

FIVE BEST PRACTICES TO SUCCEED WITH MODERN DELIVERY

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Change is never easy, and transitioning to a modern delivery culture is no exception. In fact, organizational culture and resistance to change are some of the most common barriers financial institutions (FIs) face as they shift to an agile, modern delivery way of working.

As FIs confront the accelerated pace of change, high customer expectations and demands of a new workforce, these five best practices can help ensure the successful adoption of modern delivery.

SUCCEEDING WITH MODERN DELIVERY: FIVE STEPS TO HELP YOU ON YOUR WAY

1. Invest in changing the culture first

A shift to modern delivery is an enormous cultural change for the entire FI. In order to benefit from a modern delivery culture and approach, the whole organization must transform, and the new assumptions must be taught to all members of the organization as the correct way to perceive, think, and feel about those problems. Starting at the top, each FI will need to define its organization's modern delivery values and purpose, and develop a change management program focused on embedding modern delivery culture in every corner of the company.

Management needs to be fully supportive of transitioning to a modern delivery model, so the first step is to gain executive management buy-in from the board and CEO.

2. 'Shift Left' to focus on quality of transformative projects, as well as products

FIs have traditionally taken a tactical approach to testing – using software developers to detect defects at the end of the software development process. However, this approach is fundamentally flawed, and results in errors that cost the US economy an estimated \$1.7 trillion.¹

By shifting integration testing to the left of its usual position in the delivery pipeline, it occurs as close as possible to the build process. In modern delivery, specifications are in constant flux as the team learns about customer needs, so it's critical to shift the mindset of the team to testing early and throughout the process, not at the end. By using agile development processes and proactively testing early and continuously, delivery teams can isolate the most disruptive, significant defects sooner for faster remediation and discovery of issues related to performance, security, data corruption or fraud. This smarter approach to continuous testing results in quality at speed.

Cost of software fails in 2017



606 fails
from 314 companies



US \$1.7 trillion
in financial losses



3.6 billion
people affected



268 years
lost to downtime

Source: Tricentis 2017²

¹ <https://www.tricentis.com/resources/software-fail-watch-5th-edition/>

² <https://raygun.com/blog/cost-of-software-errors/>

3. Embrace change and failure

Fail fast is an agile philosophy that values extensive testing and incremental development to determine whether an idea has value. An important goal of this “fail fast, succeed faster” philosophy is to cut losses when testing reveals that something isn’t working. Failing fast seeks to take the stigma out of the word ‘failure’ by emphasizing that the knowledge gained from a failed attempt increases the probability of eventual success.

Conducting retrospectives and taking them seriously is a sure-fire way for management to get comfortable embracing failure and trusting their teams to do their jobs. When done well, these agile meetings can highlight opportunities for change, generate meaningful process improvements, and ultimately move the team in the right direction.

4. Fund teams over projects

Financial organizations have relied on traditional project funding and project management methods for decades: an annual planning cycle to select the better opportunities based on a business case and a plan with a fixed scope, schedule and cost, a dedicated project team to execute the plan, and an oversight function like program management office (PMO) to monitor variance from the plan. These methods are often perceived as complex and bureaucratic, but they have been effective for traditional initiatives.

These project-based methods don’t work for agile initiatives since agile practitioners begin with different assumptions. They see that customer needs change frequently and that breakthrough insights can occur at any time. From a modern delivery vantage point, annual cycles constrain innovation and adaptation. Unproductive projects burn resources until their budgets run out, while critical innovations wait in line for the next budget cycle to compete for funding.

Instead, agile organizations adopt a different method for budgeting, called product-funding or capacity team-funding. This method distributes available funding across self-organizing teams. The major shift is moving from the traditional approach of staffing people to projects and programs to the modern way of staffing the right kind of projects and products to the teams who are well equipped to develop them.

5. Undergo a metamorphosis to develop cross-functional teams

One of the critical success factors for a firm’s modern delivery transformation is the migration of current roles into agile roles. A common concern for FIs is figuring out what to do with all of their people who are still going to have jobs and who are still on the team. Of course, this is a profound challenge. Roles must change, often through ‘battlefield promotions’ where high performing project managers, for example, may be suddenly put in the role of scrum master, or individuals that have never written code may be asked to function as a developer.

These battlefield promotions and lack of training – both at the executor level and at the execution level – lead to fear, uncertainty and doubt. To succeed, it’s paramount for senior management and employees alike to be trained in their new modern delivery roles. The investment in an Agile coach is key to building and developing cross-functional teams within an organization.

For FIs who transition from a traditional waterfall methodology to a modern delivery approach, the business benefits and opportunities are plentiful across the spectrum of transformation work including HR, performance management, learning and development and training as well as the technology function. Re-tooling and re-designing an entire business model, inclusive of people and technology, is a commitment—but one that pays dividends.

To find out more, [download](#) our white paper **Modern Delivery: 5 Key Steps to Adopt Modern Delivery in Your Financial Institution.**

You can also reach out to me directly at Daniel.Hu@capco.com to discuss how we can help your firm successfully adopt a modern delivery culture.