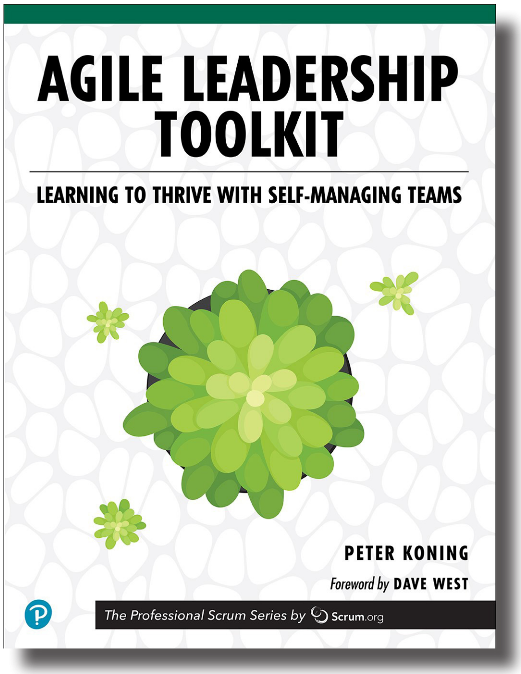
Practical, Proven Tools for Leading and Empowering High-Performing Agile Teams


AGILE LEADERSHIP TOOLKIT
LEARNING TO THRIVE WITH SELF-MANAGING TEAMS
PETER KONING
Foreword by DAVE WEST
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A leader is like a farmer, who doesn't grow crops by pulling them but instead creates the perfect environment for the crops to grow and thrive.

If you lead in organizations that have adopted agile methods, you know it's crucial to create the right environment for your agile teams. Traditional tools such as Gantt charts, detailed plans, and internal KPIs aren't adequate for complex and fast-changing markets, but merely trusting employees and teams to self-manage is insufficient as well.

In *Agile Leadership Toolkit*, longtime agile leader **Peter Koning** provides a practical and invaluable steering wheel for agile leaders and their teams. Drawing on his extensive experience helping leaders drive more value from agile, Koning offers a comprehensive toolkit for continuously improving your environment, including structures, metrics, meeting techniques, and governance for creating thriving teams that build disruptive products and services. Koning thoughtfully explains how to lead agile teams at large scale and how team members fit into both the team and the wider organization.

- Architect environments that help teams learn, grow, and flourish for the long term
- Get timely feedback everyone can use to improve
- Co-create goals focused on the customer, not the internal organization
- Help teams brainstorm and visualize the value of their work to the customer
- Facilitate team ownership and accelerate team learning
- Support culture change, and design healthier team habits
- Make bigger changes faster

This actionable guide is for leaders at all levels–whether you're supervising your first agile team, responsible for multiple teams, or lead the entire company.

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Agile Leadership Toolkit

LEARNING TO THRIVE WITH SELF-MANAGING TEAMS

Peter Koning

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FOREWORD

We live in uncertain times created by the move from the age of mass production to the digital or software age. Traditional management and leadership practices were developed to manage work, to build the process, and to provide the intelligence for work to be done. Workers were cogs, resources to be applied along with other assets such as tools and capital to get work done. The management was the king, directing and leading the work. That is all changing. We are moving to a world where, by necessity, teams have to be empowered to respond to their environment. Agility is turning the world upside down with traditional hierarchical, Taylorism management, which is being replaced with something new. Agile leadership is the future. But what does an agile leader do?

There have been many books written about what agile leadership is. They describe the change to servant leadership, the role of organization, and even behaviors that we expect from these new leaders. But they do not provide you with tools you need to work as an agile leader. In this book, Peter has provided an integrated toolkit for agile leadership. He has provided a set of tools that ask the right questions, provide focus, raise transparency, and allow adaption. They can be thought of as a set of tools that provide a foundation for agile leadership. That does not mean that if you use the tools you will be "agile." The path to building the right environment for agility to thrive is a hard one. But this is a great place to start.

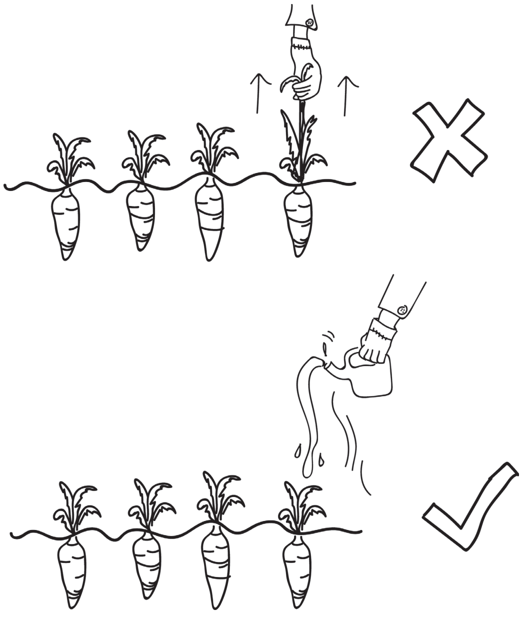
To thrive in the digital age requires a step change, not just in terms of the adoption of new technology, team practices, or process but also the environment those "things" are brought into. Leadership needs to change, and the framework that Peter describes not only provides practical tools but also focuses the leader on the right things. Ownership, time to learn, building the right habits, and setting the right goals are the fundamental elements for agility.

—Dave West

Dave West is the CEO and Product Owner at Scrum.org. He is a frequent keynote speaker at major industry conferences and is a widely published author of articles and research reports. He led the development of the Rational Unified Process (RUP) for IBM/Rational. After IBM/Rational, West returned to consulting and managed Ivar Jacobson Consulting for North America. Next, he served as VP and research director at Forrester, where he ran the software development and delivery practice. Prior to joining Scrum.org, he was Chief Product Officer at Tasktop where he was responsible for product management, engineering, and architecture.

PREFACE

> *A leader is like a farmer, who doesn't grow crops by pulling them but instead creates the perfect environment for the crops to grow and thrive.*



INTRODUCTION

How do you create this thriving environment for self-managing teams? How do you facilitate teams in such a way that they take real ownership? How do you create enough structure to prevent chaos but also avoid falling back into micromanagement? Is your role as a leader to sit on your hands and trust the autonomy of the teams? These and similar questions are ones I've been asked and also have asked myself for the past decade.

Take for example David, a manager of several software development teams. I coached David over a period of months, and together we discovered several tools. After testing these tools in other companies and situations, I repeatedly saw the proof that these tools really build this thriving environment for self-managing teams.

Let's go back a few years for an explanation of the situation David was in. He had been managing these teams for just over three months and was thinking about what he had to do next. The first weeks in his new role were fantastic. There was real energy and passion in the department. Most team members were interested in the new way of working and were happy that they could finally start working in an agile way as well. In order to beat the competitors and to become a market leader again, they needed to become more agile as a company. They needed to accelerate and get product improvements to the market faster. They recently had been overtaken by rivals who had been able to rapidly gain market share by responding quickly to new opportunities; they needed to change direction to regain market leadership.

David did not doubt his choice to become a manager. This new way of managing fit well with his passion. He really wanted to create an environment in which his teams could flourish, improve, innovate, and thrive—an environment of trust, inspiration, and focus on the customer. But he was missing the answers to a few important questions. We met at his company. I could see the pride and passion he felt toward his teams but also the doubt and struggle for the next step. The night before our meeting, as he lay awake, he wrote down the things that haunted him. His most important questions were

1. What are proper goals that focus on the customer instead of the internal organization?
2. How can my teams flourish and thrive in the long run?
3. Which metrics or signals are indicating that my teams are doing the right things?
4. What do I have to do to create a culture of continuous improvement?

He knew that analyzing the situation, drawing up plans, setting individual goals, and managing budgets were not the answer to his questions. His situation was far too complex for this analytical approach. The unpredictable markets, the customer expectations, and the dynamics in his teams were just too complex for a straightforward plan. He felt he needed a totally different approach. His million-dollar question to me was: *how do I create the right environment for my teams so they can thrive?* David explained that he didn't want to be the leader who always has to give the answer to these questions. He trusted his teams to answer these questions in a much better way. But how could he create an environment in which the answers to these questions could be explored and discovered? I promised to help him find these answers, even though back in those days, I didn't have the answers yet either. But together we tried, failed, learned, and improved.

This book is the result of a three-year search for these answers. The results are practical and concrete tools and examples for your specific situation. It gives you the ability to create an environment in which your teams focus on the goal, take ownership, learn quickly from the customers, and improve the culture.

Nobody wants to lead people who are unmotivated, deliver low-quality products, and do not collaborate with other teams, nor do they want to lead where highly talented people leave. Unfortunately, there are too many companies that struggle with at least a few of these bad things. Scrum, Less, and other agile methodologies promise motived, collaborative, and high-performing teams. In numerous cases I've seen these teams. They are truly empowering, energetic, and contagious, and customers are enthusiastic about the quality and speed of the improvements they make. But getting teams to this level of performance is not easy. Every team, department, product, and customer base is so unique that there is no recipe or “7 steps to success” to be found. But luckily, there are several practical tools that you can use to create the tailor-made environment for your teams and your customer base.

My passion is to share these tools with you so that you can create a working environment in which people like their jobs and grow as people in their skills and self-confidence.

AUDIENCE—WHO IS THIS BOOK FOR?

This book is intended for leaders in an agile environment. They have recently become or already are responsible for people in agile teams, for several agile teams, complete agile departments, or even agile companies. These leaders are already convinced of the benefits and necessity of agile and are searching for ways to improve. They are globally familiar with Scrum and other frameworks. In addition, they already have experience with managing teams in general, and now they are looking for practical tools, handy metrics, and new methods to create an inspiring environment for their self-managing teams. Last but not least, their company is active in a competitive market. This means customer satisfaction, innovation, digitization, and quality are king.

RESPONSIBILITY OF AN AGILE LEADER

Agile leaders lead their teams in a totally new way. They lead because they create precisely the environment that the teams need to grow and improve. Within this environment, the teams optimize the processes themselves, increase their own effectiveness and efficiency, and make all kinds of decisions on a daily basis. That makes these teams self-managing. They organize their own work and they have all the skills to do so. These agile teams are agile in and of themselves because they can respond quickly to new technologies, threats from competitors, and the ever-changing expectations of their customers. They don’t have to wait for official approval, management decisions, or top-down strategic changes. Because they have a short feedback loop with their customers and users, they can continuously experiment with new ideas, improve their products and services, and align with other self-managing teams.

The agile leader is the architect of this environment—just as a farmer doesn't grow crops by pulling them but instead creates the perfect environment for the crops to grow and thrive. When the crops don't grow, he doesn't blame the crops; rather, he sees it as feedback on the environment he created. The same goes for an agile leader. He takes the humble responsibility to create this environment for his people and teams. When the teams don't flourish, when things go wrong, or when customers are not satisfied, the new leader doesn't punish his people for doing wrong things; he sees it as feedback of the environment he created. He asks for feedback and help from his employees to find improvement, and together they adapt and improve the environment.

AGILE LEADERSHIP TOOLKIT

Agile leaders provide an inspiring environment for their agile teams to thrive. But how do they create such an engaging environment? This requires not only a new mindset but a lot of new skills, unlearning the old and learning the new ones. People learn not by only reading a book but by a lot of doing. Therefore, the tools in this book are very practical. Take, for example, a chef. He becomes a master cook because he spends hours and hours in the kitchen practicing with knives, pans, ingredients, and all kinds of other tools. The same goes for agile leaders. They become masters in leading inspiring environments because they practice a lot. To help agile leaders, this book provides practical tools, workshops, metrics, and examples to put immediately into practice. And by applying them, the underlying skills needed to become an agile leader can grow and develop.

The tools, workshops, metrics, and examples form a cohesive toolkit for the agile leader. The toolkit is the new steering wheel to redefine how today's organizations could be led. See Figure P.1 for the visualization of the toolkit.

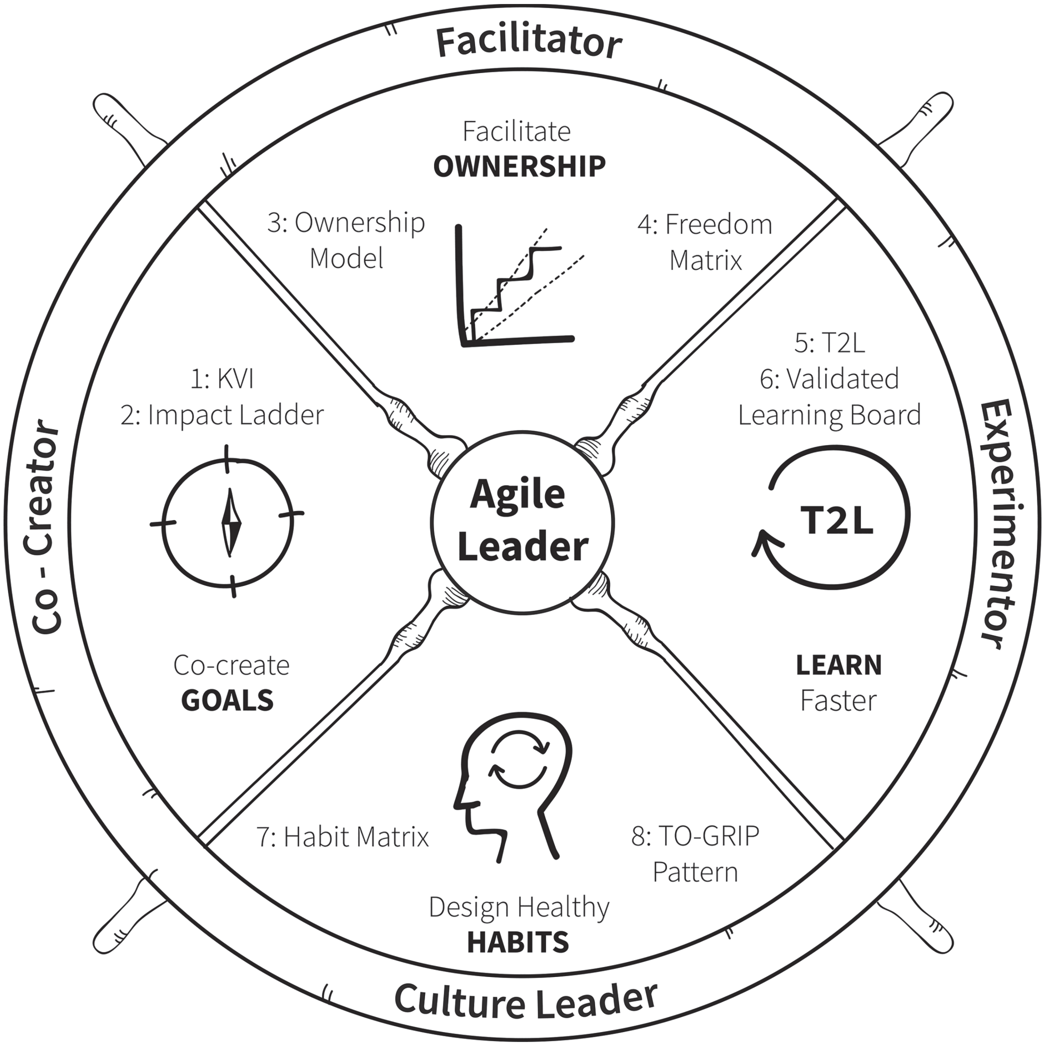

Facilitator
Facilitate
OWNERSHIP
3: Ownership Model
4: Freedom Matrix
Co - Creator
1: KVI
2: Impact Ladder
Agile Leader
5: T2L
6: Validated Learning Board
T2L
Experimentor
Co-create
GOALS
LEARN
Faster
7: Habit Matrix
8: TO-GRIP Pattern
Design Healthy
HABITS
Culture Leader

Figure P.1 The toolkit

The toolkit of the agile leader is divided into four parts, which together describe the environment that self-managing teams need to thrive. The agile leader has the following practical tasks:

1. Co-create goals
2. Facilitate ownership

3. Learn faster
4. Design healthy habits

Successful agile leaders provide their teams with the support they need by successfully mastering each of these four parts. They can make better decisions based on the clear goal, create perseverance and energy with ownership, and respond quickly based on fast learning ability, all in an inspiring culture with healthy habits. Each part of this toolkit is described in one section of the book. Each consists of two practical tools and a concrete skill of the agile leader—in total, eight tools and four skills. The skills are put into practice in the last section of each part, and they are explained in such a way that leaders can immediately start working with them. Each tool can be successfully used separately, but each tool reinforces the other tools in an additive way.

The eight toolkit tools are as follows:

1. **Key Value Indicator (KVI).** The KVI is for the teams and is the most important indication that they deliver value.
2. **Impact Ladder.** The Impact Ladder is used for brainstorming and visualizing the customer impact. This supports teams in continuously improving products and services to increase the benefit for the users.
3. **Ownership Model.** The Ownership Model visualizes what teams need to take ownership.
4. **Freedom Matrix.** The Freedom Matrix visualizes the freedoms and responsibilities of the team.
5. **Time to Learn (T2L).** T2L measures the speed of learning. It is a calculation of the time it takes from when it is built until the team learns from actual usage by customers.
6. **Validated Learning Board (VLB).** A VLB is used to visualize the learning flow of the team.
7. **Habit Matrix.** The Habit Matrix supports culture change and the designing of new habits.
8. **TO-GRIP.** This tool supports the agile leader in making big changes and improvements in the environment.

The four skills are as follows:

1. **Co-create.** The ability to co-create the vision and the direction in which to go. Together with the agile teams, the leader creates the focus on delivering value for the customers and company.
2. **Facilitate.** The ability to facilitate ownership not by enforcing it but by facilitating the process of continuously improving ownership.
3. **Experiment.** The ability to create a safe environment in which teams run experiments. This is not an environment in which teams are blamed for their mistakes but one in which the leader mentors the teams so they continuously learn from customers and improve.
4. **Lead the culture.** The ability to create a healthy culture and lead people not by telling them what to do but by leading the culture.

With this toolkit, agile leaders can create the desired environment, continuously improve, and make adjustments where necessary. Agile teams therefore have an inspiring goal, a great deal of ownership, a high learning speed, and a good culture. This is the ideal environment for teams to be successful. It makes them agile at high speed.

WHY THIS BOOK?

Since 2015, I have actively looked for concrete tools that support the agile leaders in their responsibilities. My experience with Scrum taught me that tools help teams to become agile, and that the best way to improve is to start working in the new way. Agile leaders also need practical tools, metrics, and meetings to help them start working in a new way, and by doing so to become increasingly better agile leaders. Together with several different companies, in many different contexts, I've developed these tools into this toolkit. This book shares what I have learned.

READING GUIDE

Each part of this book can be read separately and used individually. The numerous examples are often based on my experiences at various companies with a wide variety of different managers and leaders, as well as my own experiences as a manager. Because not all examples are positive, I have chosen to anonymize them; any resemblance to a specific company or situation is purely coincidental. In addition, I use the masculine "he" to refer to the agile leader simply because it seems less awkward than "he or she." Obviously, this is not intended to make a statement about whether men or women are better agile leaders.

Because I wanted to write a very practical book with tools, step-by-step plans, and workshops, the titles of many sections are based on concrete questions that agile leaders have asked me in recent years. In order to make the book as self-contained as possible, there are only a few references in this book to external research or sources. The toolkit is also not partial to Scrum or any other particular agile framework; it can be used with any agile approach. The focus is on practical tips and tools, examples, and anecdotes that illustrate the toolkit. Extra examples and templates of the various tools in this book are available on www.tval.nl.

During the search for these tools, the image of a sailboat in uncharted waters helped me to find the tools and make them concrete. The ship has to sail over unknown and unpredictable waters, and the sailors want to get to their destination as quickly as possible. What makes them successful? They need a compass to navigate and check their bearings. They need a lot of wind to move and be faster. The sailboat must be agile at high speed, able to respond quickly when something happens, and capable of learning continuously. The crew prefer to sail through a beautiful environment. The first part of the toolkit, "Co-create Goals," inspires the target for the compass. Facilitating ownership provides the speed. The third part, "Learn Faster," improves the reaction speed and agility. And the culture and habits make it all a beautiful environment.

AFTER READING THIS BOOK

By reading this book and learning how to apply the described tools and tips, agile leaders are better able to shape the new organization. They

- have concrete tools and tips to improve the environment,
- know what self-managing teams need to thrive,
- have, themselves, grown in their role as agile leaders,
- know better what their role is at specific moments,
- are able to keep the hard side and soft side of continuous improvement in balance, and
- can really thrive when leading agile teams.

Register your copy of *Agile Leadership Toolkit* on the InformIT site for convenient access to updates and/or corrections as they become available. To start the registration process, go to informit.com/register and log in or create an account. Enter the product ISBN (9780135224960) and click Submit. Look on the Registered Products tab for an Access Bonus Content link next to this product, and follow that link to access any available bonus materials. If you would like to be notified of exclusive offers on new editions and updates, please check the box to receive email from us.

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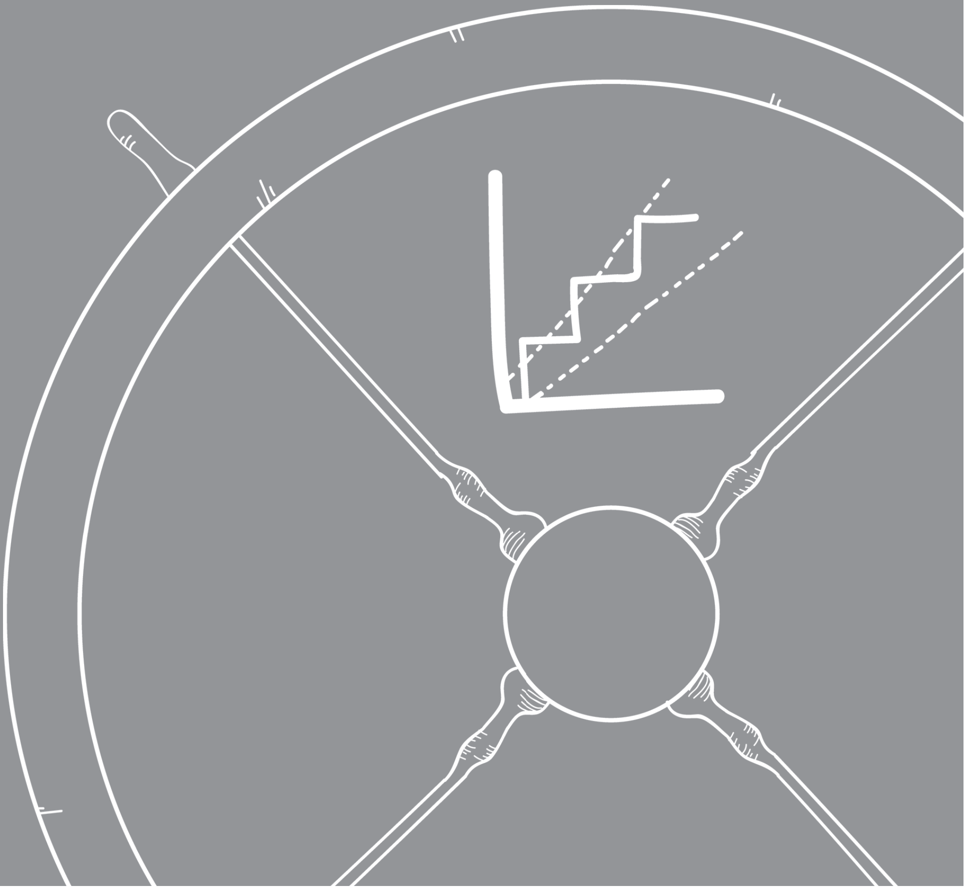
2.2 WHEN IS INTERVENING THE BEST STRATEGY, AND WHEN IS LETTING GO BETTER?

To let go or not to let go,
that is the question.



Facilitate
Ownership

INTRODUCTION QUESTIONS

1. Which teams provide a real example in taking ownership? What behaviors do they demonstrate?
2. Do you tend to intervene too quickly or let go too much? How do you know how best to interact?

If the manager properly balances his interventions and does nothing (sitting on his hands, not intervening), the teams will take ownership. However, it's hard to always know exactly what to do. If the team delivers a low-quality result, should you act? Should you intervene when a team does not come up with solutions on its own? And what if talented employees leave the team? Or if customers or stakeholders complain about the results? Should you intervene when you think the team is about to make a major mistake? When should you do nothing? How do you give teams the space to learn and grow?

Whether or not it's wise to intervene depends on the maturity of the team. A highly mature team can independently organize their work and achieve great results, but a team just starting still needs a lot of help, guidance, and support. If the team is very mature and the agile leader gives little freedom and often intervenes, the team will become frustrated and passive; they will no longer come up with solutions themselves. Good people will leave, and if they don't, they will just passively do what they are told to do. Low quality and high risk will result. The team actually needs more space, and the manager should let go a lot more.

On the other hand, it also does not work if a newly formed team still figuring out how to collaborate (a *starting team*) gets too much freedom from the manager. The team feels lost; they do not know exactly what they have to do, and they can't assess the risks themselves. The team itself cannot come up with solutions on their own because they lack sufficient knowledge. This, too, results in good people leaving. The people who stay experience frustration from the lack of clarity, and they slip into passivity, also resulting in low quality and high risk. Although the results are the same, the team needs less space, and the manager must intervene by increasing the borders and offering concrete help.

To know when to let go and when to step in is a daunting challenge. Based purely on signals of passivity, low quality, employees who leave, and lack of improvement, the agile leader can't know whether intervention or letting go is best; he must first know the maturity of the team to know how much freedom they need in order to take ownership. But the big question is: how do you know the maturity of the team? Can the team members decide that for themselves? How can the manager know for certain? Experience has shown that the answer can only be found by talking about it together. The Ownership Model helps to facilitate this discussion, making it clear whether intervention is necessary or whether to let go is the better option.

TOOL 3: OWNERSHIP MODEL

The Ownership Model visualizes the relationship between the freedom and the maturity of the team. It consists of two axes, two bad zones, a good zone, and a staircase. Only when the freedom and maturity of the teams are in balance can the teams take ownership (see Figure 2.1).

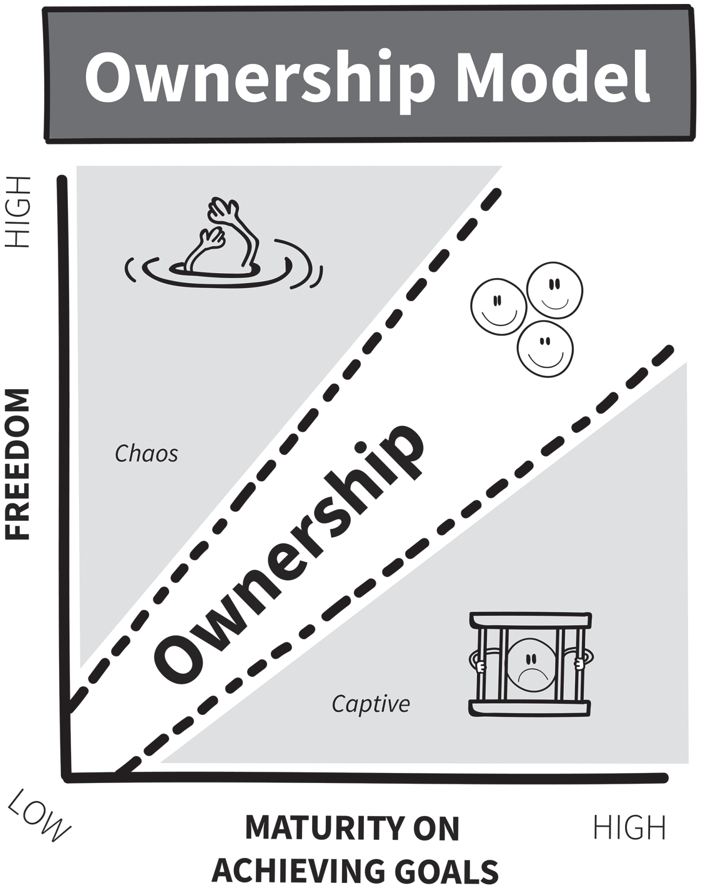

Ownership Model
HIGH
FREEDOM
Chaos
Ownership
Captive
LOW
MATURITY ON ACHIEVING GOALS
HIGH

Figure 2.1 The Ownership Model

HORIZONTAL AXIS: MATURITY ON ACHIEVING GOALS

Maturity indicates the extent to which a team is independently capable of organizing their work to deliver valuable products and services to customers, and the extent to which the team can self-organize their customer impact.

A highly mature team can

- Plan and align their own work
- Deliver quality products and services to their customer(s)
- Continuously improve their own processes
- Get feedback from customers to increase their impact
- Collaborate autonomously with the rest of the organization
- Give each other feedback to increase their own craftsmanship and competence

Contrast this with a low-maturity team who still needs help from their agile leader to achieve these same results. A low-maturity team will still need the agile leader to guide them in matters such as planning and aligning their work, making team agreements, arranging the holiday schedule, giving each other feedback, and managing the stakeholders.

VERTICAL AXIS: FREEDOM

Freedom describes the degree of independence from the agile leader that the teams exhibit. With a low level of freedom, they need alignment and approval for many issues, and they are given many details upfront. With a high level of freedom, they can arrange things independently.

For example, teams with a high degree of freedom may

- Make many decisions themselves and also bear the consequences
- Manage their own stakeholders
- Continuously improve the process and the cooperation with the other teams themselves
- Solve their own impediments and challenges
- Continue to operate within the boundaries of the rest of the organization

Freedom is accompanied by responsibility and consequences. When a leader—with the best intentions—removes the negative consequences of the team's own choices, the team will exhibit less ownership because they no longer bear the responsibility of their own behavior. When they are not held accountable for their choices or do not bear the consequences of their actions, they will not feel the collective pain as a team, they will not improve as quickly, and their growth will lag behind. Their capacities will also not be fully exercised. If this continues for a long time, they will lose their capacity for ownership.

To illustrate the situation in which a team has a lot of freedom and they bear the consequences for their actions, consider the following example of a highly mature Customer Contact team who gave bad advice to a customer, resulting in an extremely dissatisfied customer. In the past, the manager would have handled this, apologizing and searching for a solution. Now, the team solved the mistake themselves: they decided that to compensate the customer they would provide a discount on a product that the customer needed, which satisfied the customer. In order to give this discount, they did not have to get permission. Because the team could remedy their mistake independently, their confidence and sense of ownership grew; they were proud of how they solved the problem and thought of solutions to prevent this in the future. Despite the fact that they had to work harder to correct the consequences, their energy and pride rose.

TWO BAD ZONES

The two bad zones occur when freedom and maturity are not in balance.

- **Too much freedom: Chaos.** If the team is given more freedom than matches their maturity, they won't take ownership. They feel lost, and with too many opportunities and uncertainties, they lack the perspective to make effective choices. Because they can't adequately anticipate the consequences of their choices, it ends up in chaos. As a consequence, they will experience frustration and demotivation. The rest of the company may be exposed to harmful consequences.
- **Too little freedom: Captive.** If the team is given less freedom than matches their maturity, they will feel captive or imprisoned by their environment. They lack the room for initiative; they will just follow orders, and they will be unable to grow as a team and develop their own working methods. As a consequence, they will also experience frustration and demotivation, which may affect the quality of the product or service they deliver and the satisfaction of the customers of those products or services.

Good Zone

The good zone is located in the middle, the area where maturity and freedom are in balance, providing the team with clarity, boundaries, and room for their own input. These are the ideal conditions in which the team can take ownership. Ownership isn't dependent on maturity. In fact, ownership can still take place even when team maturity is low if the team has the appropriate level of freedom; all they need is just a little more freedom than their current maturity.

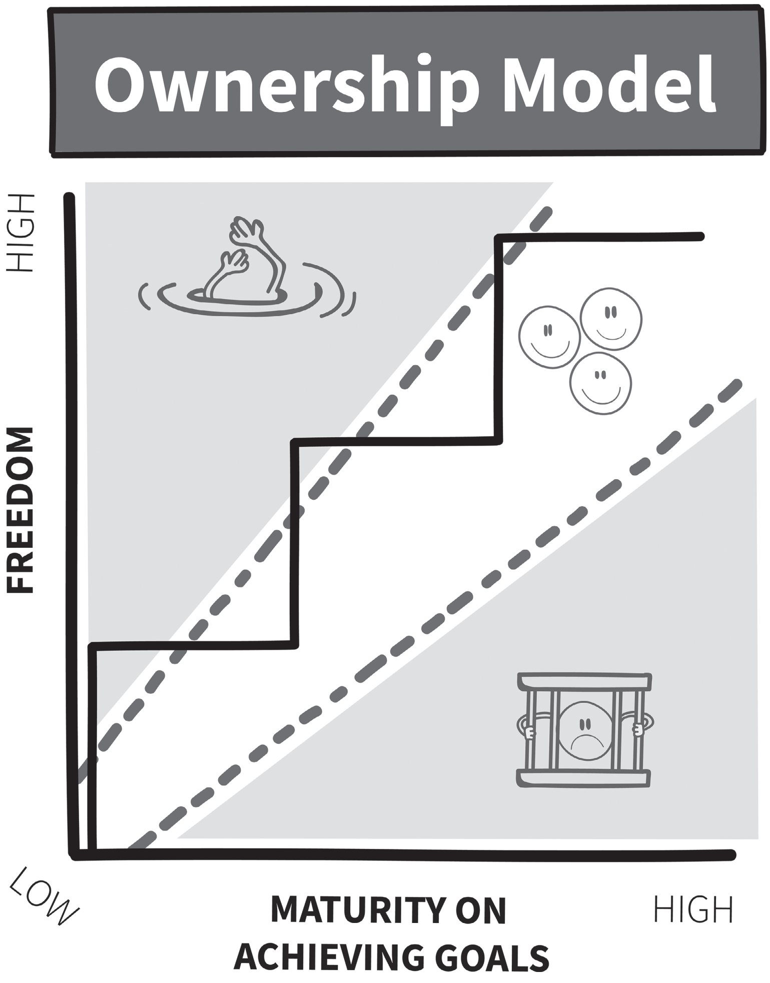


Figure 2.2 Ownership Model with staircase

STAIRCASE

A staircase can be added to the Ownership Model (see Figure 2.2). The staircase in the good zone visualizes the growth of the team. The team gets more freedom so that team members can grow in maturity. Then they get more freedom again so they can grow further. That is why the staircase first goes up, then to the right and then back up again. The staircase walks on the edge of the chaos zone. This is really important. Teams will get more freedom than they can currently handle, but that's crucial for them to learn as they go. For example, they can manage the stakeholders themselves, but they still have to learn how to properly do that. Or they can prioritize the improvement topics themselves, but they still have to discover how to do that in the best manner.

To know when the manager must intervene or must let go, the degree of freedom must match the degree of maturity; however, deciding how much freedom the team is ready for means knowing how mature the team is. How a manager can determine this maturity will be explained in the next section.