Table of Contents

# How Much Productivity Will We Lose As We Transform to Agile? (Answer: None LOL)

One of the natural concerns people have when they embark on an Agile Transformation is that their productivity be dramatically reduced during the change. This is such a large concern that it often becomes the biggest reason not to transform. People will spout phrases like "we have to go slow to go fast."

Interestingly, based on my experience, the reverse of this fear occurs. Most organizations see a significant improvement in their ability to deliver, so much so that they really don't see a slow down. For a specific organization some Teams will see improvement, some will not, but on average there will be an overall improvement in value delivery in a very short period of time.

Now don't get me wrong, there is often a small dip in productivity, as a result of, for example, attending training or as people learn to apply their learning. But the reality is that the dip only lasts a couple of weeks. And any loss is made up very quickly, also in terms of weeks.

It got me wondering why this is so. After all it seems logical that with such a significant disruption, there would be a significant impact in your ability to deliver. However, based on my direct observation the reality is quite the opposite. The biggest contributors to this are the immediate benefits we get from visualizing our work and limiting our work in progress.

Firstly, Agile Teams start to manage work-in-progress (WIP). No matter what method of Agile you use they work to proactively to limit work-in-progress. When organizations embark on Agile, their people are typically over-utilized. Many organizations pride themselves on high utilization rates. The irony is that high utilization typically means things take longer to do (i.e. cycle time increases) and the effect is not linear. Take a look at the graph below:
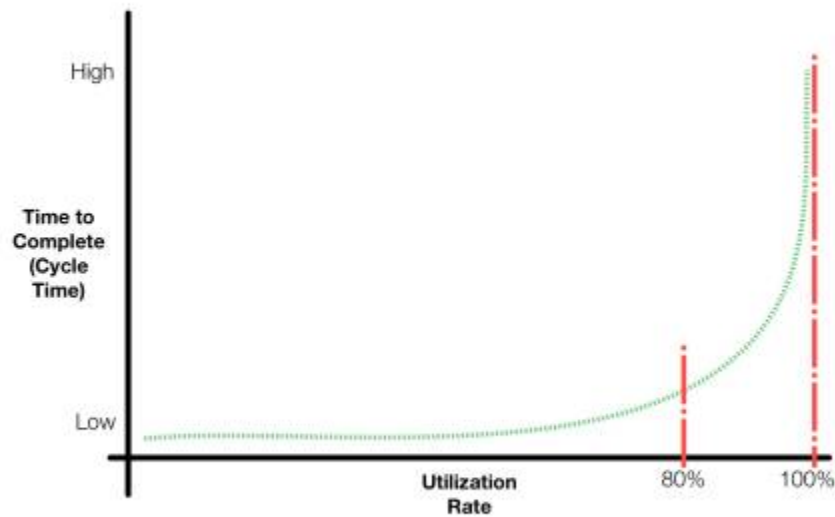
Source: What Is Wrong With 100% Utilization Thinking?

What this says is "as we approach 100% utilization the time it takes to process something becomes exponentially large." If you've ever wondered why, when you get past a traffic jam, there doesn't seem to have been anything that caused it, then you have seen over-utilization in action - just that one or two extra cars was the cause. As teams limit their work-in-progress, they tend to first reduce their utilization rate, and over time find their utilization "sweet spot". By moving away from 100% utilization individual jobs take significantly less time than they would if we were close to 100% utilization. The result? The Agile Transformation shows immediate improvements in value delivery.

The second reason productivity is not lost is that Agile Teams visualize their work. Agile methods proactively work to understand and control what work comes to the Team. This means that work can be better planned and scheduled. Prior to the Agile Transformation work typically comes to people from multiple directions without any real context. To the person who does the work, all work looks like an interruption.

As Teams get control of their intake system they find that more work is planable than they thought. For example, in one shop I worked in, work arrived in the form of tickets. For these people there was a natural feeling that nothing was planable. As the Team got control of their work intake system, they discovered that in fact 65% of the work was planable. This allowed the Team to plan out how to get things done, to reduce context switching, to figure out how to help each other out when there were problems, and so on. The result? The Agile Transformation shows immediate improvements in value delivery.

Beyond controlling work-in-progress and improving the ability to plan and Agile Transformation will have other practices that help improve the ability to deliver value. But both these forces are very powerful and increase a Team's ability to deliver almost immediately.

Of all the things you will worry about during an Agile Transformation, perhaps counterintuitively the one area you probably don't need to worry about is how much of a downturn in value delivered you will experience. This myth should not be the reason that you do not embark on an Agile Transformation. And if you are seeing a significant reduction in productivity as you transform, then perhaps it's time to dig a little deeper.

Want to Know More?

- What Is Wrong With 100% Utilization Thinking?
- How Does a Team Initially Get Control of Work?

FAQ, Transformation, Beginning, Productivity

From:
https://www.hanssamios.com/dokuwiki/ - **Hans Samios' Personal Lean-Agile Knowledge Base**

Permanent link:
https://www.hanssamios.com/dokuwiki/how_much_productivity_will_we_lose_as_we_transform_to_agile?rev=1599663572

Last update: **2020/09/09 07:59**