The Journey to Scrum@Scale at a Fortune 500 Oil & Gas Company

October 2018

Alex Uriarte
Kim Antelo

The Journey to Scrum@Scale at a Fortune 500 Oil & Gas Company

Scrum Inc.'s Consulting & Coaching Practice is committed to delivering better results, faster than competing firms. We differentiate ourselves in four key ways:

1. "Minimal Viable Planning" Approach. When we work with clients, we gather just enough information and do just enough planning to support rapid pilot deployment. Pilots are an essential source of fast learning that enables iteration and rapid progress on projects.

2. Past Client Experience. Our experience with a broad range of clients enables Scrum Inc. teams to quickly identify risks and manage them, leading to higher project success rates.

3. Engaging the C-Suite and Addressing Cultural Issues. Cultural issues are often barriers to success. Unfortunately, however, many organizations and consultants don't recognize and confront them. Our teams proactively identify and eliminate cultural hurdles which translates into fast progress.

4. Confronting, Analyzing, and Learning from Failures. Our teams don't shy away from project failures. We learn from each project's history, as well as from each pilot and iteration. These lessons inform the next steps for the engagement.

In this client story, we'll discuss how Scrum Inc. leveraged these four differentiators and played a pivotal role in a Fortune 500 oil and gas company's journey to Scrum@Scale.

Background

In recent years, acquisitions have been a major growth strategy in the oil and gas industry. As a Fortune 500 oil and gas company merged with various newly-acquired companies, its IT portfolio grew. The firm soon found itself with approximately 150 legacy IT systems and little or no integration among them. Teams had no clear visibility into customer information, since a single customer's data often resided in many different systems and Excel spreadsheets.

The leadership team recognized that a change was needed. They decided to implement an SAP ERP system to streamline the IT infrastructure. Two activities in particular were challenging: migrating data to the ERP system and rolling out enterprise IT solutions. Although the organization consistently spent $50 million per month on the ERP implementation and data migration, teams struggled to demonstrate progress.

A newly appointed IT leader thought Scrum could be the answer to these hurdles. To explore the idea further, he initiated discussions with Scrum Inc.'s Consulting & Coaching Practice. Scrum Inc. trained the executive team to cultivate understanding and support for Scrum at the leadership level. In addition, Scrum Inc. helped form executive coordination teams and Scrum Key Performance Objectives (KPOs) related to Scrum goals and the Scrum Golden Rules.

After initiating the Scrum work at the executive level, the company asked Scrum Inc. to engage with the SAP implementation, enterprise solutions, and data wrangling teams to train and coach them on Scrum practices. The Wells and Fields Data Wrangling Team's experience illustrates how Scrum Inc.'s unique approach helps organizations deliver results quickly and efficiently.

A Closer Look: The Wells and Fields Data Team's Experience with Scrum

When Scrum Inc. coaches first engaged with the Wells and Fields data team, both the team and the company were new to Scrum. The team was starting with the 3-5-3 fundamentals (3 roles, 5 events, 3 artifacts) and members were striving to obtain a Shu state – that is, they were adopting Scrum practices, but they weren't yet going deep to understand the rationale behind the principles.

During the autumn of 2017, the dedicated Product Owner (Benjamin) and the open-minded Scrum Master (Peter) experienced two back-to-back failed go-lives as their team attempted to prepare data for the struggling SAP ERP implementation initiative. Benjamin and Peter had been unable to advance the readiness of the team's data to the 70% acceptance level which was mandated by corporate key performance indicators (KPIs).

In addition, the team faced three additional challenges:

> • Geographically distributed teams. Team members were distributed between offices in Texas, France, and India.

> • Limited subject matter expert resources. Subject matter experts (SMEs) were spread thin – one SME, for example, had been assigned to four operating Scrum teams.

> • Insufficient development staff. Additional developers were needed.

Embracing Scrum

As the team engaged with Scrum Inc., Benjamin noted, "We really wanted to put into practice everything we learned in our training. We knew that how we were currently operating was not working." The team agreed to adopt key principles from the Scrum training, including respecting roles, participating actively in Scrum events, and making work and progress visible. Scrum Inc. also encouraged the group to focus on four actions:

> • Experimenting with One Week Sprints. At the kickoff, the team agreed somewhat reluctantly to test one-week Sprints. They found that the tight feedback loop motivated the team to write more concise and focused Product Backlog items. The team discovered they could swarm on these items and complete them in a single day within a Sprint. As a result, the team doubled its velocity from an average of 15 to 30 in seven short Sprints. Velocity is key metric which quantifies the amount of work a team can tackle in a single Sprint.

> • Measuring Team Happiness. During Sprint 4, the team started measuring overall happiness. This metric proved to be a key indicator for team productivity, as well as the quality of work delivered. When a team member was abruptly fired in Sprint 10 by management without team input, there was a steep decline in team happiness and productivity also slowed.

> • Addressing the Habit of Overcommitting to Work. In Sprint 11, new developers were added to the team. Although this was good news, it did not immediately address the team's habit of overpromising, but underdelivering work. Once the new developers were onboard, the team leapt from a committed velocity of 62 points (completing a total of 39) to 114 points (completing just 540).

• Scrum Inc. coached Benjamin and Peter to work with the team to produce well-defined, achievable Sprint Goals and a committed Sprint Backlog moving forward. By Sprint 13, the team committed to 68 and delivered 76 points. Moving forward, the team maintained a more consistent pattern of committing to and in many cases, over delivering on their promises to stakeholders.

• Experimenting with Co-Location. Benjamin encouraged the Texas-based team to work side-by-side in a large room. The close proximity of the team members helped them become hyper-productive.

Enterprise Scrum Engagement and Success Stories

Executive Team	SAP Implementation Team	Field Logistics Management Tool Team
• Scrum Inc. trained 50 executives on Scrum@Scale and on Introduction to Product Owner and Scrum Master. • Scrum Inc. helped organize the Executive Action Team, Executive Meta Scrum, and Integrated Design Scrum. • To integrate Scrum into the company culture, the team established Scrum Key Performance Objectives focused on Scrum goals and adherence to the Scrum Golden Rules.	• At the beginning of the Scrum initiative in November 2017, the team eliminated 40% of the contractors working on the project. • Scrum Inc. enabled 37 teams to be trained. By mid-Q2 2018, these groups were in-flight. ***Results*** • By Sprint 19, Benjamin and Peter's team delivered the North American Wells and Fields data into the new ERP system. Their results were impressive: • The delivery was one full week ahead of schedule. • The data was at a state of 93% readiness – well above the corporate mandated 70% level. Prior to adopting Scrum, the team never delivered data above a 17% readiness level. • Two other mission-critical countries that had stagnated at a 35% readiness level were pushed to 74% and 82% readiness.	• This subset of the Enterprise Solutions team had worked together for close to five years on a project that cost $50 million and generated no deliverables. • Scrum Inc. trained the team on Scrum principles. • Over 8 months, the team defined and successfully delivered a Field Logistics Management Tool that is integrated with SAP. • The project was highly relevant to key stakeholders – Sprint reviews regularly had over 120 attendees.

	• Thanks to Scrum Inc.'s "train the trainer" activities, the company was able to continue training teams on its own. • Within six months, the teams increased their output by 20%. This represents a 2x improvement, since the teams had 40% fewer people. • Thanks to Scrum's principle of focus, the group learned how to focus on the right amount of work.	