Valcoris Agile Operating Model

A framework for the Business of IT

"What outcomes are we trying to produce?" This question formed the basis for the design of our Agile Operating Model with one minor tweak – it wasn't *one* outcome we were designing for, it was a *collection* of outcomes. We designed a way of working to:

- enable an Agile Transformation
- optimize our annual operating costs
- accelerate solution delivery
- strengthen Operations reliability
- increase employee engagement
- sustain subject matter expertise
- retire aging and brittle technology
- …

The list challenged us, or forced us, to apply systems thinking for a holistic solution vs. independently designing each outcome.

Although our design team had deep experience in Architecture, PMO's, Program / Project management, Demand management, ITIL and so forth, we took the viewpoint that accepted wisdom for how things should operate may be flawed. As a result, we started researching CEB, Gartner, SAFe, IT4IT, Forrester and others. We took the best features from all our sources and combined them with our years of experience (mostly what didn't work vs. what did) to design **the Agile Operating Model - a framework specifically designed for the Business of IT.**

In this paper, we will provide insights into the following aspects of our Agile Operating Model and its implementation:

- Agile Operating Model Manifesto – represents our design guidelines
- Our Point of View – compares variations in operating model designs
- New Ways of Working Considerations – highlights the scope of potential touchpoints
- Our Approach – outlines our way of working

Agile Operating Model Manifesto...

At Valcoris we recognize there are better ways of enabling outcomes while effectively managing IT assets. The manifesto expresses the values associated with thinking different so we can work different. These guiding principles drive desired behaviors:

> *We have come to value:*

> ✓ Accountability for comprehensive performance
> *over* on-time, on-budget project delivery

> ✓ Durable team alignment to products
> *over* individual assignments to projects

> ✓ Delivering value in minimum-viable increments
> *over* delivering projects in big-bang events

> ✓ An operating cadence where change is welcome
> *over* annual planning cycles where change is disruptive

Our Point of View...

When we think about agile, we think in terms of *micro* and *macro*. At the micro scale, agile teams are delivering value using agile practices. At the macro scale, IT strategy and architecture are interconnected with agile teams. Our Agile Operating Model drives macro-level IT behaviors that enables the micro-level to succeed.

Identifying a target destination for running your Business of IT will allow you to frame the journey necessary to get there. At Valcoris, we equate operating model with "ways of working" and differentiate between them with five distinct models. The comparison below provides an overview of each model vs. a strict definition. We feel the characteristics, performance metrics and organizing principles per model establish a foundation that influences behaviors, decisions, relationships and thus overall performance.

| Business of IT "Ways of Working"	Effectiveness	Financial Management	Architectural Management	Technology Innovation	Portfolio Management	Work Planning & Execution	Technology Performance Mgmt.	Resource (people) Management
Value Model	95%	●	◕	●	●	●	●	●
Agile (products)	80%	●	◕	◕	◕	◕	◑	●
Projects	50%	◑	◔	◔	◐	◐	◔	●
Functional	45%	◔	◐	◐	◔	◐	◕	◐
Utility	30%	◑	◔	○	○	◔	◐	◔

For insights on why we view our Agile Operating Model to be so effective download our Performance Assessment. Use our assessment to validate where your performance is "good enough" as well as highlight where our Agile Operating Model is more likely to make you successful.

This table compares various characteristics of the 5 common operating models.

Comparison	Value Model	Agile (products)	Project	Functional	Utility
Organizing Principle	Value Streams	Products	Projects	Technology aligned to Business Functional Areas	Technology Infrastructure
Performance Metrics	Value (financial) Cost Risk	Value (relationship) Cost Risk	On-Time and On-Budget	Relationships / Ability to Satisfy Business Leaders	Service and Availability
Characteristics	Business & IT form a true partnership to share accountability for performance; Can vary in size from small to large; Value Stream leadership operate and are evaluated as a team regarding their ability to maximize value, optimize cost and minimize risk; Dependent on the agile model for durable relationships; Funding is distributed to Value Stream leadership based on enterprise strategies' impact on Value Streams and Value Stream business plans;	IT is a service provider enabling business outcomes; Can vary in size from small to large; IT proactively stewards technology portfolio driving technology capital investment decisions; Operational management is an integrated function of product management; Durable team capacity aligned with products; Funding is distributed to product leadership teams based on enterprise demand impact and business plans;	IT is a service provider receiving orders to be filled; Can vary in size from small to large; Business assumes IT stewards the technology portfolio deferring technology capital investment decisions to IT; Operational management is independent of project delivery; Individual assignments are based on availability; Funding is based on projects ROI;	IT is an expense; Likely small to medium; Business expects IT to steward functional technology portfolio and includes IT when making application solution purchase decisions; Individual assignments are functionally aligned; Funding decisions are at the discretion of functional leaders;	IT is an expense; Likely small; Business makes application solution purchase decisions; Funding is as needed;

At Valcoris we believe the progression from one model to the next can be somewhat evolutionary; however, it can also be revolutionary, meaning you can choose to intentionally pursue the model of choice without spending years evolving to it.
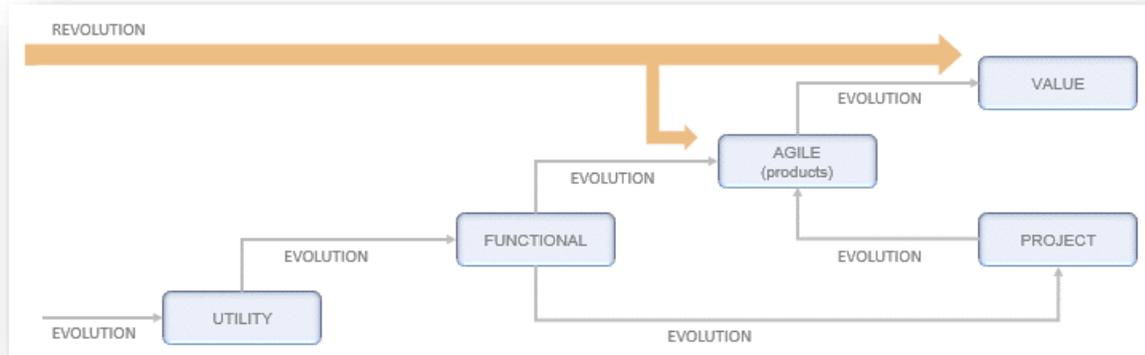
New Ways of Working Considerations…

We include the following factors when considering how best to implement and configure the Agile Operating Model:

- ❑ Strategic Planning
- ❑ Cost Management
- ❑ Risk Management
- ❑ Innovation
- ❑ Enterprise Architecture
- ❑ Portfolio Architecture
- ❑ Product Architecture
- ❑ Solution Architecture
- ❑ Relationship Management

- ❑ Funding Model
- ❑ Intake Management
- ❑ Demand Management
- ❑ Speed of Delivery/Service
- ❑ Portfolio Management
- ❑ Prioritization
- ❑ Project Management
- ❑ Product Management
- ❑ Service Management

- ❑ Life-cycle Management
- ❑ Quality Management
- ❑ Performance Metrics
- ❑ Operating Cadence
- ❑ Delivery Planning
- ❑ Governance
- ❑ Decision Rights
- ❑ Agile / Iterative / Waterfall
- ❑ Value Streams

Considering these items within the context of your environment provide a "systems" point of view for implementation of the Agile Operating Model. It is likely many, but not all will apply. It is equally likely their importance and impact will vary. As a result, we will tackle what you choose to be important and ensure they work together to form an effective operating model:

Approach...

Revolutionizing your Operating Model may require you to break away from accepted wisdom causing you to think different so you can work different. Having gone through the journey from design to experiencing new ways of working in action has equipped our toolbox with invaluable lessons learned. We have incorporated those lessons learned into establishing an effective approach for implementing our Agile Operating Model.

We recognize there are key milestones for the overall journey to implement the Agile Operating Model. As a result, we apply our standard methodology consisting of a Design Sprint and Delivery Sprint(s).

Starting with the **Design Sprint** we utilize the following four-step process to produce a roadmap for inspired IT performance:
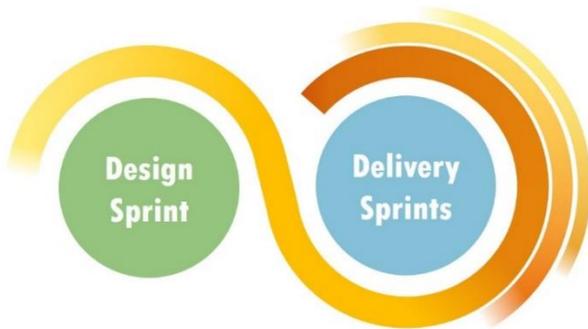
- ✓ **FOUNDATION** – shared understanding of current state vs. target state

- ✓ **CO-CREATE** – shared vision of your goal state and related critical success factors (CSF)

- ✓ **CO-SOLUTION** – shared agreement on the work to be done per CSF and their interdependencies

- ✓ **CO-DESIGN** – shared commitment to an initial release plan of CSF minimum- viable outcomes and criteria used to assess progress

Delivery Sprint(s) act upon the quick wins identified by the Design Sprint roadmap. You customize the scope per Delivery Sprint to properly balance the speed of change with successful implementation. The number of Delivery Sprints will vary from one to many and is dependent on what you define as "good enough".

> Each Delivery Sprint leaves you in a stable viable working state while continuously progressing you towards your goal state.

Ready to Valcoris…

We look forward to hearing from you about getting started with your journey to "*Implement the Agile Operating Model*". Our goal is to help you thrive in this disruptive world!

Contact us at info@valcoris.com to let the journey begin.

Leading CIOs seek IT performance that injects innovation and strengthens employee engagement. Implement the Valcoris Agile Operating Model to realize new ways of working that maximize value, optimize cost and minimize risk. Measuring performance this way accelerates and perpetuates the behavior changes CIO's seek.

The Valcoris founders designed this model and implemented it at a Fortune 1 company. They inherently understand scale and complexity.

Key Benefits include:

- faster delivery,
- streamlined decision making,
- frictionless governance,
- effective cost management and
- engaged/empowered staff

realized through organic change rather than by bureaucratic controls