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BUSINESS

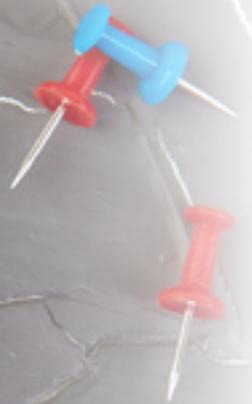
COACHING

**AGILE IN
NUTSHELL**





Goals



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EDITORIAL

During the years, we've published so many articles on Agile topics, such as Agile Philosophy, Agile Coaching, Agile Processes, etc.

We presented various tools for working with teams and individuals.

In front of you is a new issue of our Special Edition format of the magazine "Business Coaching" dedicated to this inexhaustible topic.

"Agile in Nutshell" deals with core agile values and principles, agile processes, and mindset, with the main focus on people and their development.

The author Srdjan Pavlović tried to bring the agile way of doing business closer to all interested readers through the prism of

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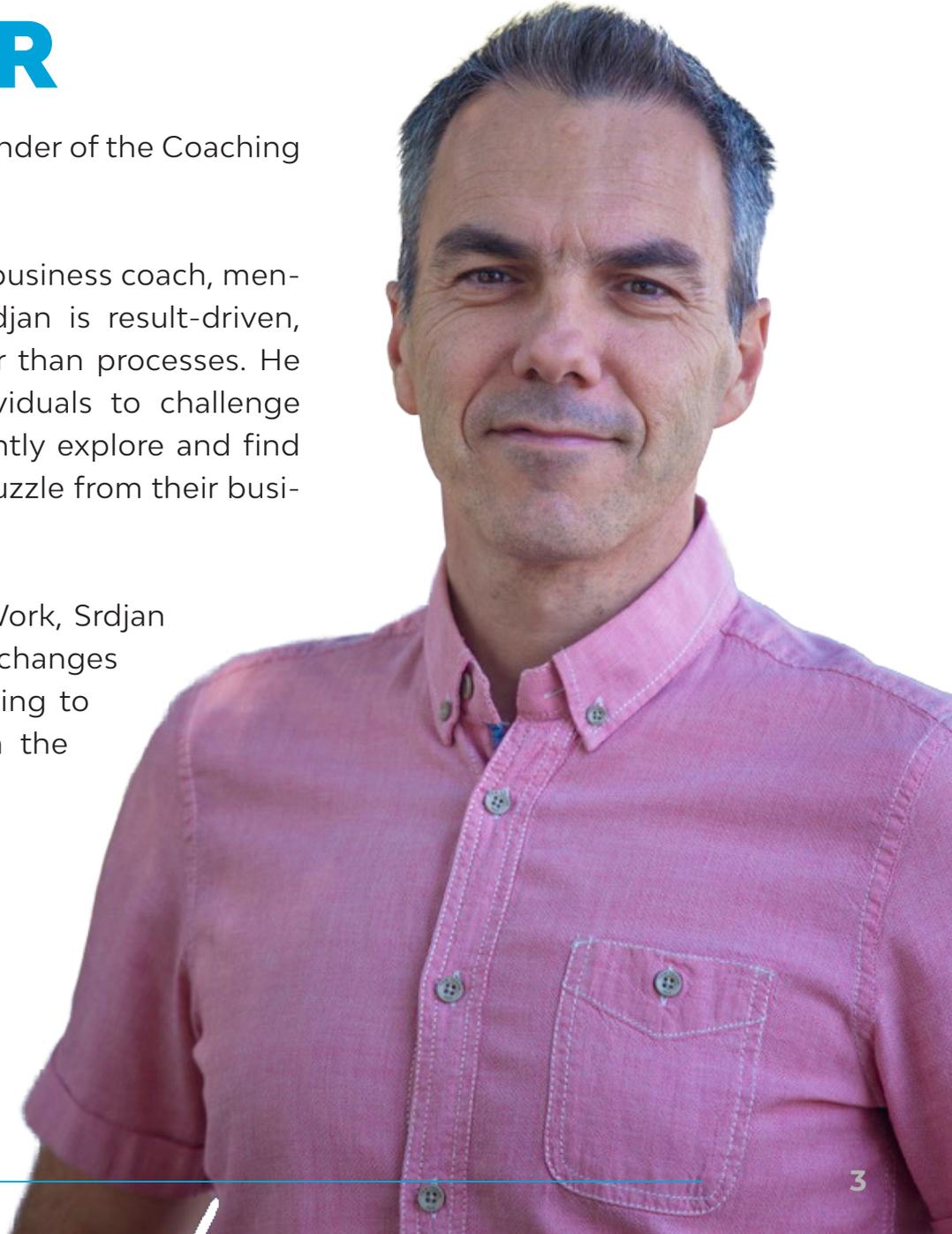


ABOUT AUTHOR

Srdjan is the CEO and founder of the Coaching expert team.

He is a certified ICF PCC business coach, mentor, and agile coach. Srdjan is result-driven, focused on people rather than processes. He inspires teams and individuals to challenge current solutions, constantly explore and find the missing pieces of a puzzle from their business.

Using the Agile Way of Work, Srdjan supports organizational changes as a way of fast responding to the constant changes in the business environment.



CERTAIN OUTCOME IN TIMES OF UNCERTAINTY?



The conditions in which we operate today have never been more uncertain. There are many factors that affect business. There is great uncertainty about the final outcome and success of products and services. Companies themselves may have little or no impact on the business environment and the degree of uncertainty. What they can certainly do is adapt to business conditions, have a clear goal and constantly adjust their strategy. An agile way of work is one of the best ways which will lead to a set goal.

WHAT IS AN AGILE WAY OF WORK?

One of the most common misconceptions is that the agile way of work is intended only for software companies. It is fully applicable to any industry and is “immune” to cultural differences, as well as to differences in business practices and business models.

In an attempt to explain what agile is, people often fall into the trap and explain that agile is the framework that forms the basis

of a team’s functioning. A somewhat closer definition is that agile is a methodology that consists of different frameworks. There are many definitions that agile is the process of organizing a business. It is easiest to remember that agile is none of the above.

Agile is a set of values and principles adopted back in 2001 and described in the [Agile Manifesto](#). Even today, after 20 years, its values and principles have not changed much. A revision of the agile manifesto was recently conducted, which only confirmed that these principles and values are still valid and very current. What is new is that agile is now increasingly mentioned in businesses that are not directly related to writing software.

The first value in the agile manifesto says, “People and interactions versus processes and procedures.” One of the biggest challenges in implementing an agile way of work is the balance between changing and creating new processes and procedures, and the fact that people and interactions always come first.

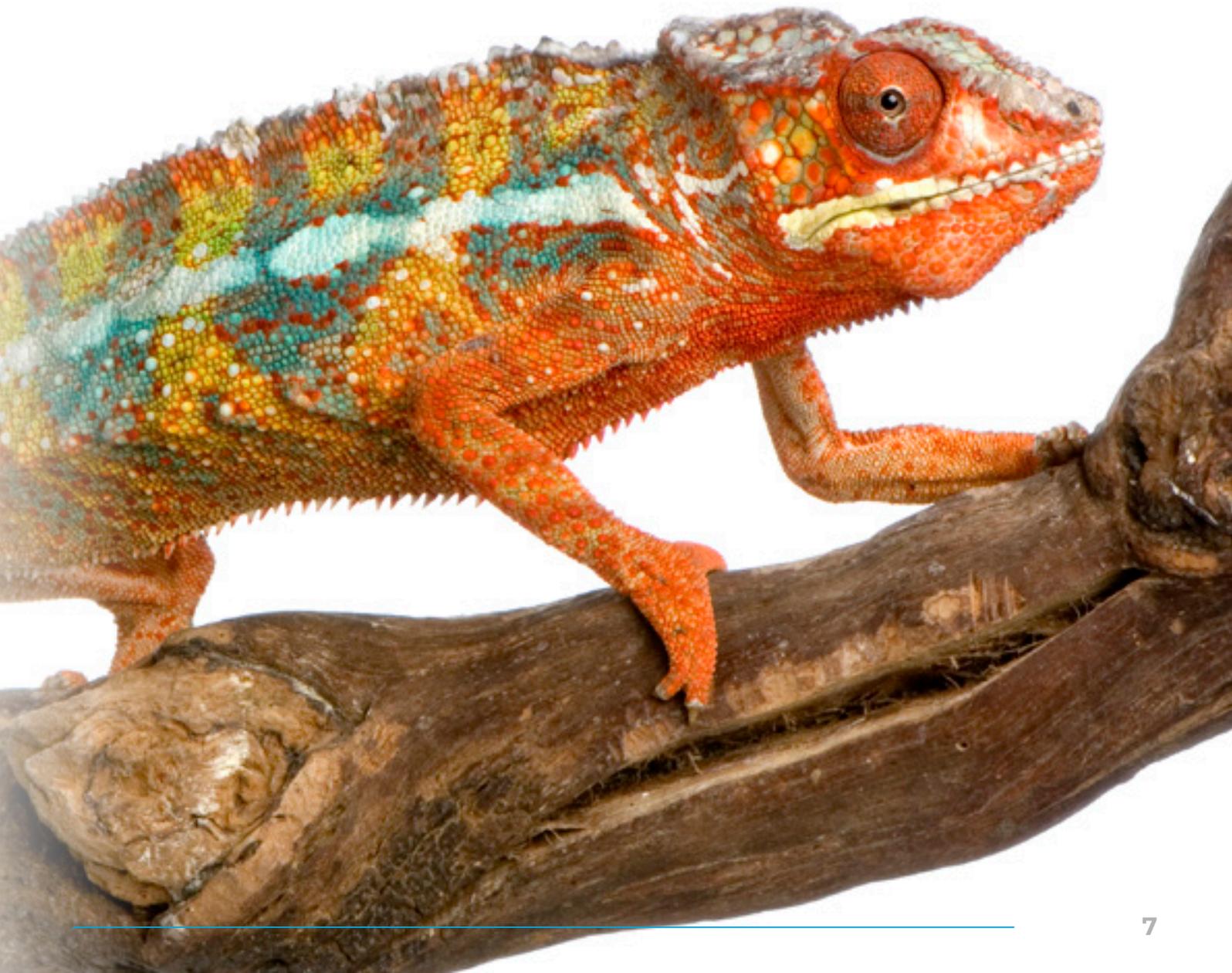
There are many different frameworks that are applicable within an agile way of work. Depending on the needs of the organization, “ceremonies” (mandatory meetings) are chosen and adjusted to the specific organizational structure. The question is often asked when to choose a “waterfall” project approach, and when agile. In the end, the organization of team work is something that is crucial when setting the “stage” and introducing teams to the agile way of work.

On the other hand, without motivated people, it is difficult to imagine an agile way of work in an organization. We can set the best processes and procedures, insist on ceremonies, adjust the workspace and similar things. It all falls apart unless the mindset within the organization changes. We need a culture that will support all these processes and make them sustainable. That culture is built on [agile leadership](#).

Agile leaders possess the necessary characteristics, but also the skills needed to adapt quickly to the conditions when we operate

in an environment that is constantly changing. An agile leader does not change that environment, he only changes the way he accepts, understands and reacts to his challenges.

In the end, the implementation of the agile way of work is the essence, regardless of whether the company is engaged in the production of software or organic food.



PEOPLE OVER PROCESSES



BUSINESS COACHING

Not long ago, the 20th anniversary of the creation of the Agile Manifesto, a document that has changed the world in which we work in many ways, was marked. And like some prophets, 17 software enthusiasts have predicted how the business environment will change in the future and more importantly, how we should respond to those changes.

And now, after 20 years, Agile Manifesto is still relevant. Through agile values and principles, they described what companies should focus on. These values have been the subject of various debates, books, discussions, conferences with a similar topic for years: People or processes.

Anyone who has read the Agile Manifesto already knows the answer in advance: Individuals and interactions over processes and tools. Another mantra of agile philosophy confirms this: People first!

On the other hand, it is necessary to insert a little bit of precaution in this statement,

or rather balance. We can have very cheerful and motivated people, well-versed in knowledge, but if the “stage” is not set well, we are doomed to failure in advance. Clear guidelines are needed at the outset, to avoid initial discomfort and confusion for company employees. By parallel education of employees and the establishment of basic accompanying processes, we create a clear picture of where our company is heading. There are many parameters along the way that are unknown to us. And that’s totally fine. One analogy perhaps best illustrates agile transformation.

Suppose we are driving a comfortable vehicle around town. We know exactly where our destination is, we already know all possible routes to get there and our vehicle is more than safe.

And then we decide to head to a new destination. The only thing we know about it is that it is very beautiful there and that it is in the north. If we go off with the same vehicle without additional preparation, we can end

up covered in snow on a remote road. On the other hand, we may end up in the desert with an overheated engine and no mobile signal. We need vehicle preparation. We will buy snow chains, repair and clean the air conditioning in case of heat, we will buy winter-summer tires, a car charger for mobile phones and the like. We will bring a lot of food and water because you never know if there are works on the road somewhere and how long the trip will last. And surely something else may come to our minds. The more ready we are for the trip, the more likely it is for us to get there. Also, we cannot predict everything. And we should not. This is where our mindset comes into play. We do not want to be disappointed if, despite all these preparations, something unplanned happens. The point is to prepare for something unplanned to happen. And it will happen. The way we react then can speed us up or slow us down. Maybe even stop us.

Establishing the right processes and educating employees about changes is the right

way to get to our destination, a successful business model.

Another thing that is very important when we want to change the way our business works. The adoption of agile processes, ceremonies and so-called frameworks does not necessarily mean that the business model will change. Conversely, we can change the business model we currently operate in without introducing an agile methodology. And here, it is a matter of balance.

Business agility has been discussed quite a lot lately. Understanding this concept and implementing its principles can change the way we look at the business environment and also change business fundamentally.

Business agility is not just a word that sounds modern and interesting, it really helps you reach a winning business model, with the right balance.



BUSINESS AGILITY



Today's business environment is very complex, if we take into consideration several parameters. It is equally uncertain for small companies as it is for multinational giants. Until just a few years ago, having large working capital, developed infrastructure and a good market position would represent a huge advantage to large corporations.

And then "smaller" companies appeared, so-called disruptors. These are companies that have managed to shake up big, corporate players with a completely different business philosophy. These disruptors are everywhere. One of the most obvious examples is the example of telecommunication operators and their disruptors, Internet communication services. Initially, superior in their comfortable seats, most board directors did not pay attention to these "new" players on the market. However, as their earnings started to slowly decline over time, they decided to respond and show their teeth to these "small" companies. Of course, this seems completely wrong from the point of view of understanding modern business. Today,

it is simply impossible to forbid someone to create their own business. Especially if that "small" player on the telco listens to the user, recognizes what his problem is and tries to solve it. Large players who, due to their project complexity, delivered a solution to the problem to the user in a year or even two, were very late for small and agile companies. It was much easier for these "disruptors" to adapt to the business environment and focus on the client. These are now companies worth billions of dollars, like Viber, WhatsApp and many others. This is exactly the reason why the "big" telco players needed a different strategy, which is really focused on the client and his needs. That sluggishness and arrogance of big telco corporations was something that was a big brake to changing the mindset, the way of thinking.

So how do you respond to new market conditions? One of the four values described in the Agile Manifesto is "responding to change over following the plan". We need to change old business models, we need a different setup and we need different leaders, lead-

ers who are able to generate new behaviors. Such leaders are catalysts for change, able to understand the client, but also to lead teams in conditions of constant uncertainty.

Business agility is implemented by agile leaders, who have proven many times until now to be one of the key factors in creating a new business culture, one in which the customer comes first. Satisfied employees are like the wind in the sails of a company ship in agitated seas, and satisfied leaders steer that ship firmly holding the rudder in their hands and not taking their eyes off the target.





LEADERS ARE ENABLERS OF CHANGE



The essence of agile philosophy consists of two inseparable areas, agile processes (doing agile) and agile values (being agile). Both are equally important for an agile culture to take root in an organization.

The implementation of an agile way of working in an organization needs to be approached with a lot of attention and very thoroughly. In addition to designing processes, activities and "ceremonies", it is necessary to work in parallel on creating awareness of the importance of change and what a new way of working can bring to the organization. Although people and processes are inseparable, agile philosophy always favors people. In the agile world, although people are constantly talking about self-organizing teams, the role of leaders is crucial and that is why during any agile transformation, special attention is paid to the education of leaders. They should first be supported in embracing the new skills needed to work in an uncertain business environment.

Agile leadership is the right answer to the changes that are happening in the business environment. Traditional leadership, which

was working out perfectly "until yesterday", is already facing the fact that there is no adequate and quick response to the changes that are happening in the environment. There are many differences between traditional and agile leadership, and some of the crucial ones are:

- Agile leaders do not try to anticipate and control the conditions in which business takes place, they "feel and follow" what is happening and make a decision accordingly
- Traditional leaders make great decisions, and agile ones help the team make great decisions
- Traditional leaders build authority based on their position and experience, and agile ones have the skills to empower others through emotional intelligence and relationship building
- Agile leaders communicate in both directions with their superiors and colleagues, while in traditional leadership communication is mostly one-way, "top to bottom"
- Decision making in traditional leadership can be complex and multi-layered, while an agile leader believes that the team will make a good decision

• Perhaps the biggest difference between agile and traditional leadership is in the culture of mistakes. In traditional leadership, the one who makes a mistake is often “called out”, creating a culture of fear of making a mistake. In agile leadership, a culture of safe environment is created, where a mistake is accepted as something that is inevitable and focuses on learning from that very mistake.

How “deep” an organization is in “traditional” leadership is often a crucial factor based on when we can calculate the time and energy that needs to be invested in leaders. The most common question to be asked by the management that starts with or thinks about change is:

HOW LONG WILL THE AGILE TRANSFORMATION TAKE?

Transforming a business model into one that supports agile ways of working is fast, but changing culture and mindset can take much longer. The world average is for a transformed organization to reach its full potential between 3 and 5 years.

When to start transforming a business? Perhaps the answer to this question is best described by an old Chinese proverb:

“The best time to plant a tree was twenty years ago, and the next best time is now.”



PRACTICE NOT TO BE PERFECT



“Practice to be perfect” is perhaps one of the most used sentences when it comes to learning new skills. And is that always the case? Do we really have to be perfect?

The agile way of working gives us the answer to this question.

If the team agrees on a definition of the finished product or service (Definition of Done), too much practice and repetition can be considered a waste of time. So what is the level of a job well enough done? One of the most used tools for assessing the maturity of teams, and thus its effectiveness, is SHU-HA-RI.

SHU is the acquisition of basic skills. The team is gathered around a project, gets to know each other and organizes its activities. The team deals with the adoption of rules and procedures, learns how to work. This can be compared to learning the letters before you start writing. If you were to equate the process with making a lasagna, the SHU phase would be

to do everything according to the recipe. If you are missing an ingredient, you will not be able to make the lasagna.

HA phase is when it is assumed that you have mastered all the necessary processes. Within these processes, the team finds its own ways to work best and creates a framework in which not all rules have to be strictly adhered to as long as the same product or service is obtained for the outcome of the process. In the case of preparing a lasagna, it would mean that you are experienced enough that in case you are missing an ingredient, you will relatively easily find a replacement for it. You still have your lasagna.

RI is mastery in something you have practiced and done every day. You now create the processes and procedures yourself to get the best product that suits your customer. And it may not even look like the original idea. You are free enough to change everything to create the greatest value for the user. In the case of lasagna,

you set out to make lasagna, but you got inspired and created some dish of your own and amazed the guests.

Working agile means working with balance. That balance should be created both for yourself and for the project in which you are currently engaged. It is necessary to take into account at all times, whether what you are doing brings the greatest value to the user. If the answer is no, stop doing that. Don't try to be maximally efficient for something that doesn't bring value to the client. You strive to create a product or service that always brings the greatest value to the user, no matter how imperfect that product or service may be in the beginning.

Be a master at creating value.



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