



Agile Strategy: Short-Cycle Strategy Development and Execution

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July 2021

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This material is based upon work funded and supported by the Department of Defense under Contract No. FA8702-15-D-0002 with Carnegie Mellon University for the operation of the Software Engineering Institute, a federally funded research and development center .

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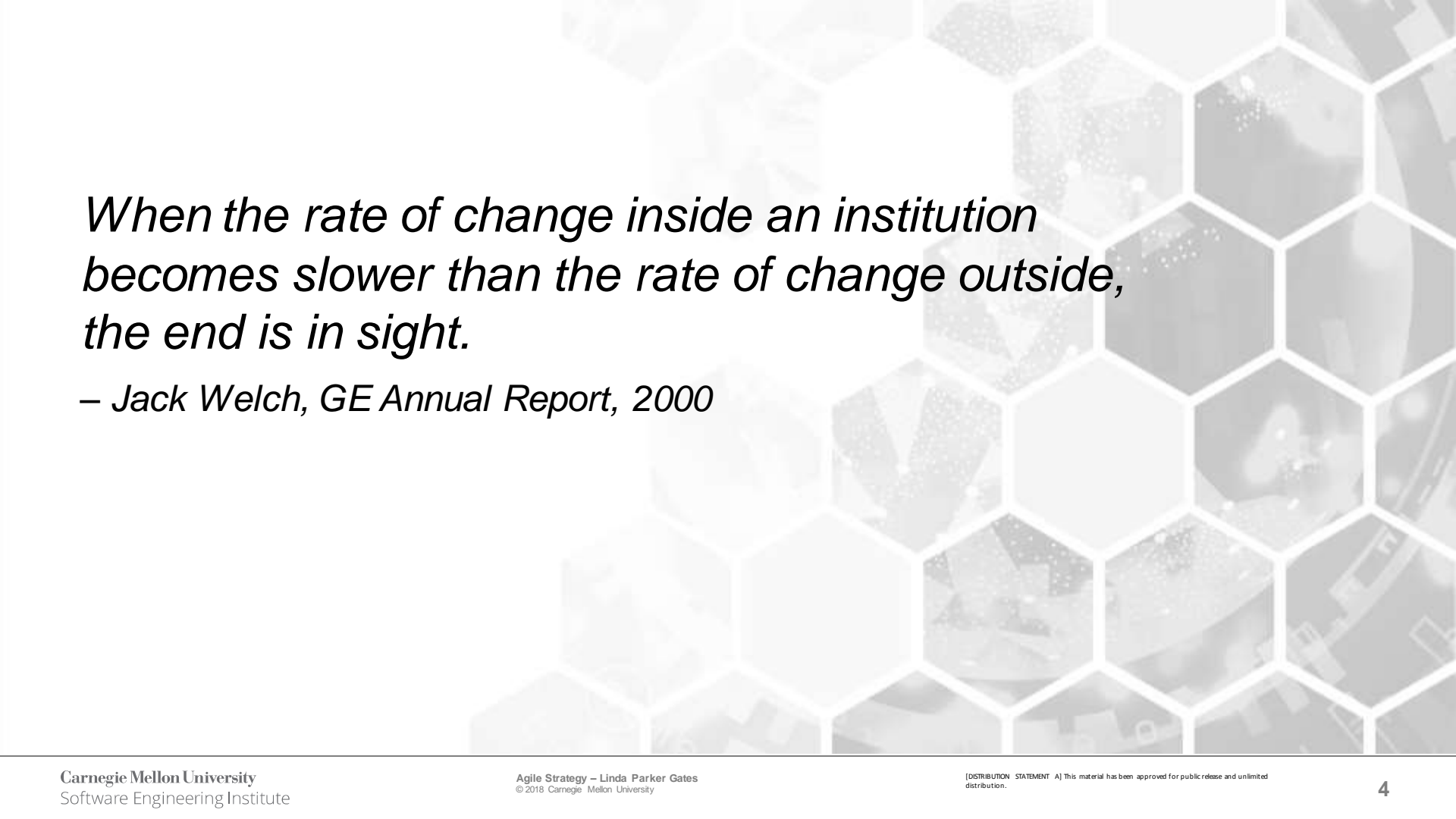
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DM21-0631

Agility is Pervasive

- It's a critical aspect of **software development**
- **Organizational agility** is *the ability of a business to adapt rapidly and cost-efficiently in response to changes in the business environment*
- Agility should be woven into the fabric of an organization and become a part of the way an organization's people, processes, systems, and data interact to deliver value.
 - Organizational agility strengthens the software mission
- **Agile strategy** is a driver for organizational agility



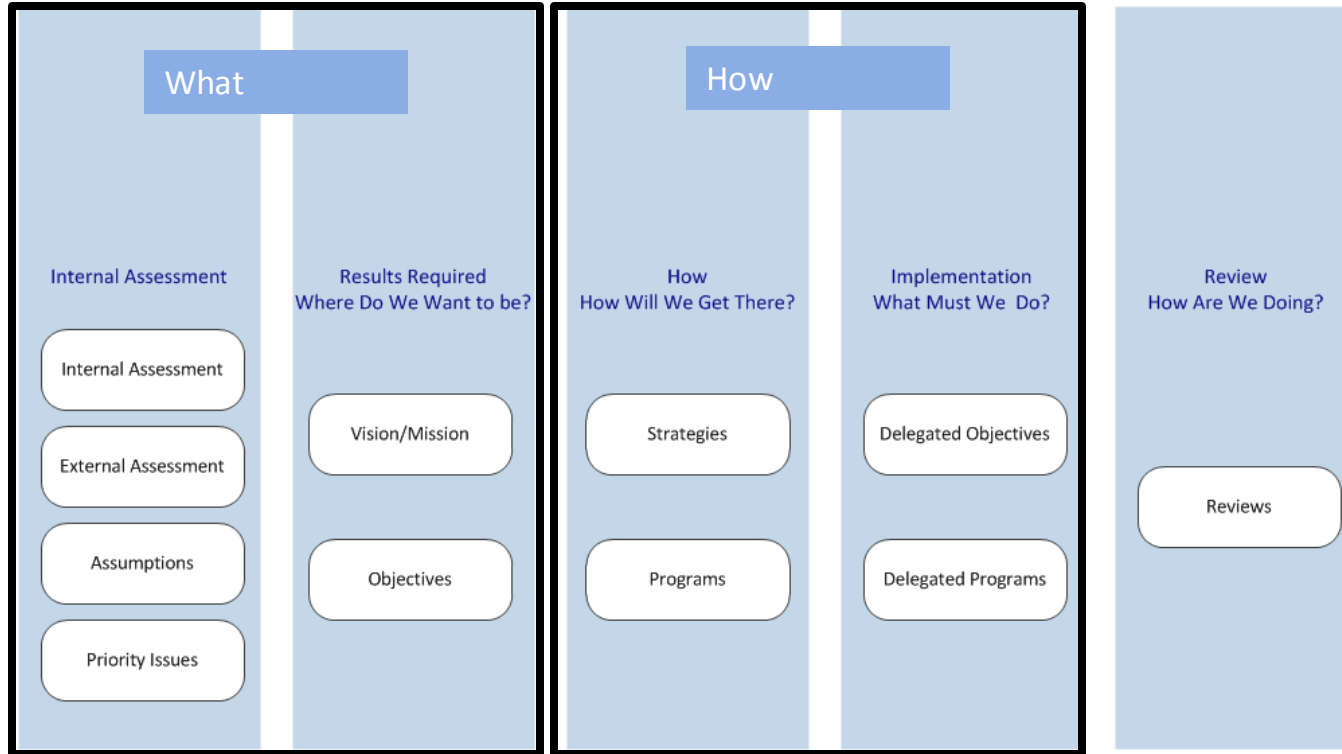
When the rate of change inside an institution becomes slower than the rate of change outside, the end is in sight.

– Jack Welch, GE Annual Report, 2000

Traditional Strategic Plans



Basic Strategic Planning Process



Fogg, Davis C. *Team-Based Strategic Planning: A Complete Guide to Structuring, Facilitating, and Implementing the Process*. New York: AMACOM/American Management Association, 1994.

Agile Principles for Software

The Manifesto for Agile Software Development:

- Individuals and interactions over processes and tools
- Working software over comprehensive documentation
- Customer collaboration over contract negotiation
- Responding to change over following a plan

[Manifesto for Agile Software Development \(agilemanifesto.org\)](https://agilemanifesto.org), 2001

Agility

Awareness

Responsiveness

Speed

Flexibility

Preparedness

Adaptability

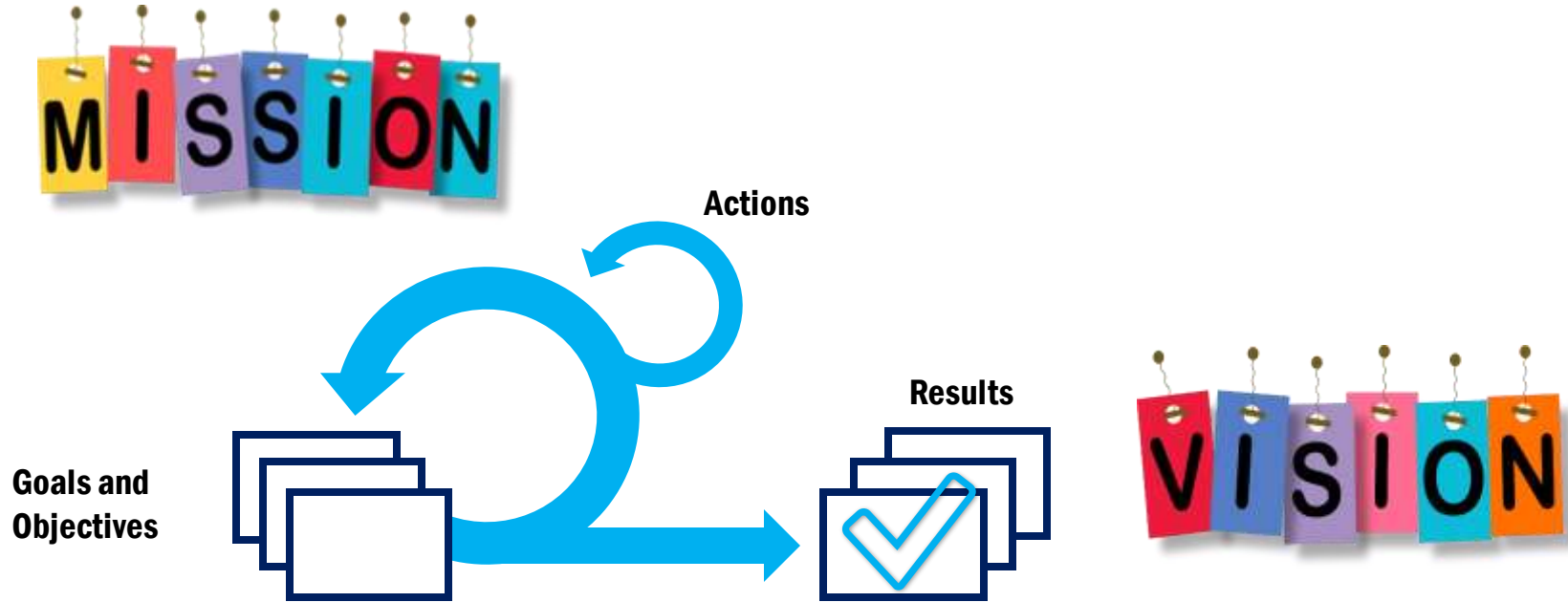


The Power of Agility

Agile strategy focuses on strategy development and execution practices that

- **reduce the time to tangible value** and expected results achieved
- help the organization **maintain momentum** on the execution of long-range strategic plans through shorter, iterative implementation cycles, **meeting both immediate and long-term needs**
- enable the ability to **pivot or adjust course** proactively and reactively to adapt to frequent changes in both internal and external environments

Agile Strategy – Short-Cycle Strategy Development



Agile Strategy

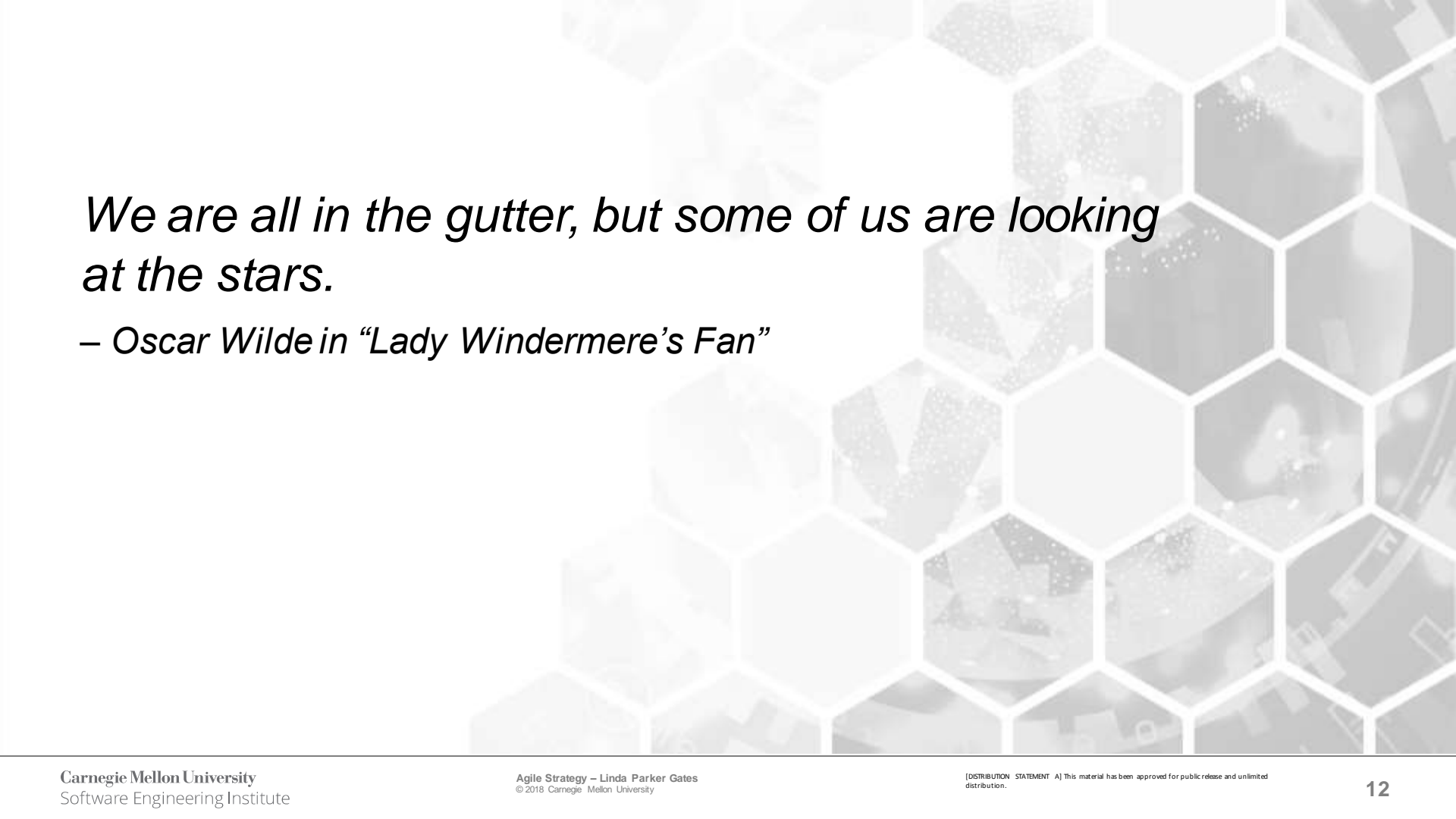
Agile strategy enables an organization to sustain strategic momentum while frequently deploying and refining strategic initiatives.

In an agile environment, strategy gets more agile, but it also provides stability

"The critical thing is to have...a few critical things that won't change, at least not very much, not very quickly, that the company can use as stable foundation and springboard."

Aaron De Smet, McKinsey & Company, December 2015

<https://www.mckinsey.com/business-functions/organization/our-insights/the-keys-to-organizational-agility>



*We are all in the gutter, but some of us are looking
at the stars.*

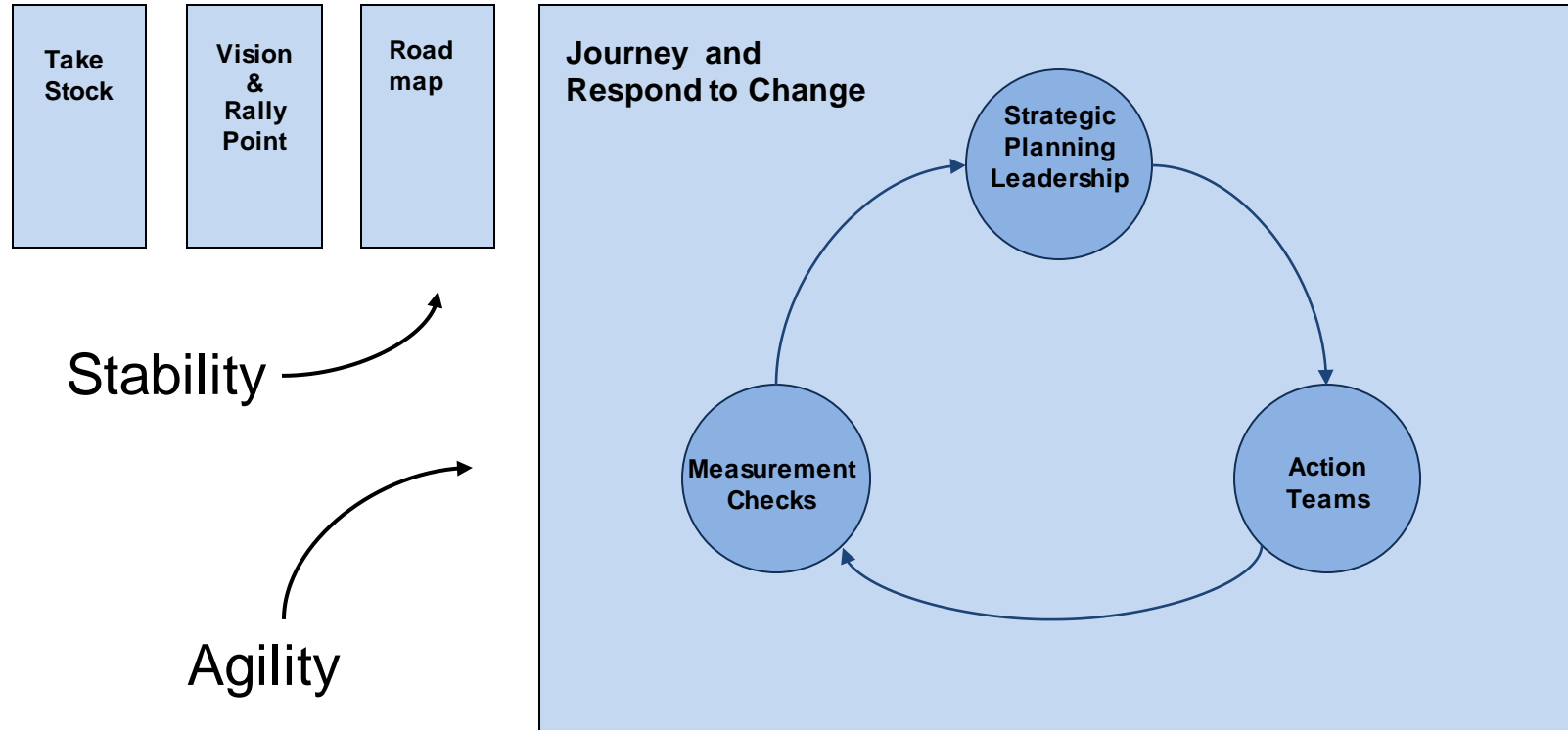
– Oscar Wilde in “Lady Windermere’s Fan”

Short-Cycle Strategy Development

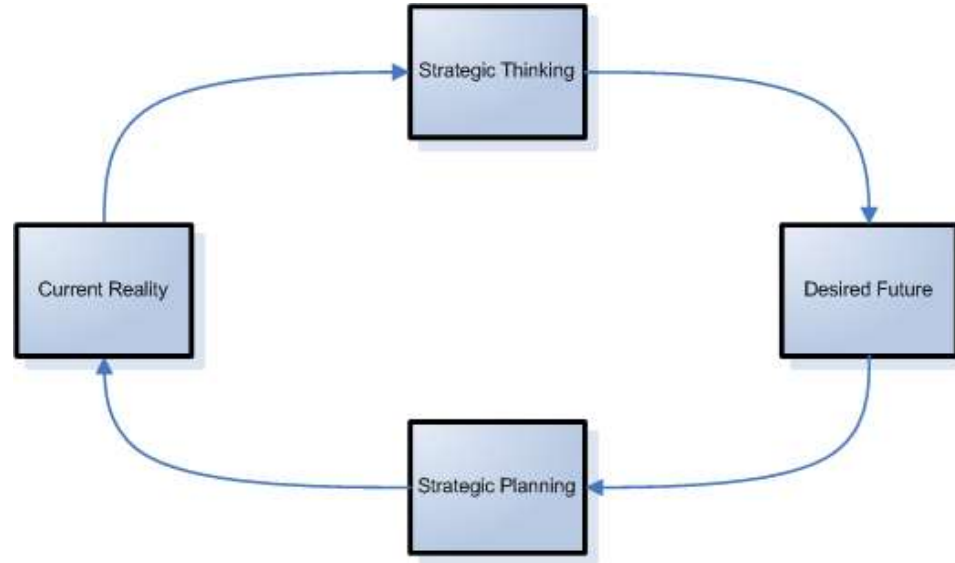
Steps

1. Take stock. Understand what kinds or contextual information you have (current strategic plans, analyses, competitive environment scans).
2. Identify a vision or rallying point. Articulate a destination or a driving force for change. This piece provides stability.
3. Build a high-level roadmap. Develop a small, select set of goals that drive you toward your vision.
4. **Continually execute for tangible results**
 - a. Develop a strategic planning and execution rhythm (on the order of monthly)
 - b. Develop a strategic planning and execution communication plan
 - c. Launch and execute action plans frequently
 - d. Conduct measurement checks to ensure progress toward goals
 - e. Make adjustments

Agile Strategy and Execution



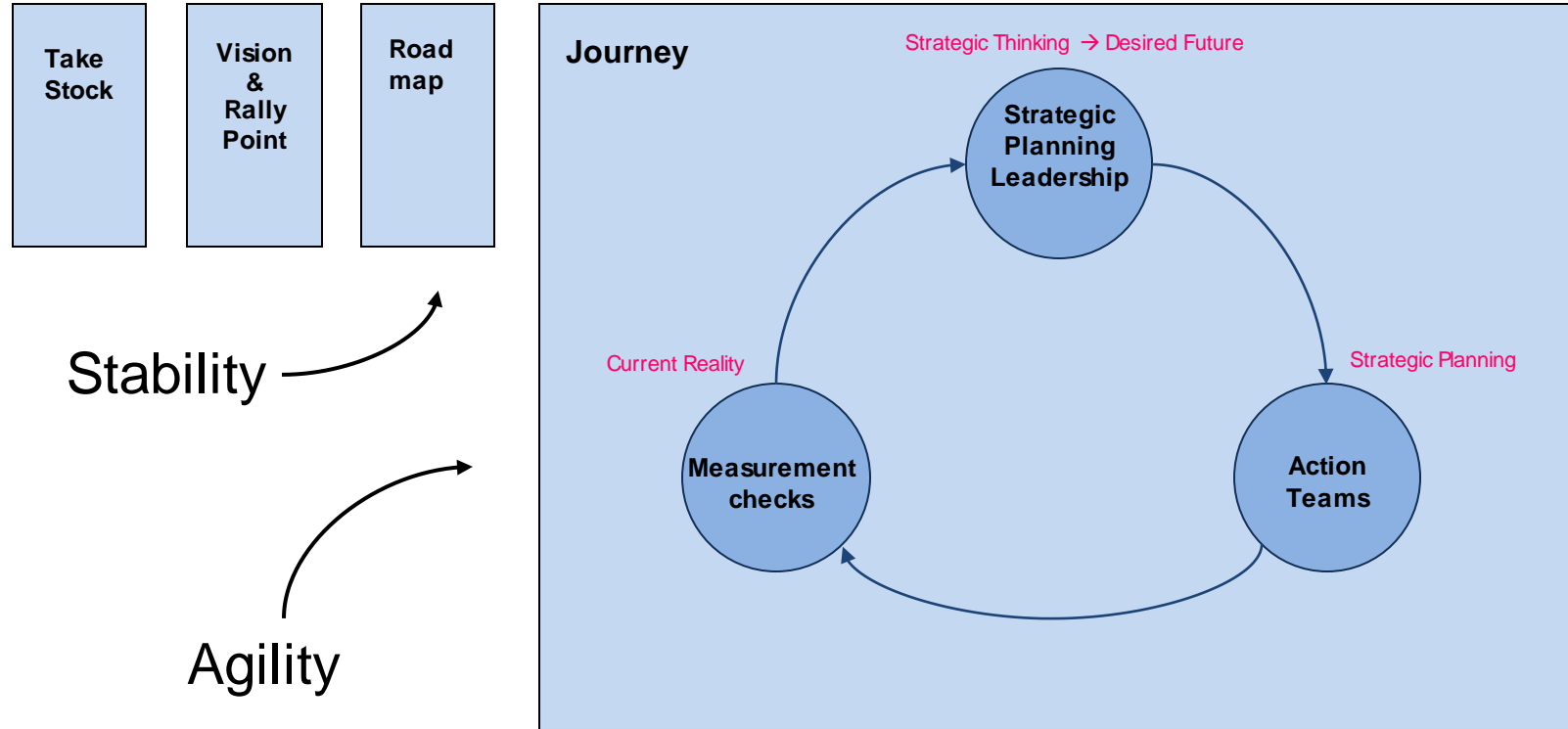
Strategic Thinking and Planning



Jeanne Liedtka (1998) presents a framework for institutionalizing a strategic process that continually examines the tension between aligning to a plan and fostering change and adaptability.

Agile Strategy and Execution

Strategic Thinking → Desired Future → Strategic Planning → Current Reality



Democratizing Strategy

A role-based, enterprise-wide capability means that everyone, according to their role, is involved in setting and executing strategy

Leaders set visionary targets

Rather than directing strategy, leadership is responsible for:

- framing goals
- getting inputs from across the organization
- linking organizational assets to opportunities

Employees throughout the entire organization are empowered to find innovative ways to solve problems and contribute toward the vision

Use of Data in Short-Cycle Strategy Execution

Responding to change requires

- ability to recognize the guideposts during strategy execution
- transparent criteria and reliable data for evaluating plans and progress
- data-driven decision making becomes the norm

Course correction is a non-threatening tool

Role-based involvement in strategy and execution, supported by data-driven decisions, drives the continuous execution of ever-relevant strategies

Example – Standing up an Insider Threat Office

Identify early and longer-term capabilities

Enable security teams, IT teams, HR teams to align their work with strategic intentions

Implementation and effectiveness data is collected

- training data
- incident data
- turnover data
- financial data

Data/departmental outcomes can be referenced to

- assess progress
- make adjustments
- make key decisions

New Directions for Agile Strategy



Value Streams

Value streams/value stream mapping comes from Lean manufacturing

Key concepts

- Flow – reduce the time for items of customer value (e.g., features) to move from concept to deployment
- Waste – remove or reduce "waste" in value streams, increasing the efficient delivery of value

[Taking DevSecOps to the Next Level with Value Stream Mapping \(cmu.edu\)](#), Nanette Brown, 2021

Value Streams and DevOps

- Application to software is still being explored and honed
- Flow optimization is implicit in Agile's focus on the incremental delivery of value and the use of empowered, cross-functional teams to minimize impediments and delays
- Value stream mapping is already seen as the augmentation of Agile and DevSecOps to focus on accelerating value across the entire enterprise

→ Strategy can and should be a part of that

Value Streams and Strategic Planning

Software, like strategy, is an intangible product with a large discover component and a drive toward value

There are parallels between the usefulness of doing a high-level roadmap for customer value as a reference point, with links to short term and internal value

What's Next for Strategic Planning?

Collaborative Strategy

- We are starting to see the need for massive collaboration that might make the idea of an organization too small for effective strategizing
- The notion of the organization itself could become obsolete in terms of strategy
- Collaboration outside of organizational boundaries will be required for success

Questions?

How do your agile software practices interface with your organization practices?

How is strategy developed and executed in your organization?



Resources

Agile Strategy Blog Series (Gates)

[Show Me Agility: Agile Strategy Execution](#), Linda Parker Gates, November 23, 2020

[Agile Strategy: Short-Cycle Strategy Development and Execution](#) Linda Parker Gates, June 25, 2018

[Toward Agile Strategic Planning](#) Linda Parker Gates, March 5, 2012

Foundational Paper on Strategic Planning

[Strategic Planning with Critical Success Factors and Future Scenarios: An Integrated Strategic Planning Framework](#), Linda Parker Gates, November 2010

Value Streams

[Taking DevSecOps to the Next Level with Value Stream Mapping \(cmu.edu\)](#), Nanette Brown, 2021

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