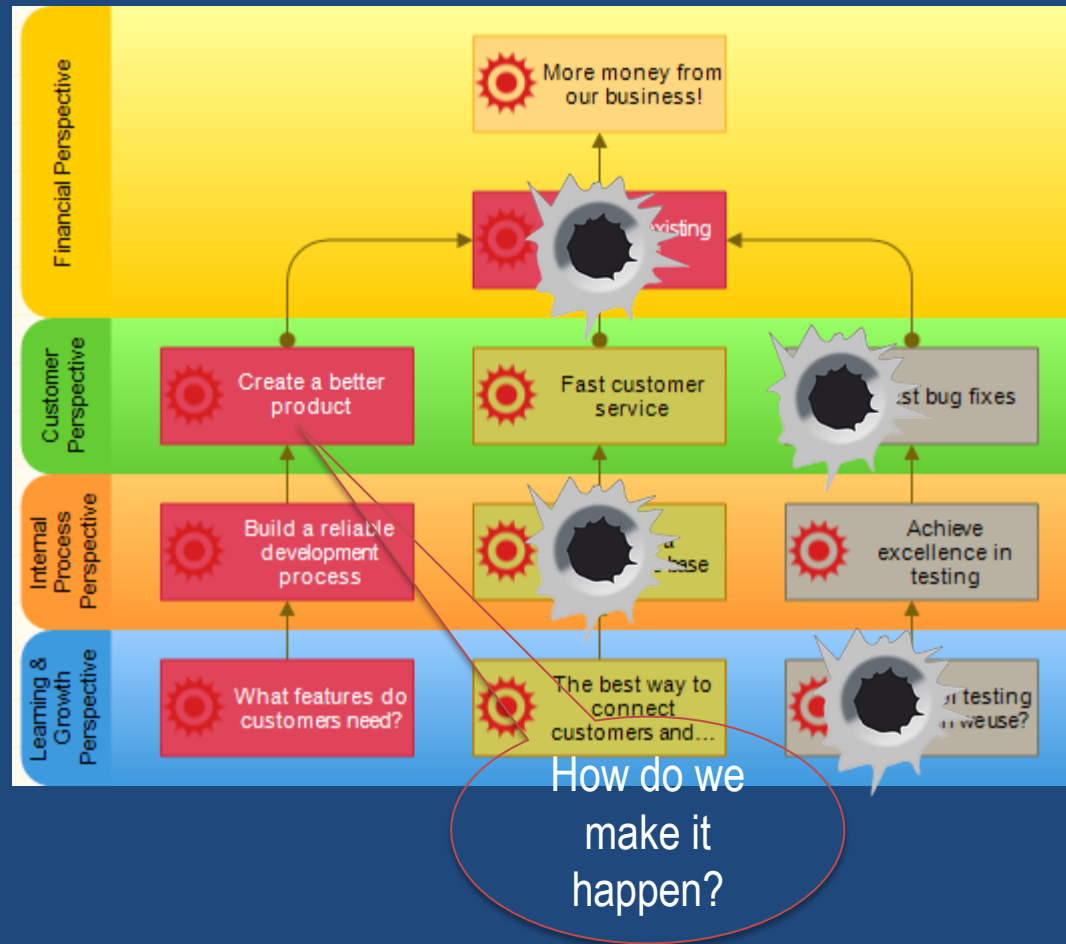
# MONITORING PERFORMANCE / TRACKING PROGRESS

MAIN TAKEAWAYS

- "Top-to-bottom" directives are replaced with a **discussion** around strategy.

- "Carrot and stick" motivation style is replaced with actual **buy in** and commitment.

- "Formal long-term plans" are supported by short-term **controlled experiments**.

- Shifting a focus from "doing my job" to creating a **value for a customer**.

- Employees report not just the progress, but the performance

RECOMMENDED BOOKS AND ARTICLES

- "Good Strategy/Bad Strategy" by Richard Rumelt

- "The Strategy-Focused Organization" by Kaplan & Norton

- "The Execution Shortcut" by Jeroen De Flander

- Our articles at bscdesigner.com
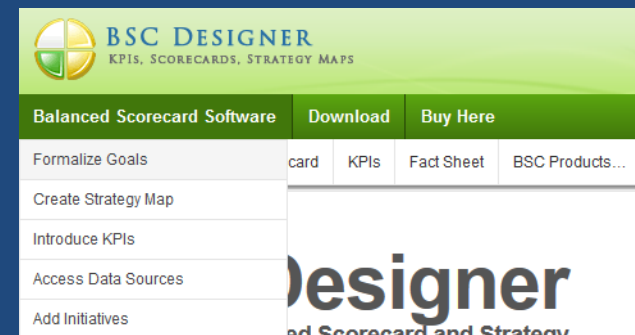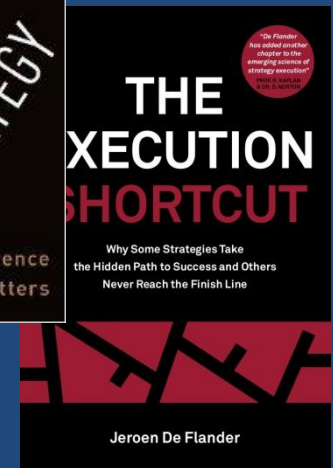
ABOUT SPEAKER

Aleksey Savkin, CEO at BSC Designer. Author of the books and articles about the Balanced Scorecard, Key Performance Indicators.

His areas of expertise include business strategy, performance management, agile software development, and remote team's management.

He helps Spain's companies, as well as businesses all over the world to describe their strategies and achieve excellence in the strategy execution.

Contact me: 4savkin<at>gmail.com **in**

www.bscdesigner.com