Making Agile Work in Regulated Industries

Laszlo Szalvay
VP Worldwide Scrum Business

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CollabNet Company Background

- **Founded in 1999; Headquarters in Silicon Valley.**

- **Started Subversion project in 2000**
  - 50%+ Market share for Source Code Management. CollabNet named strategic leader by Gartner and Forrester

- Founders include **Brian Behlendorf** (Founder of Subversion, Apache Project, Mozilla Board member, CTO of the World Economic Forum) and **Tim O’Reilly** (founder of O’Reilly Media)

- **Multiple Acquisitions along the way**
  - (VA Software, Danube, Codesion)

- **Primary product today is called TeamForge and is built on top of Subversion**

- **10,000 companies use our products and services**
Compliance is Top of Mind

To become a mainstream methodology, Agile had to overcome many potential obstacles. The first was geography...**One of today’s most daunting obstacles is compliance**, often bringing heavyweight documentation, required procedures that are very waterfall-ish, complex approval workflows, and complicated approval processes.

July 2011
Forrester Research, Inc.
“Compliance Is A Hurdle, Not A Barrier, To Agile”
Tom Grant, PhD
Agile is not just a method or a process, it’s a way of being. You don’t do Agile. You *are* Agile. The FBI has arranged to load their ScrumMaster to other teams to get them trained. Increased Transparency has kept stakeholders in sync. Further, stakeholders would modify their expectations, based on the increased visibility of the process.

**Jack Israel, CTO FBI**

With no significant bugs reported...operation nearly flawless – a stunning and an unpredicted success. What are the implications for failing IT programs across government?

**Roger Baker, CIO VA**
Agenda

1. Market Overview
2. How do your teams want to work?
3. Problem Statement
4. BYO Org Patterns
5. Closing

market trends

trends

Source: Forrester/Dr. Dobb’s Global Developer Technographics® Survey, Q3 2010
How does your team want to work?

Your developers want to **collaborate and be part of a community**

**Inner-source (Corporate Open Source)**

- Transparency (breeds trust which drives reuse)
- Workspaces and Wikis (Federated)

"Wiki is the oldest and simplest software that lets a community of strangers work together to build something of surprising and lasting value."

Ward Cunningham
Inventor of the Wiki
Sent to Laz via LinkedIn in March 2013
30% of developers who work in regulated industries contribute to open source projects during their free time.

The real difference between developers in the most regulated and less-regulated industries lies in their reasons for contributing to open source...developers in more-regulated teams see open source as an outlet for what they may not get from a more-regimented workplace: opportunities for collaboration and a personal sense of accomplishment.

Both Quotes from this slide come from:
July 2011
Forrester Research, Inc.
“App Dev Teams Dispel The Compliance Boogeyman”
Tom Grant, PhD
How we want to work vs. How we have to work

VS.


Problem Space

Can values from Scrum and Open Source work within a Heavily Regulated Industry?
Compliance is complex

• Ever changing

• More scrutiny due to Sept 2008 crash and general ‘anger’ at Wall Street (e.g. Occupy Movement)

• Many faces, although for financial vertical Singapore is emerging as a leader (strategic)

• Not familiar with internal corporate vernacular, culture, or even software development
Singapore – emerging standard

• Singapore sees compliance as a strategic differentiator and Singaporeans have taken a very hard position within the banking industry. As such, they are now seen as the international standard.

• Complex set of cross-border rules that can be contradictory, incomplete, or vague

• Have seen this in other industries (e.g. Postal)
  – Customs is where the most senior people from DHL, FedEx, UPS sit
Visual Problem Statement

- 6 cross functional teams of 8 people (split between NJ, Silicon Valley and Kiev)
- 2 Backlogs
- 6 Product Owners, 1 Uber - PO (based in London)
- 2 Compliance Officer (based in Singapore and NYC)
- 2 external compliance mandates (overlapping jurisdictions, e.g., MAS and FSOC)
Organizational Patterns

What are we seeing to help us down this pathway?
Case Studies from 2012


• On May 18, the Facebook IPO had many orders stalled and not executed on the NASDAQ exchange. The Union Bank of Switzerland, alone, lost more than $350 Million, and curiously Knight Capital lost $35.4 Million in this incident.

• On August 1, the Knight Capital Group lost $440 Million by flooding the NYSE with bad orders. (more to follow below)

Organizational Issues

Use the Retrospective Meeting to introduce evolutionary changes to process. In this case, use the retro to introduce new compliance requirements into workflow and the backlog.

Option One:
(a) Let the teams roll out their own, using potentially disastrous self discovery / learning exercises

Risks
Huge financial losses

Knight Capital’s stock dropped more than 24% Monday to close at $3.07 following the announcement of the deal [rescue package]. The new investment will severely cut into the value of existing shareholders’ stakes. http://cnnmon.ie/XKAhqZ
Use the Retrospective Meeting to introduce evolutionary changes to process. In this case, use the retro to introduce new compliance requirements into workflow and the backlog.

**Option Two:**
(a) “Mandate changes” from the Uber PO and Compliance Officer

**Risks:**
What team self-organization?
Organizational Patterns

Use the Retrospective Meeting to introduce evolutionary changes to process. In this case, use the retro to introduce new compliance requirements into workflow and the backlog.

Option Three
(a) Automate Changes using workflow automation tools and Team picks up changes passively.

Risks:
Give up on the notion of Team Learning
Become the community

Submit your Organizational Patterns to:

http://ScrumAndCompliance.com/

http://bit.ly/XKG0Pi (FBI Case Study)

Join the Conversation
Give Feedback on the Sessions

1. Sign In: www.eclipsecon.org

2. Select Session Evaluate

3. Vote

[Images and interface elements for evaluation and voting]
Laszlo Szalvay
VP Worldwide Scrum Business
Laz@collab.net
https://twitter.com/#!/ewok_bqq
+1-971-506-7862
http://www.linkedin.com/in/laszloszalvay

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