



Experience the commitment®

Agile Contracting

The challenges of velocity and quality

October 2019

Eric van der Vliet

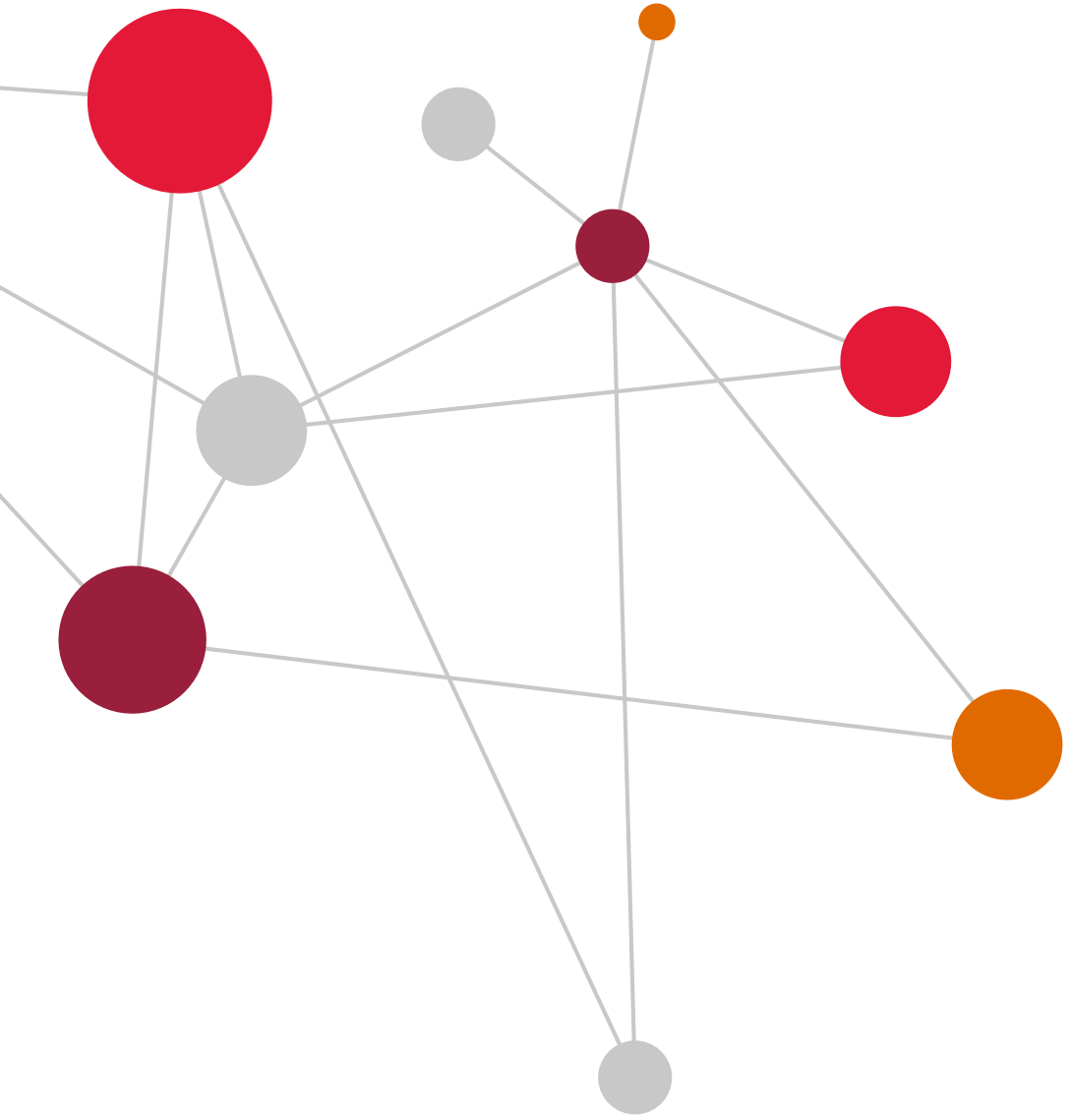


IWSM MENSURA

Agile Contracting – The Challenges

Agenda

- Why Agile?
- What is Agile?
- Velocity and Quality
- Velocity and Quality in Agile contracts
- Conclusions



Why Agile?

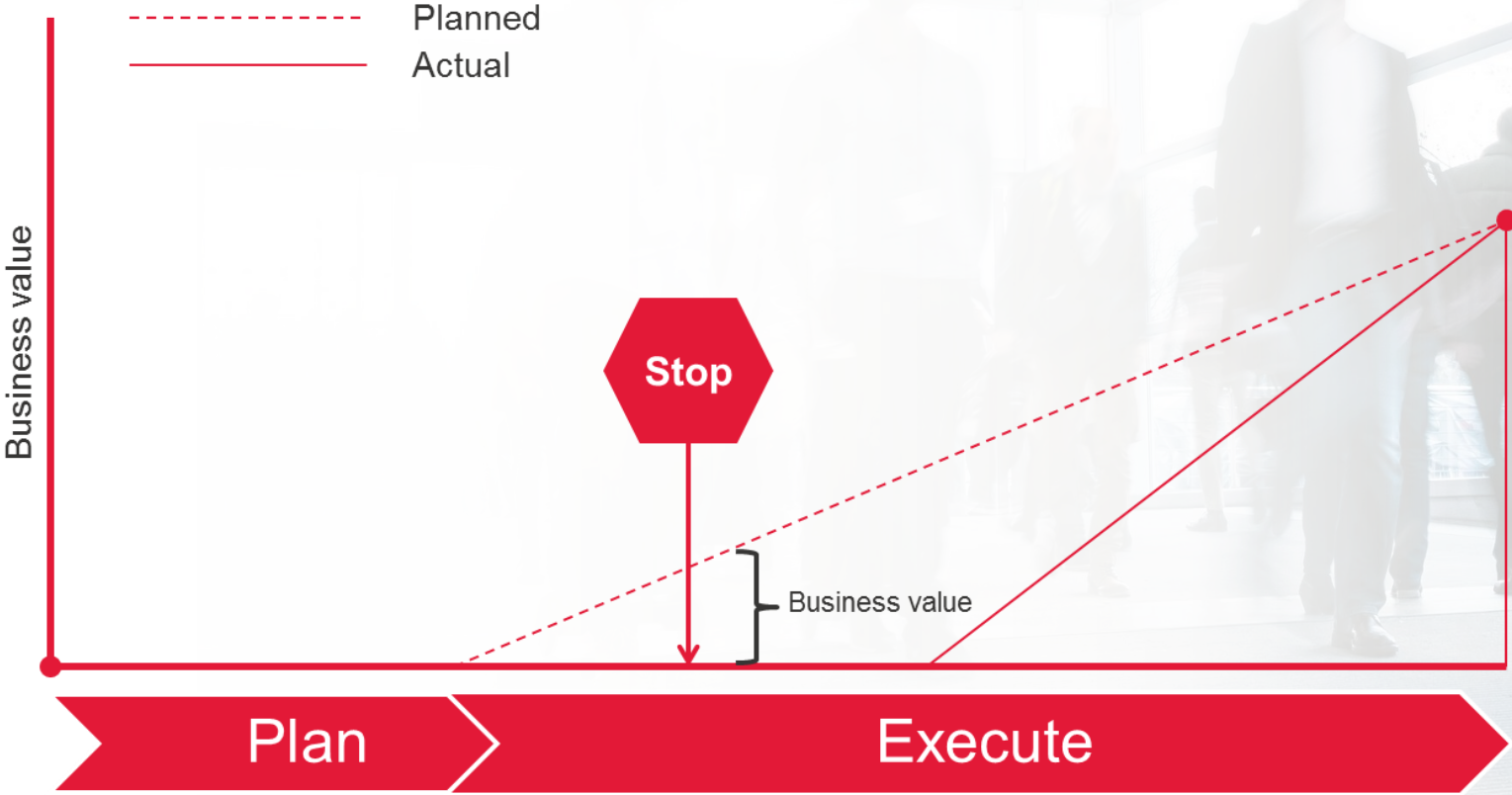
CGI

Experience the commitment®

IWSM MENSURA

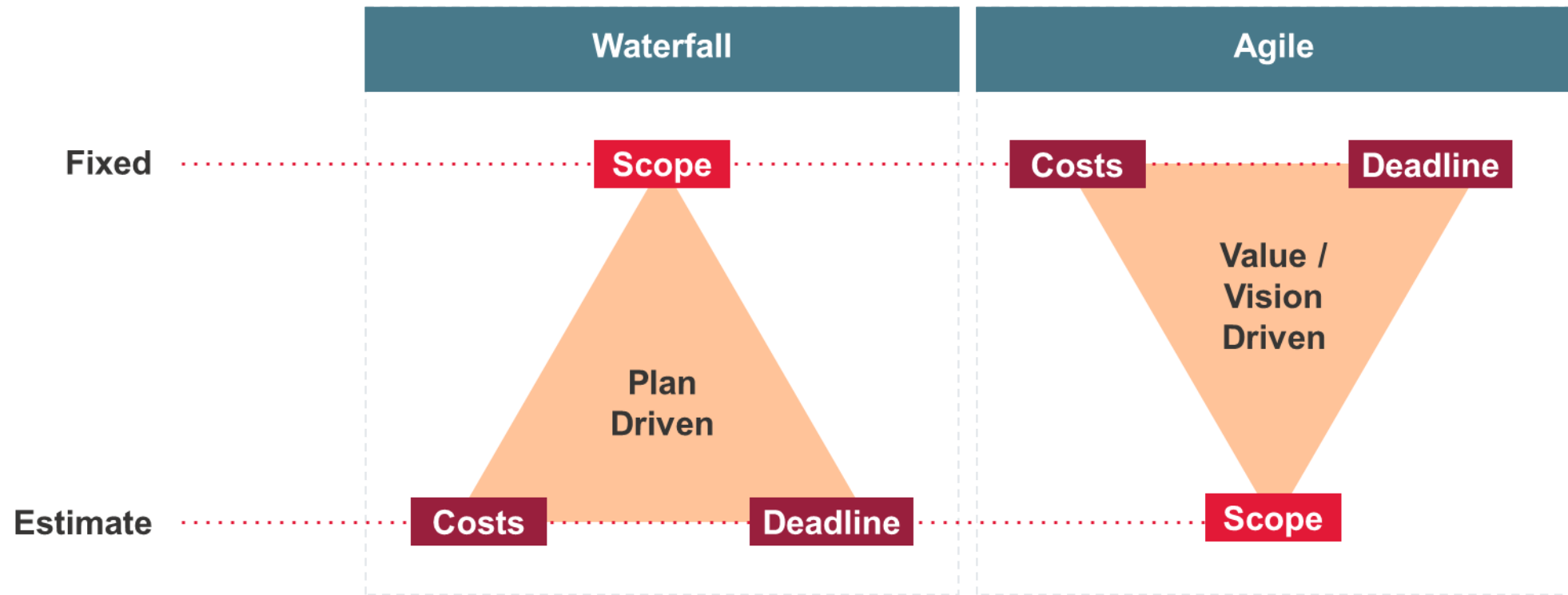
Why Agile?

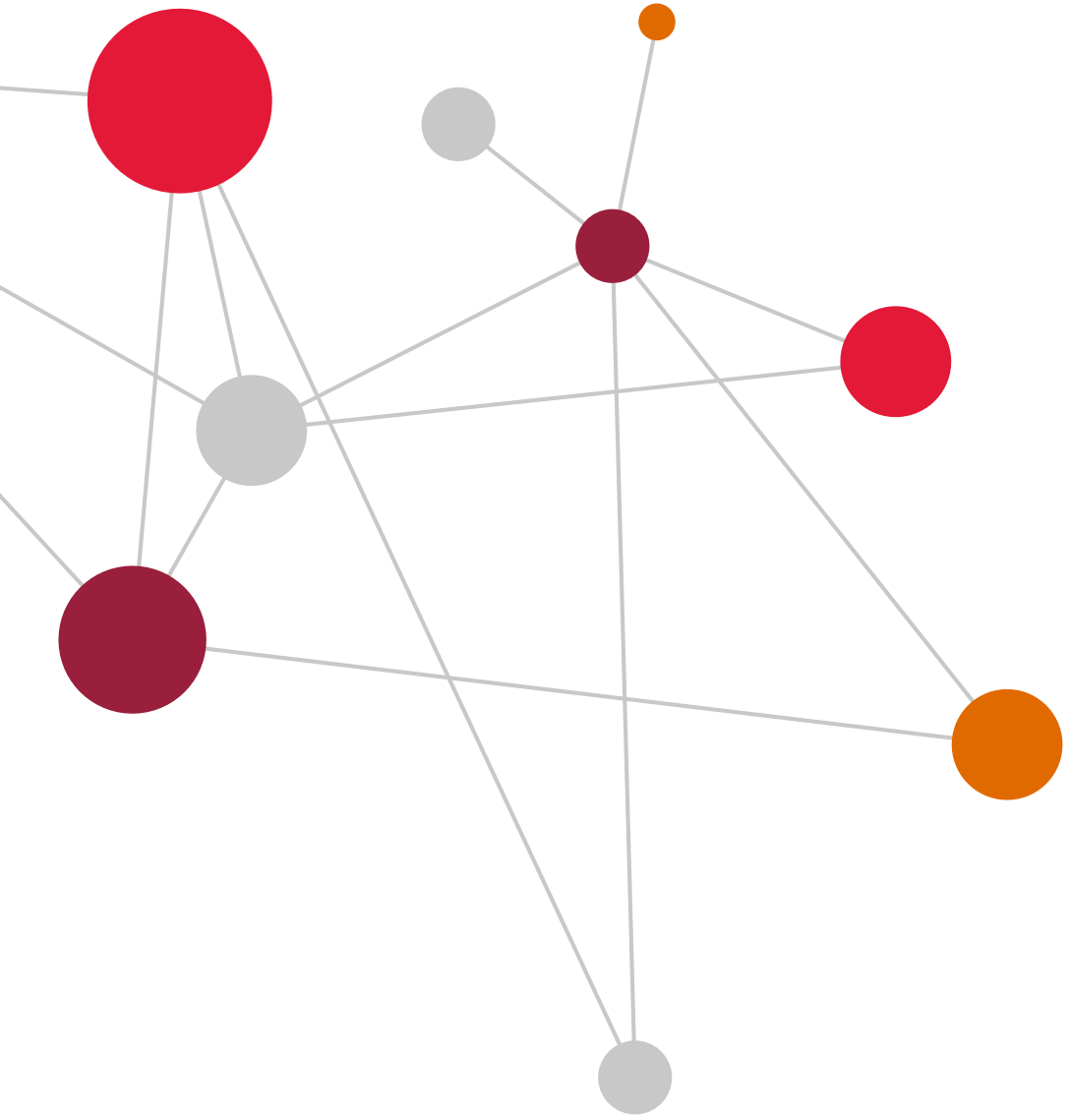
Traditional lifecycles



Why Agile?

Agile deliveries are value driven





What is Agile?

What is Agile?

A philosophy

- A way of organizing yourself to achieve flexibility with respect to business objectives
- Agility means anticipation on change and focusing on value
- Flexibility is required due to a constantly, rapidly changing world around us

- Agile is not Scrum or Kanban

- Moving to an Agile way of working requires a fundamental change of:
 - Culture
 - Behavior
 - Attitude

- Agile development relies on traditional software development fundamentals
 - just approaches them to focus on value

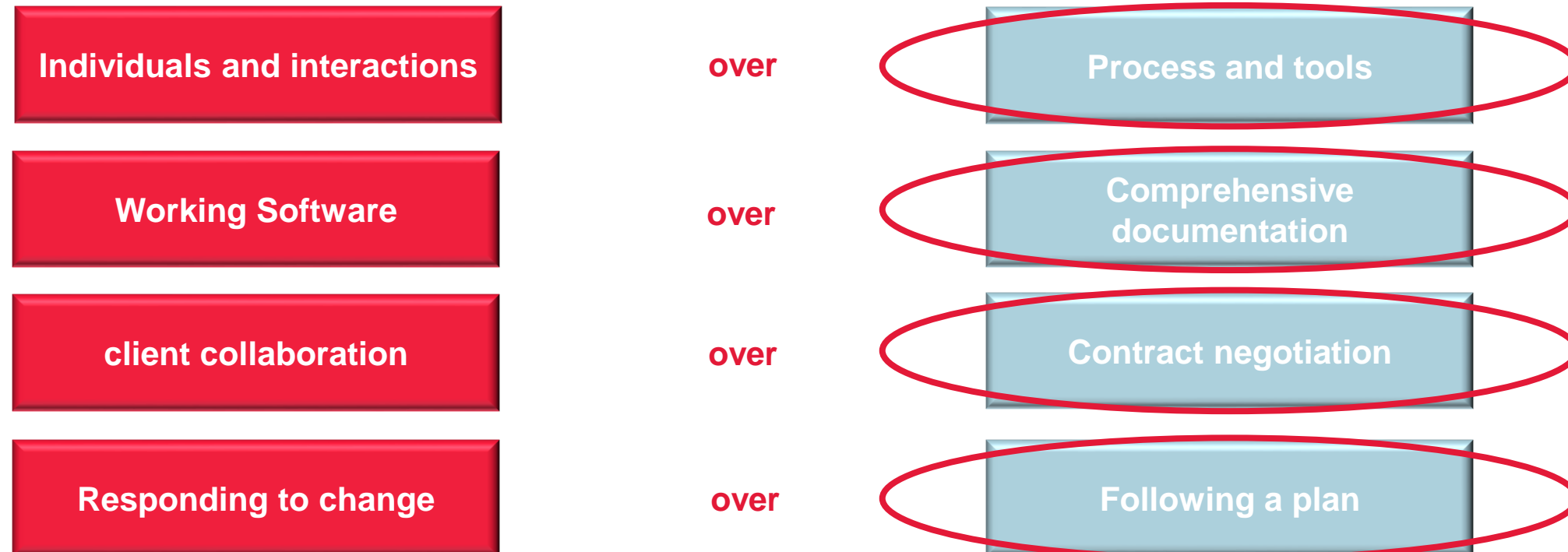


IWSM MENSURA

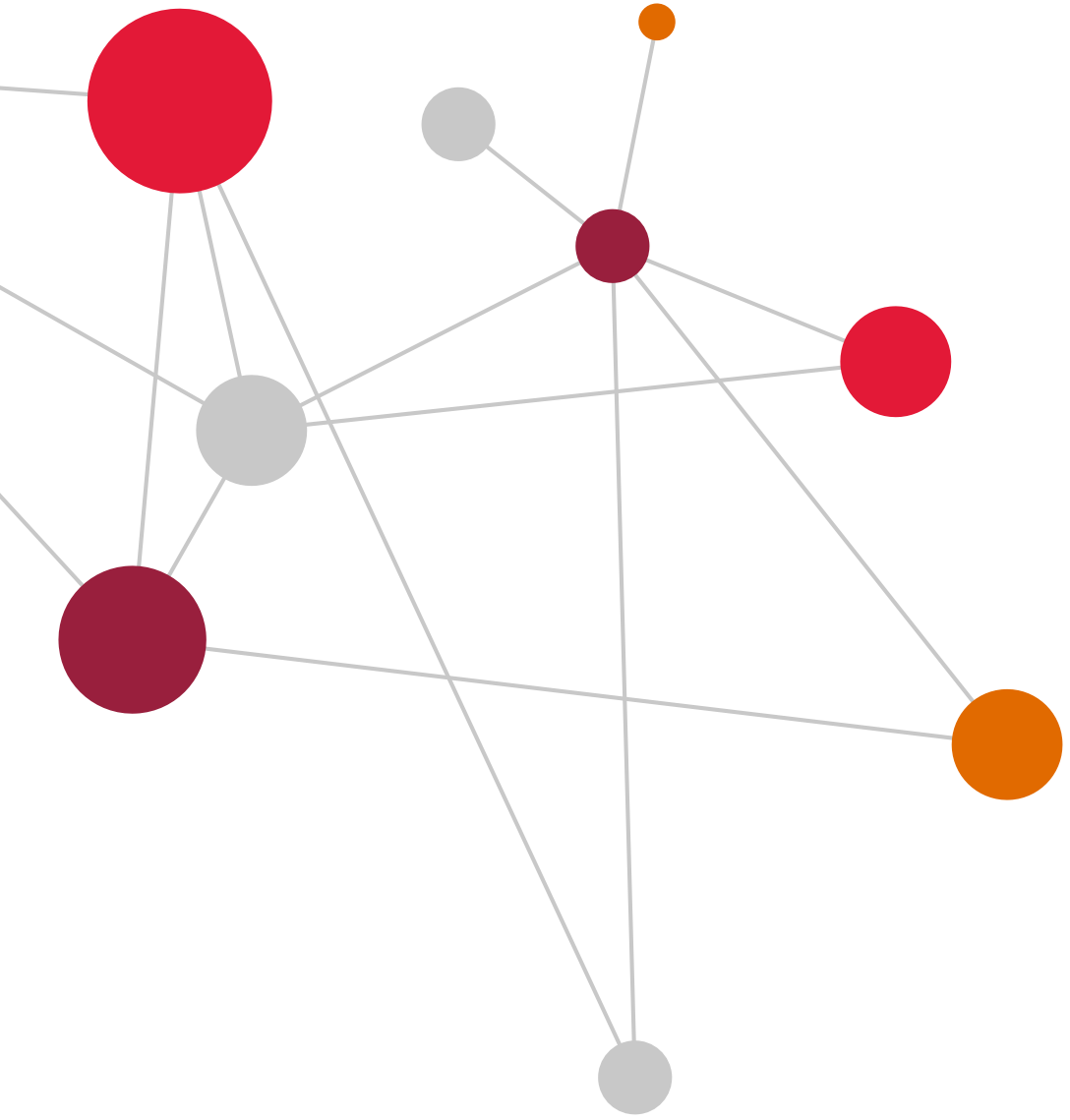
The Agile Manifesto

Value on the right; Value on the left

We are uncovering better ways of developing software by doing it and helping others do it. Through this work we have come to value:



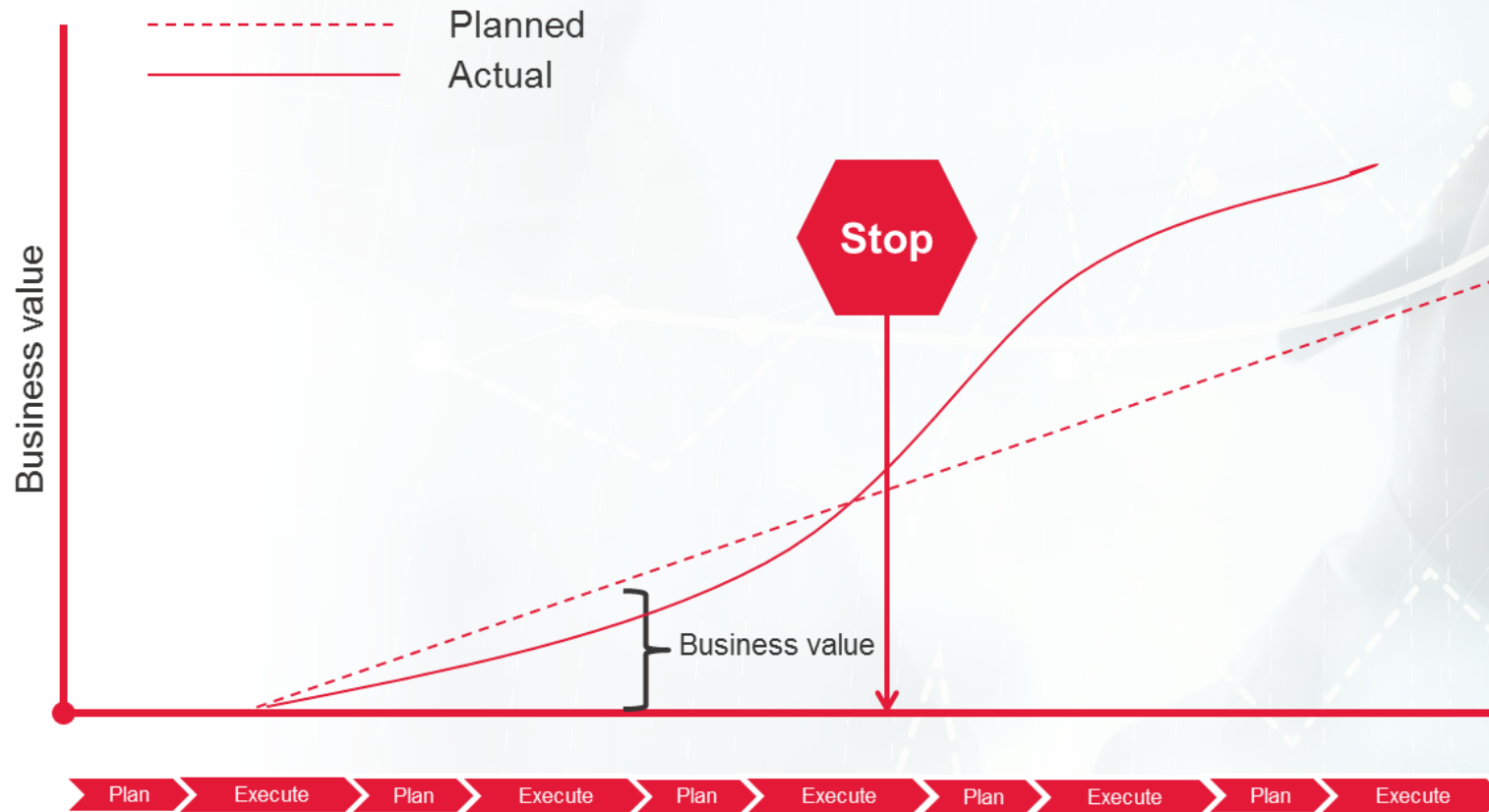
While there is **value** in the items on the **right**, we **value** the items on the **left** more



Velocity & Quality

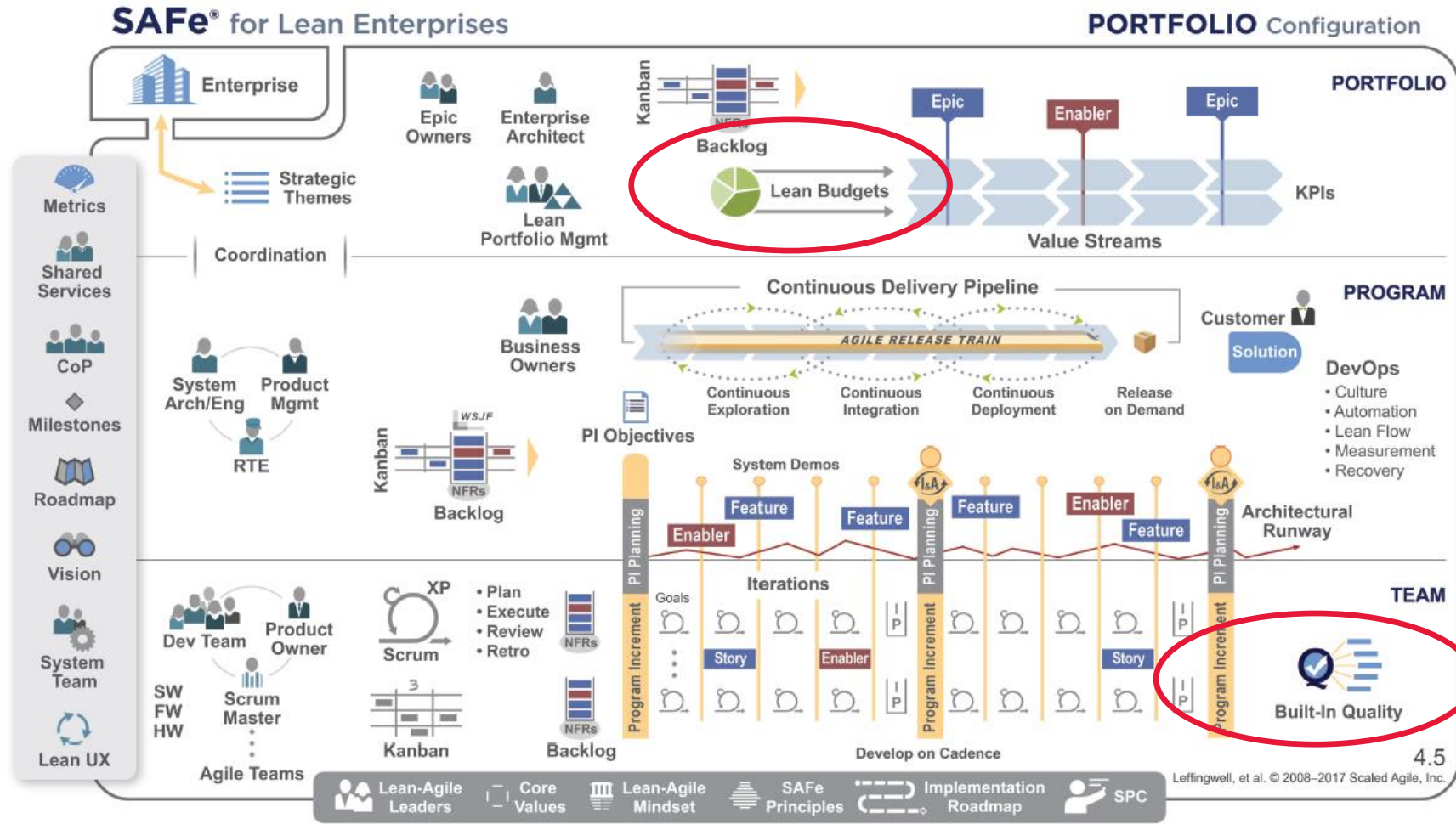
Velocity and Quality

Except Value and Velocity is monitoring of the Quality important



Budget & Quality in SAFe®

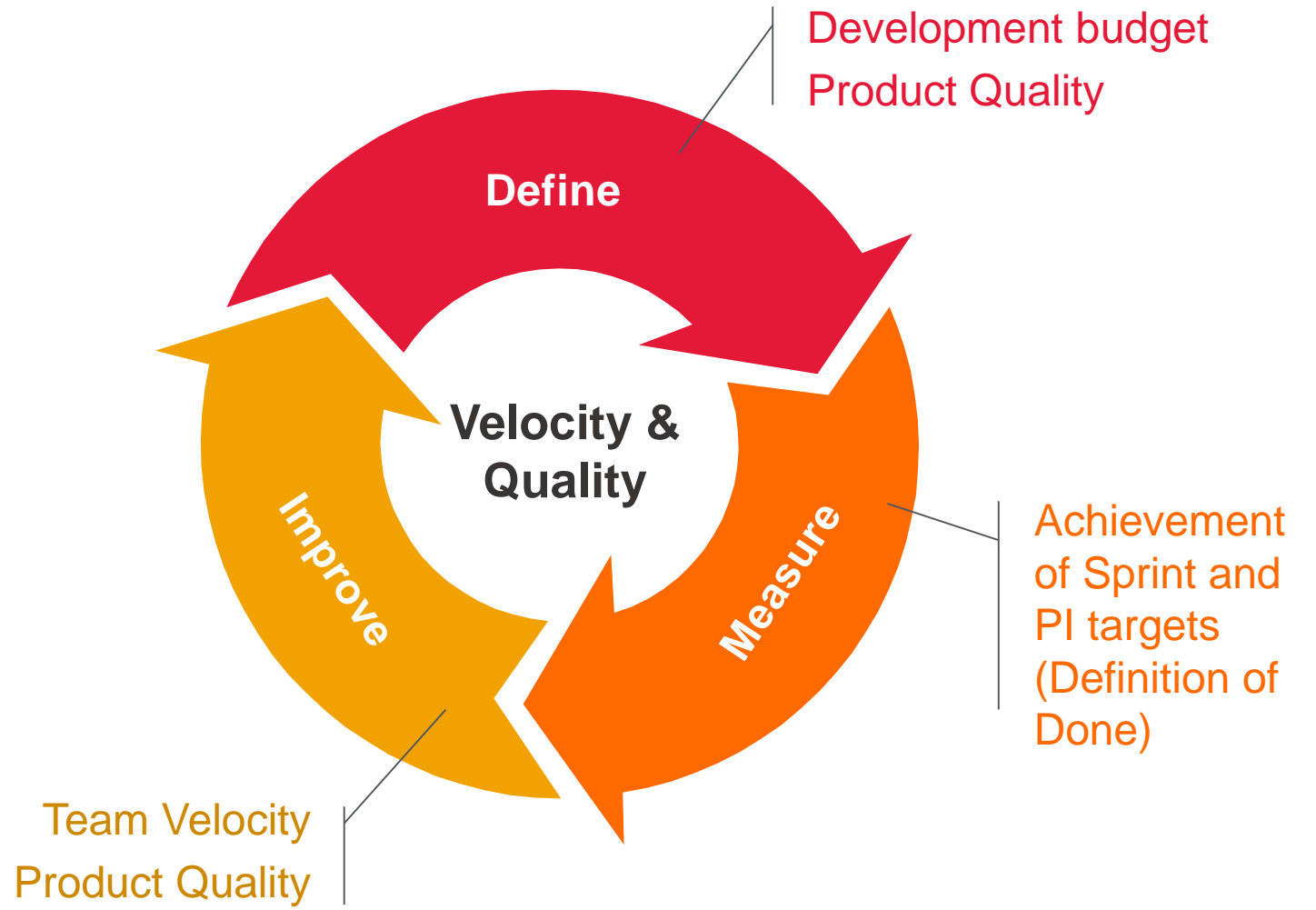
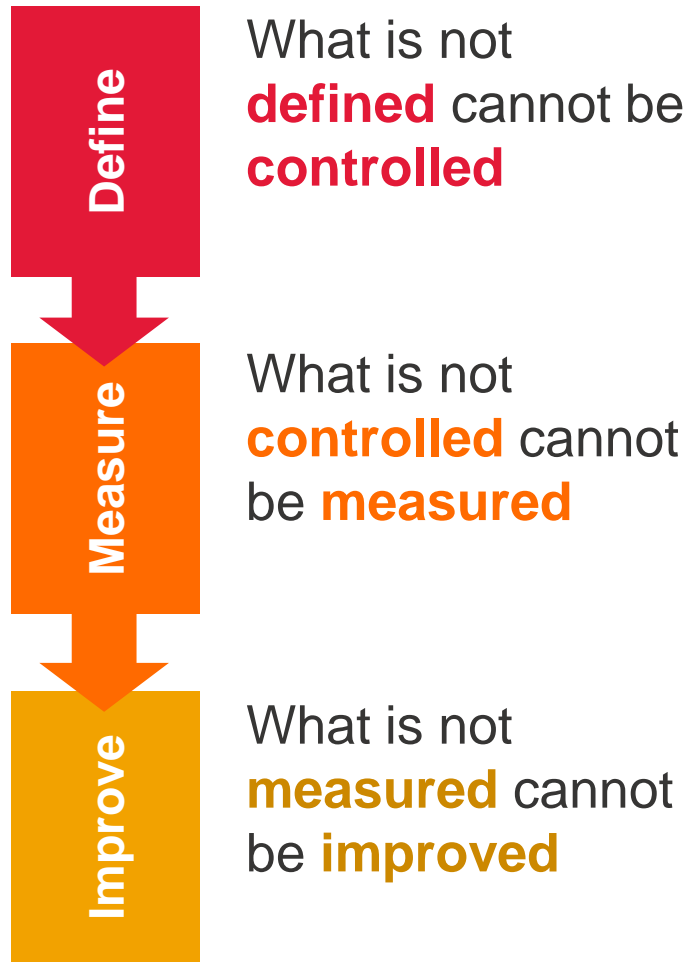
Built-in software quality



“Reproduced with permission from © 2011-2017 Scaled Agile, Inc. All rights reserved.”

Velocity and Quality measurement - 1

Define, Measure, Improve



Definition of Done

Ready for UAT or Production

Example of Definition of Done:

- Code is peer-reviewed and refactored
- Code is deployed to test environment
- Code has passed the static code analysis
- Feature is tested against acceptance criteria
- Feature passes regression testing
- Feature passes smoke test
- Feature passes performance test
- Minor defects logged within product backlog for prioritization
- Feature is documented / Product backlog updated with notes and documentation
- Feature ok-ed by UX designer
- Feature demonstrated in Sprint review
- Feature/Stories accepted and signed off by Product Owner

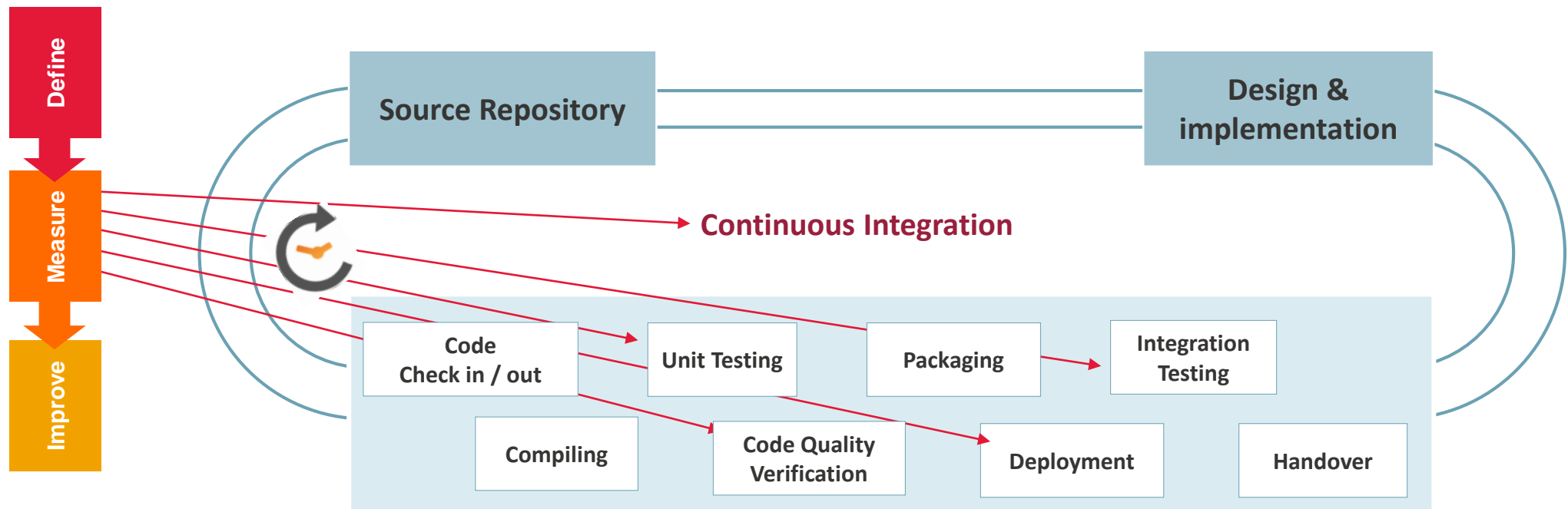
A shared understanding of which (acceptance) criteria a feature must satisfy to be releasable. They have to provide value and they have to meet a certain quality standard

Velocity & Quality measurement - 2

Collection of (historical) data

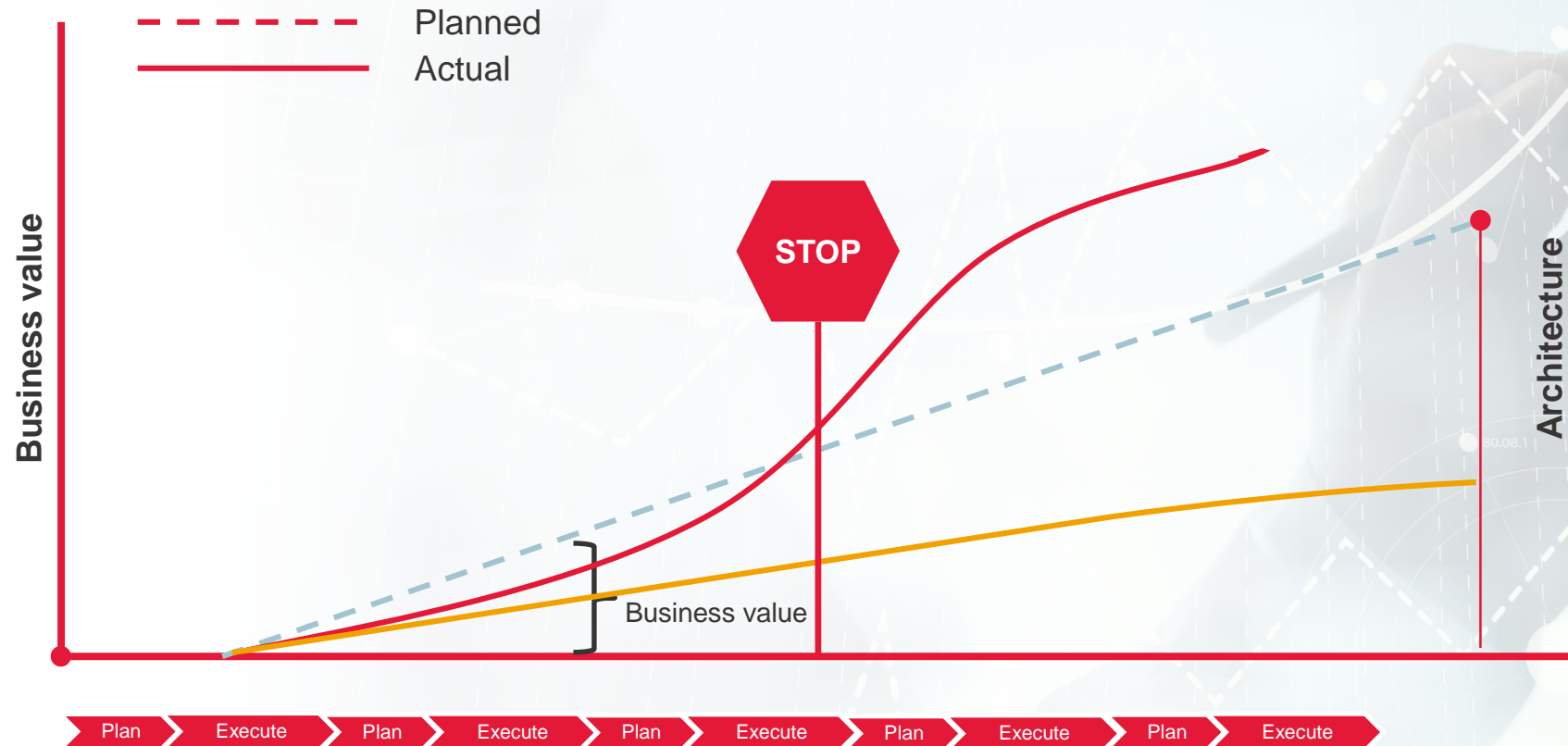


- Collaboration with Product Owner (PO)
- Assumptions
- Clarification
- Acceptance criteria



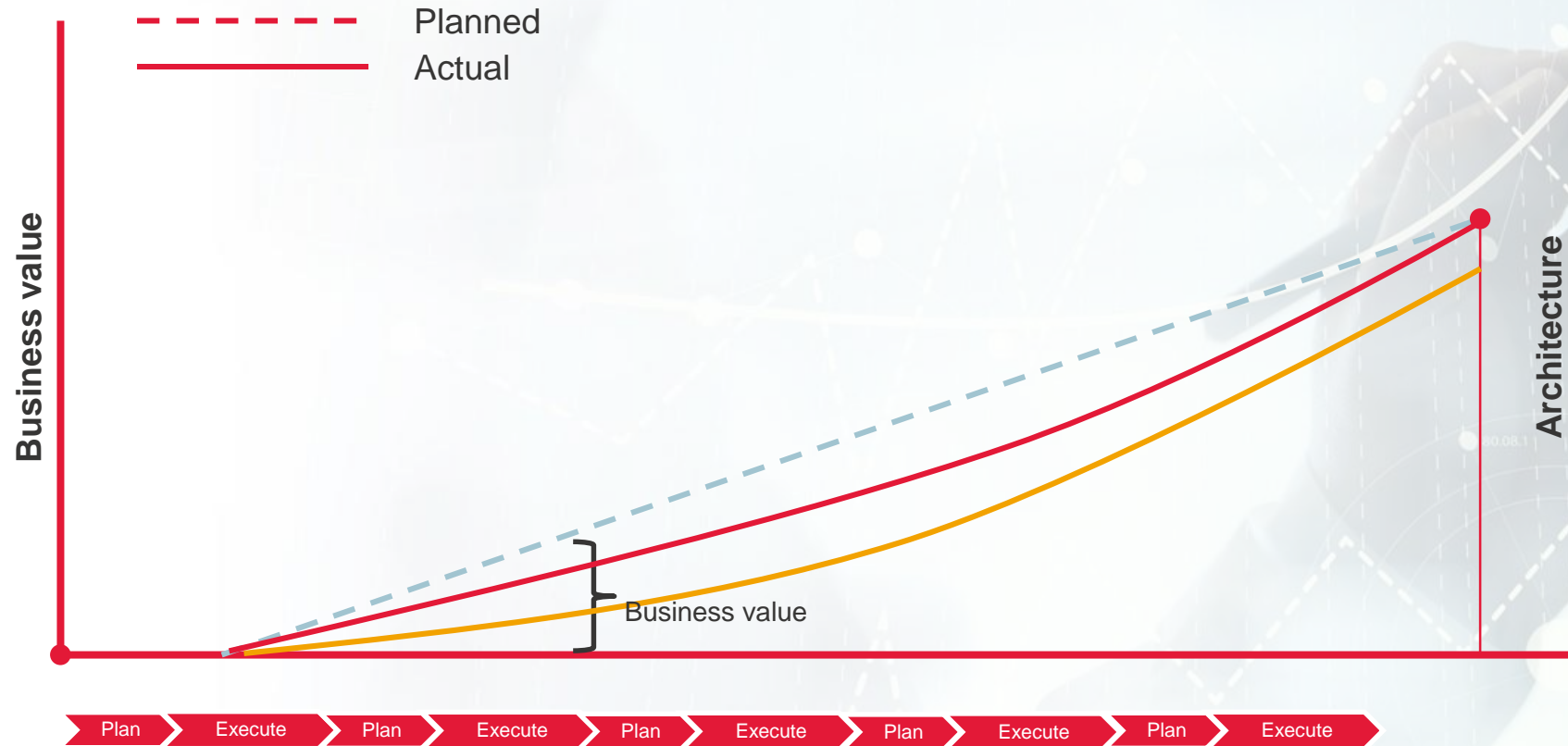
Velocity and Architecture - 1

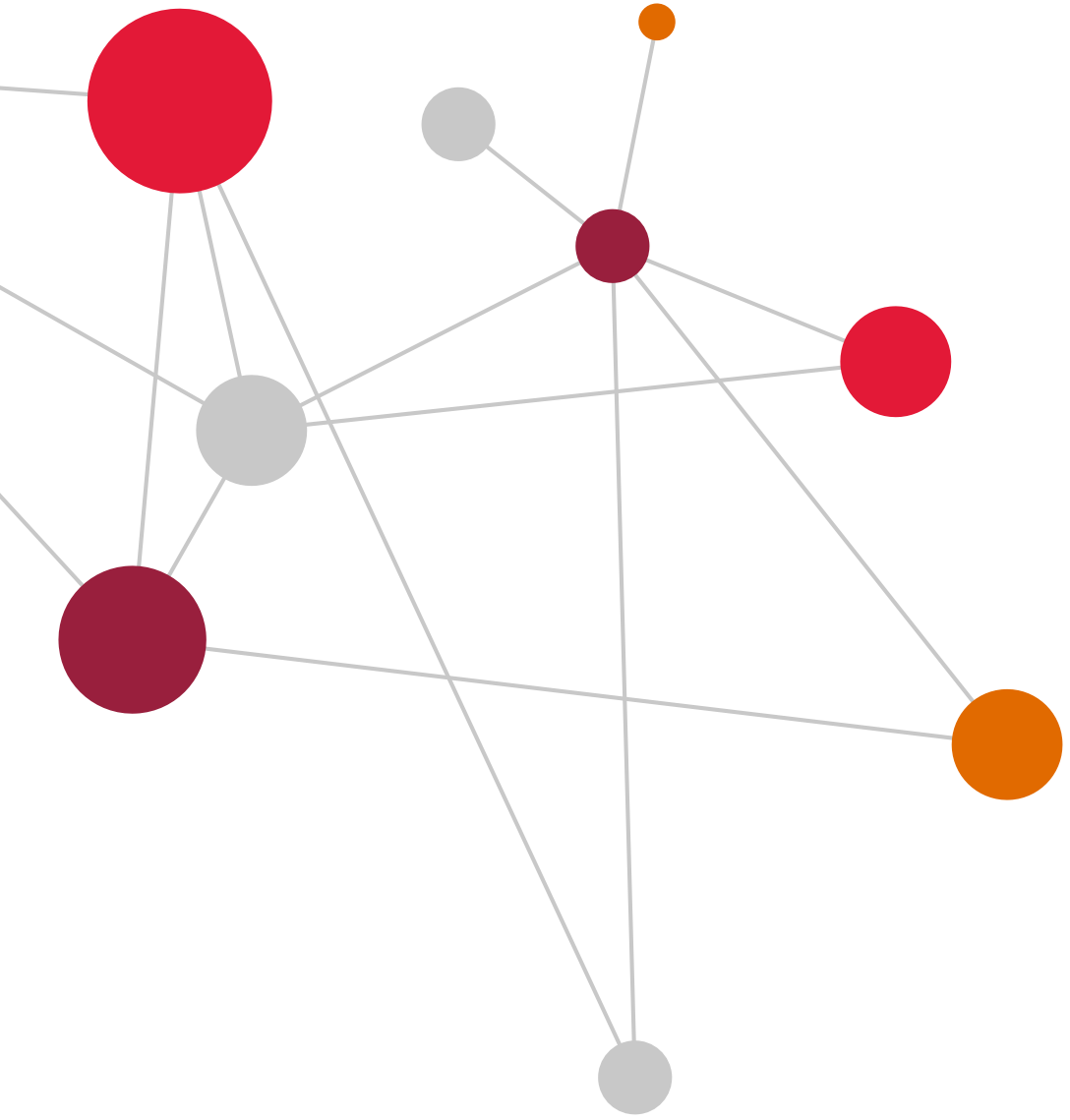
Built in quality due to (right) architectural decisions



Velocity and Architecture - 2

Built in quality due to (right) architectural decisions





Experience the commitment®

Velocity and quality in Agile contracts

IWSM MENSURA

Velocity and Quality in Agile contracts

Contracting

“If we can continuously ensure we are delivering on our promises, the client is successful, and we’re going to be successful too.”

- The contract is a **legally binding agreement** which recognizes and governs the rights and the duties of the parties to the agreement
- The contract describes the **terms and conditions** defined for both the client and supplier to enable a successful delivery
- The contract describes the **scope of supply** based on the client demand translated by the supplier in a proposed solution

Contract and Proposal aspects

Contractual agreements

- Controlling specifications
- Governance and dispute resolution
- Budget and Payment
- Reporting / KPIs
- Acceptance
- Changes to supply
- Intellectual property
- Warranties and Indemnities
- Liability
- Termination

client demand

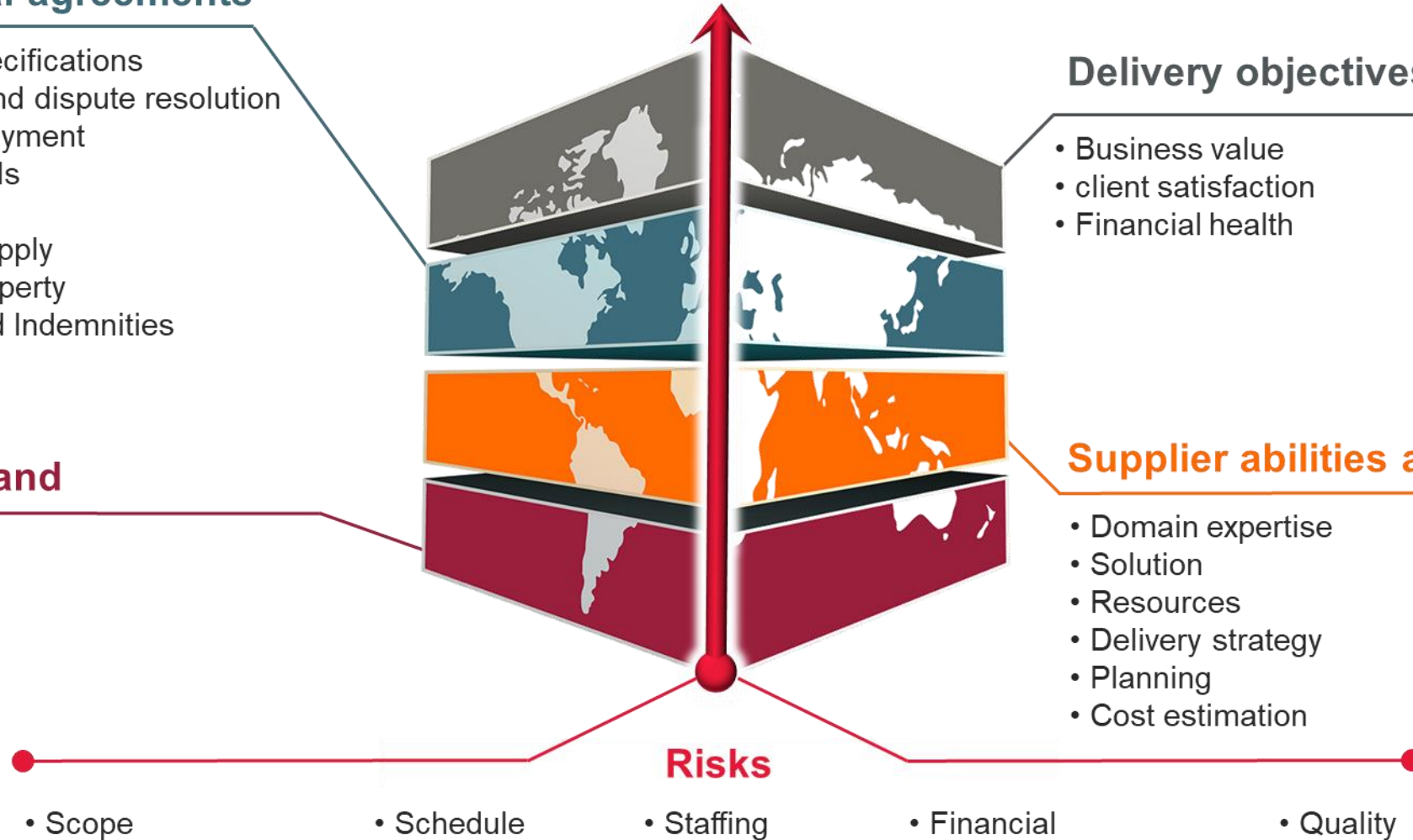
- Scope
- Budget
- Schedule
- Quality

Delivery objectives

- Business value
- client satisfaction
- Financial health

Supplier abilities and skills

- Domain expertise
- Solution
- Resources
- Delivery strategy
- Planning
- Cost estimation



Velocity and Quality in Agile contracts

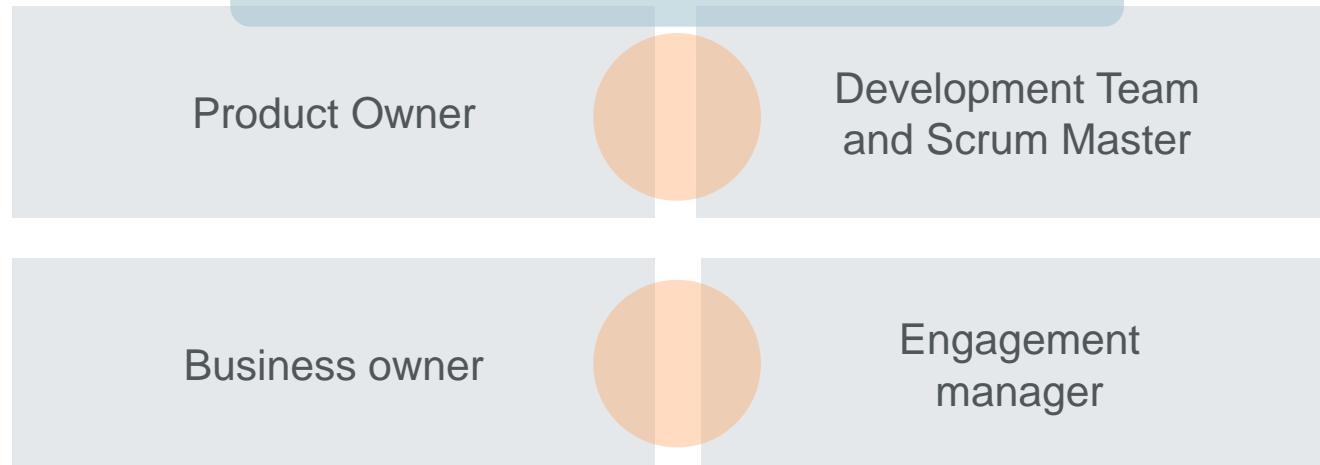
Collaboration & interaction

Delivery



Dashboard

Governance



Estimation

Ensure we are delivering our promises

Scope has been defined but

- What will fit in a sprint?
- What will fit in an increment?

Sizing of the scope

- Features are on a high level
- Stories are one liners; *As a <role> I want <.....> such that <.....>*

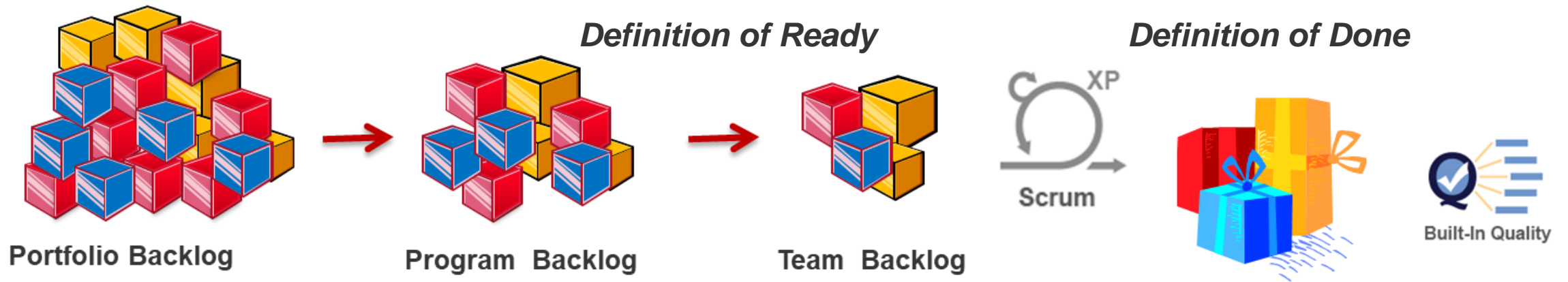
Size has been defined but

- Size in Function Points (FP's) and Story Points (SP's)
- What will be the team productivity (hr / FP's)
- What will be the team velocity (SP / Sprint)?
- How representative is historical data?

Team efficiency

Depends on the quality of the process, products as well as the team optimization

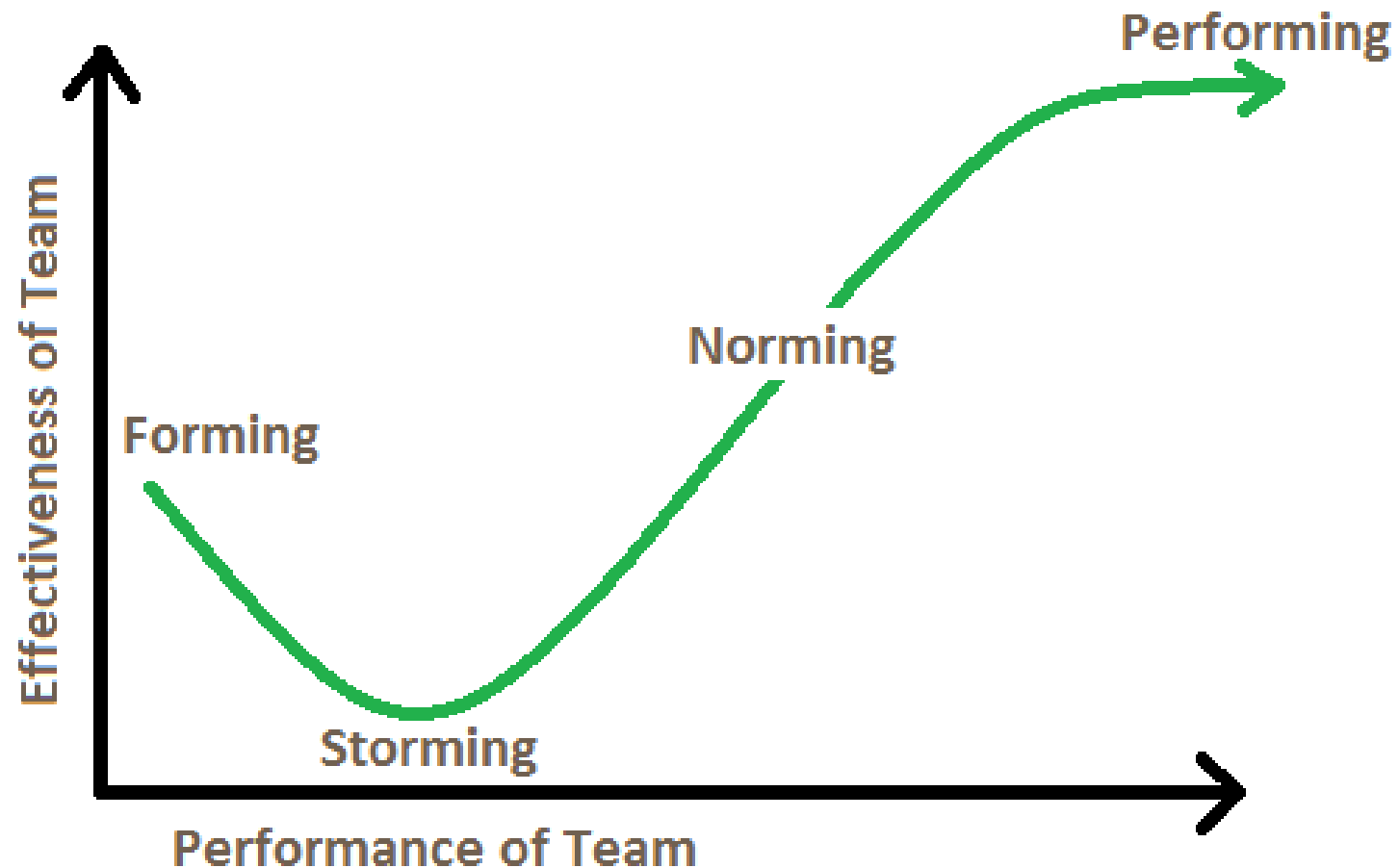
- Team efficiency depends on the quality of the sprint backlog
- Product management is responsible for providing the stories based on the defined features
- The product owner will work with the team to clarify the user stories
- User stories must be detailed enough to be able to make an accurate estimate for the sprint
- A Definition of Ready is applied to verify if the user stories are detailed enough
- A Definition of Done is applied on the sprint results



Optimal team performance requires time

Team performance will increase over time

Tuckman's Team & Group Development Model



Definition of Ready

Ready for realisation by the team

- Example of Definition of Ready:
 - Description clearly articulates the role, action and benefit
 - Acceptance criteria clearly defined
 - User Experience requirements and artifacts (e.g. wire frames) included
 - Supporting documents (e.g. business rules) referenced and/or included
 - User Permissions defined (if applicable)
 - Performance criteria defined (if applicable)
 - Mapped to a Feature and classified as parity or enhancement
 - Product Owner identified and has approved the user story
 - Development team has reviewed and confirmed they understand
 - Includes initial estimation (in story points) of complexity
 - Can be finished in a single sprint
 - Sprint Review demonstration expectations defined

A set of minimum criteria before it's ready for inclusion in the work of the next sprint, agreed by the Scrum team

Agile contract matrix

Contract types vs Contract aspects



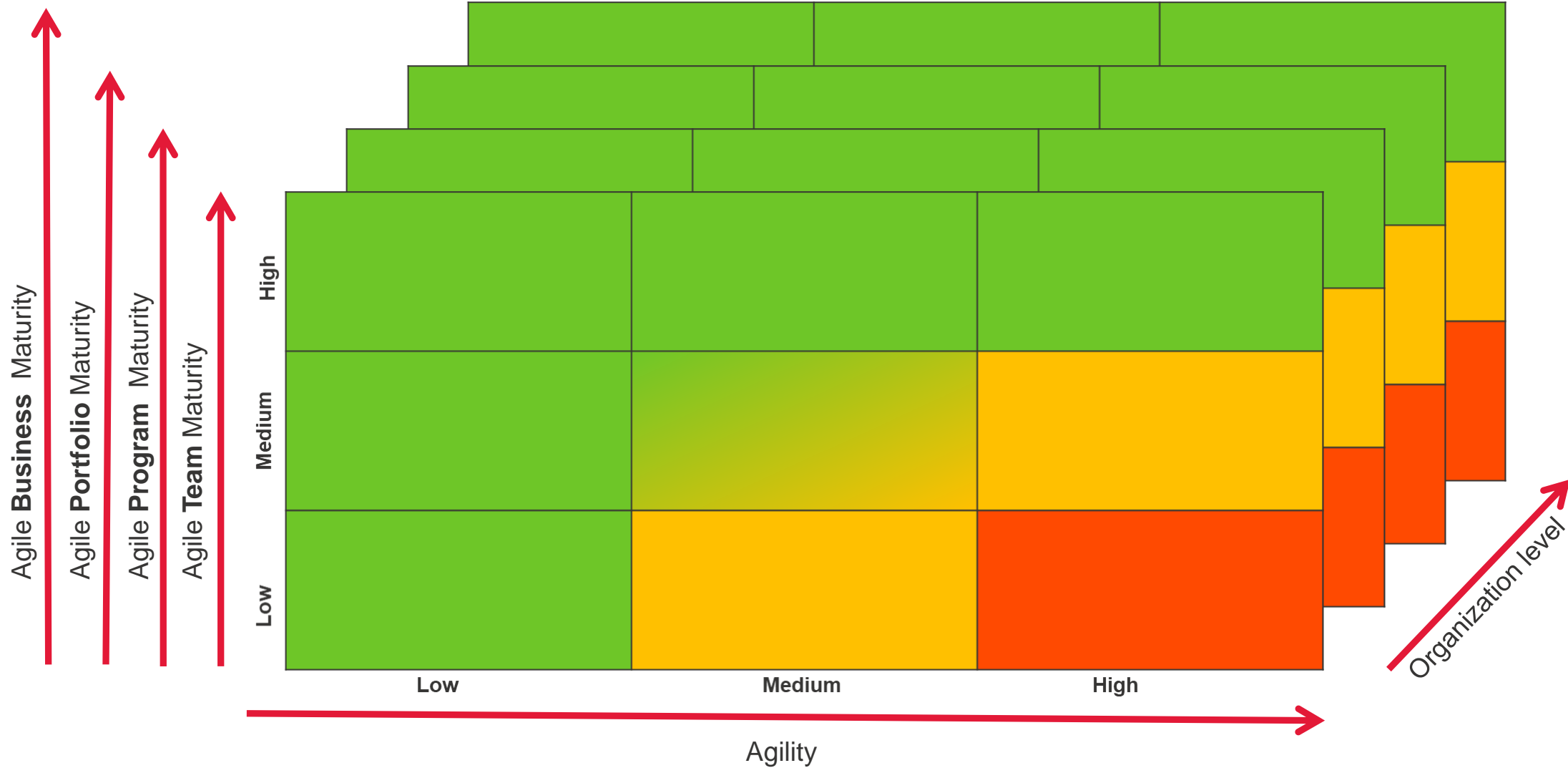
	Controlling specifications	Governance and dispute resolution	Budget and Payment	Reporting / KPIs	Acceptance	Changes to supply
Flexible contract based on team size, <i>basically secondment (T/M) with minimum reporting</i>	high level	limited	hourly rate	indicative per sprint	DoD/ sprint MVP/ PI	implicit backlog
Contract based on a defined team (cost) rate, <i>secondment, including a.o. mutual governance and management, as an effort obligation .</i>	high level	full range	per sprint or PI	extensive	DoD/ sprint MVP/ PI	implicit backlog
Unit / Output based contract, <i>all of the above, including KPI's, as a result obligation</i>	high level	full range	per unit (eg. function point)	extensive	DoD/ sprint MVP/ PI	implicit backlog
Scope based contract, <i>(scope is largely fixed, budget is indicative)</i>	detailed	full range	milestones?	extensive	acceptance criteria(!)	Explicit contract change
"Outcome" based contract, <i>where agile delivery becomes part of a "business process", with a result obligation</i>	detailed	full range	per achievement?	extensive	outcome?	Explicit contract change

Maturity

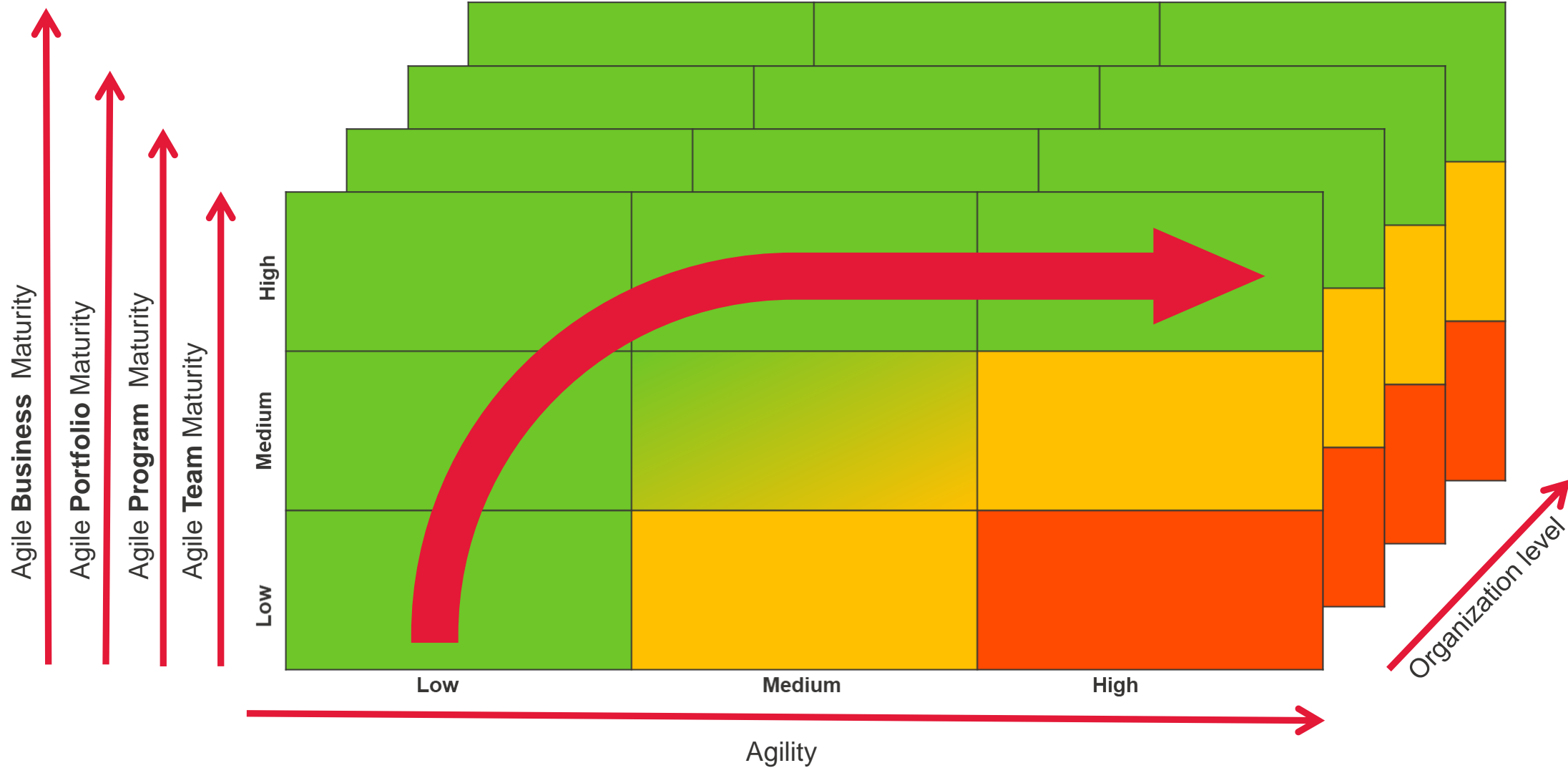
Complexity

low
medium
high

Delivery risk vs Agility / Agile Maturity



Delivery risk vs Agility / Agile Maturity



The CGI logo is displayed in a bold, red, sans-serif font.

Experience the commitment®

A photograph of three business professionals (two men and one woman) sitting around a small table in a bright office setting, engaged in a discussion. The man on the right is gesturing while speaking. A dark suit jacket is draped over the chair in the foreground.

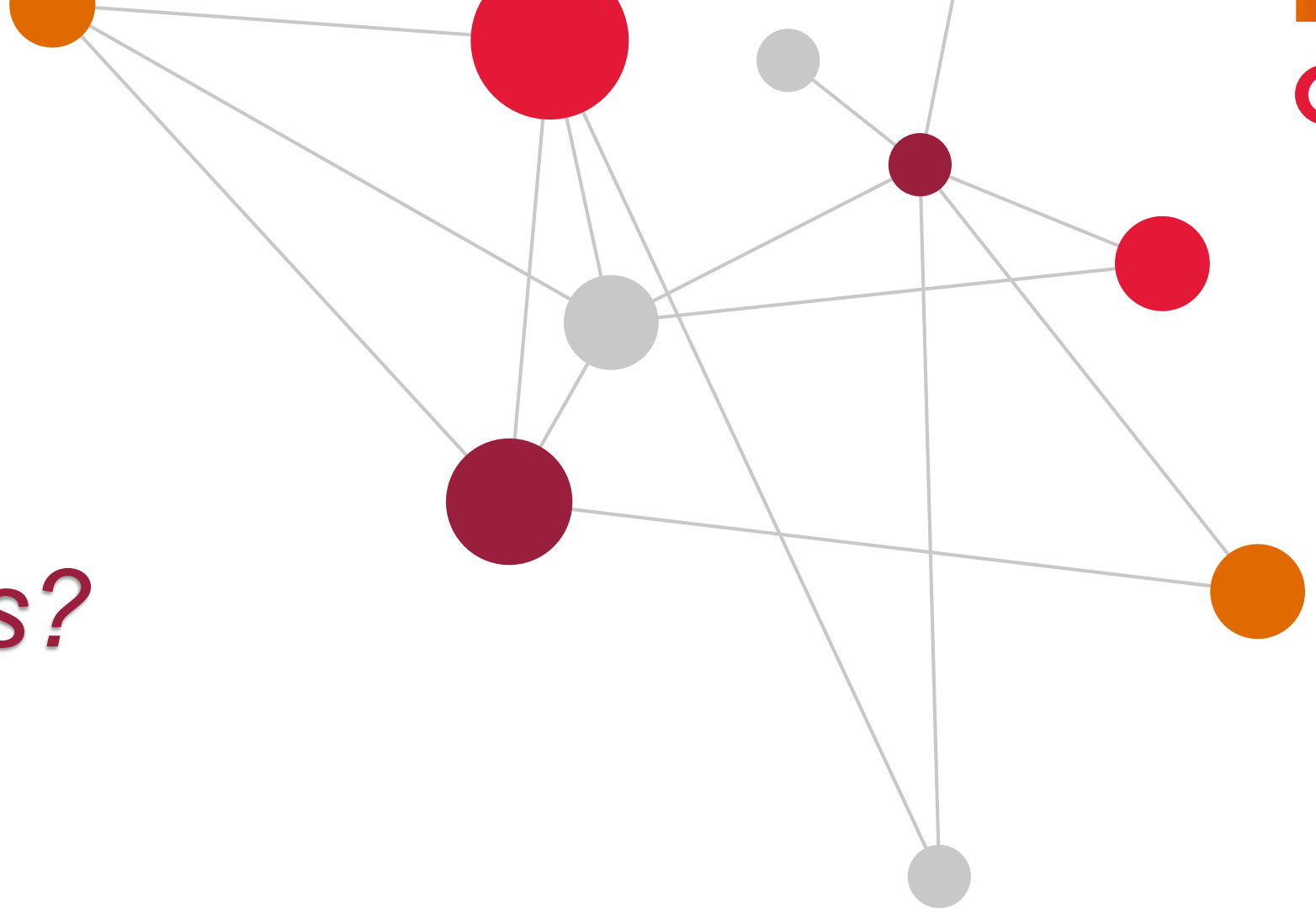
Conclusion

IWSM MENSURA

Conclusion

- Agile is flexible but requires a continuous focus on velocity and quality from a delivery perspective
- Software quality and velocity are important KPI's in Agile contracting (measurements on team level)
- Contract management becomes important if the delivery is not according to expectations
- The type of contract is depending on the maturity of both the client and the supplier

Questions?



Thank you!

Mail: eric.van.der.Vliet@cgi.com

Linked-in: www.linkedin.com/in/eric-van-der-vliet-8963652/