

Topic 4: Agile and new ways of working

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Welcome to the Digitalisation for international trade course!

This is the fourth topic of the programme: **“Agile and new ways of working”**, which aims to develop the concepts associated with the third domain of digital transformation: Innovation. Here you will begin to understand how your company can work in a more efficient manner to make the changes to the business model that will generate greater value to the customer networks.

Contents: agile methodology, growth mindset, agile manifesto

The **objective** of this document is to present the main relevant concepts that will serve as a guide to enhance the inner organization of your business in order to innovate and disrupt in the digital age.

Take up the challenge! Let's keep learning together

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The Agile methodology

Is an iterative approach whereby software developers quickly release changes to try to be as close as possible to customer requirements. The objective is to achieve maximum customer satisfaction.

It stands as an alternative methodology to the so-called 'waterfall' methodology. In the cascade production process, there are a series of linear sequences that each team member must adhere to. In this case, the way of doing things is different. In the methodology defined as Agile, there are several teams of a few members collaborating with each other to develop the software. With this method, all software changes can be integrated during any phase of the life cycle.

This is made possible by the continuous interaction between customer requirements and the various teams working together.

Although the agile methodology originated in software development, today it has gained popularity and is a method that is used across different industries.

Agile methodologies make it possible to:

- Reduce time-to-market
- Align business and technology strategies
- Quickly create value for the end customer

The key points to be addressed to achieve effective results are:

1. Replacing waterfall processes and predictive models in favour of iterative and empirical ones
2. Elimination of 'compartmentalised' departments (Silos Organisation)
3. Evolution of component/module teams in favour of cross-functional teams
4. Increase in product quality
5. Realisation of a product that responds to actual customer and market needs.

Why choose Agile?

Teams choose Agile to be able to respond quickly to market changes or customer feedback without ruining an entire year's planning. Sufficient planning and release in small, frequent increments allows your team to gather feedback on each change and integrate it into future plans at minimal cost.

Setting priorities

This methodology encourages teams to set priorities for their project. When everyone understands the priorities, they can focus on the tasks that matter most. This approach helps teams deliver projects with the main elements.

Maintaining small release cycles

The business releases offerings incrementally, ideally every two to four weeks. Customers give feedback on each offering. The team then makes improvements and adds new features for the next release.

Communicating daily in meetings

Daily meetings provide a regular opportunity for teams to connect and understand their progress. Each member usually states their objectives for the day and what they achieved the previous day. The rest of the team can offer feedback and suggest adjustments to the approach to ensure everyone achieves the objectives.

Working in pairs

Many teams use a buddy system, where two people with similar roles work side-by-side, often at the same computer. Two people working on the same task are less likely to submit errors, as one person can catch the other's mistakes quickly. This quality control can make a pair more efficient than a single independent employee.

Some situations in which the use of Agile is optimal:

- For start-ups where it is not possible to make a spendable budget forecast and define timelines.
- When a client needs to launch a product very quickly and is in a hurry to market it.
- When the team is ready to adapt to new challenges and work completely autonomously.
- For companies that want to become customer-centric and change their approach and knowledge of the customer.
- For projects where changes are expected to be made during the development cycle.
- For product changes that are to be implemented quickly and have low costs.
- For organisations that want to revolutionise their approach to the customer by substantially improving the services offered.
- For projects that do not need detailed and precise planning.
- For projects that do not need approvals at every stage of product development.
- For companies that want to introduce continuous innovation.
- For organisations that want to transform the entire company, not just one department or team.
- In every digital transformation project

What is a fixed mindset?

In a fixed mindset, people believe attributes, such as talent and intelligence are fixed, which means, they believe you're either smart or not, there's rarely an intermediate point, thus leaving no space for development and growth.

Fixed mindsets can lead to negative thinking. For instance, a person with a fixed mindset might fail at a task and believe it's because they aren't smart enough to do it. Whereas a growth mindset person might fail at the same task and believe it's because they need to spend more time practicing.

People with a fixed mindset believe individual traits cannot change, no matter how much effort you put in, and are more likely to:

- Believe intelligence and talent are static
- Avoid challenges to avoid failure
- Ignore feedback from others
- Feel threatened by the success of others
- Hide flaws so as not to be judged by others
- Believe putting in effort is worthless
- View feedback as personal criticism
- Give up easily

When it comes to innovation, a fixed mindset can be a creativity killer. If people believe existing skills make them valuable or that they've achieved only because of who they are rather than what they will become, they fail to recognize the infinite power of continuous learning. A fixed mindset is problematic because a person is fearful of making mistakes.

What is a growth mindset?

A growth mindset views intelligence and talent as qualities that can be developed over time.

This doesn't mean that people with a growth mindset assume that they could be the next Einstein—there are still variables in what we can all achieve. A growth mindset simply means that people believe their intelligence and talents can be improved through effort and actions.

What is a growth mindset?

A growth mindset also recognizes that setbacks are a necessary part of the learning process and allows people to 'bounce back' by increasing motivational effort.

This kind of mindset sees 'failings' as temporary and changeable, and as such, a growth mindset is crucial for learning, resilience, motivation, and performance.

Those who adopt a growth mindset are more likely to:

- Embrace lifelong learning
- Believe intelligence can be improved
- Put in more effort to learn
- Believe effort leads to mastery
- Believe failures are just temporary setbacks
- View feedback as a source of information
- Willingly embraces challenges
- View others' success as a source of inspiration
- View feedback as an opportunity to learn

Consult the following link to find out the 4 reasons why entrepreneurs need a growth mindset : [Growth Mindset vs. Fixed Mindset: What's the Difference? \(hbs.edu\)](#)

Agile manifesto

Values

- 1. Individuals and interactions over processes and tools:** This value recognises the importance of people and the strengths they bring to a team or business. This approach differs from some organisations that believe having the best procedures or tools can help them succeed. While people with an Agile mindset acknowledge that procedures and tools matter, they believe it's more important to have the right people using those tools and applying the procedures. The best people can use all features of tools and work with tools and procedures efficiently. People may also maximise their potential when they interact and collaborate with others.
- 2. Working software over comprehensive documentation:** It's more important for businesses to create functioning products and services than detailed documentation. While comprehensive documentation can be a helpful employee resource, products and services matter most to customers. Satisfying customer needs is always the priority with an Agile mindset. Agile businesses allocate a relatively short time to creating documentation compared to product and service development. These businesses also focus on delivery, as customers can provide valuable feedback for improving products and services.
- 3. Customer collaboration over contract negotiation:** This methodology encourages collaboration with customers throughout a product or service's life cycle. This approach differs from a more traditional sales approach when customers sign a contract, then receive the product or service. Regular communication throughout development makes it more likely that customers feel happy with their purchases. Continuing communication after delivery helps businesses learn how their products and services meet their customers' needs.
- 4. Responding to change over following a plan:** While Agile businesses create plans, they accept their plans may change as circumstances do. Because of this, their plans are flexible and dynamic, acting as guides rather than prescriptive instructions. If changes occur, such as customers revising their needs or the business revising the budget, the team changes their approach and plan to suit the new conditions.

Agile manifesto

Principles

1. Our highest priority is to satisfy the customer through early and continuous delivery of valuable software.
2. Welcome changing requirements, even late in development. Agile processes harness change for the customer's competitive advantage.
3. Deliver working software frequently, from a couple of weeks to a couple of months, with a preference to the shorter timescale.
4. Business people and developers must work together daily throughout the project.
5. Build projects around motivated individuals.
Give them the environment and support they need, and trust them to get the job done.
6. The most efficient and effective method of conveying information to and within a development team is face-to-face conversation.
7. Working software is the primary measure of progress.
8. Agile processes promote sustainable development.
The sponsors, developers, and users should be able to maintain a constant pace indefinitely.
9. Continuous attention to technical excellence and good design enhances agility.
10. Simplicity--the art of maximizing the amount of work not done--is essential.
11. The best architectures, requirements, and designs emerge from self-organizing teams.
12. At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behavior accordingly.

[Manifesto for Agile Software Development \(agilemanifesto.org\)](http://agilemanifesto.org)