The Third Wave of Agile

By Charlie Rudd
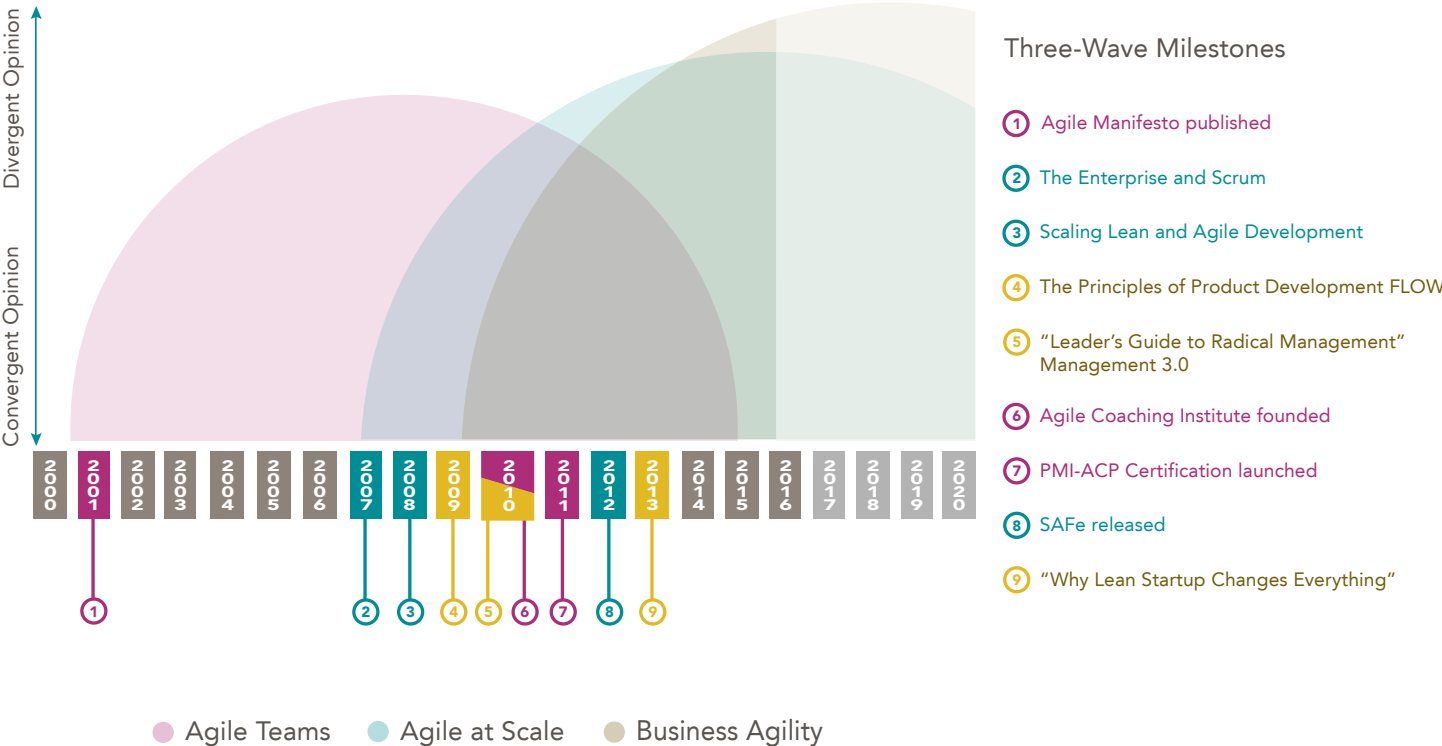
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We can view the history of Agile as a social movement comprising three waves. Each wave represents a developmental phase in the practice of Agile that has changed the nature of the movement, while increasing the sweep of its influence. A wave begins when people begin to organize around innovative practices to solve a problem and as it grows in magnitude a distinct community of practice begins to emerge. At first, as the emergent community searches for answers, divergent opinion grows. Later on, when the community assimilates differences, opinions converge. When practices stabilize and a consensus forms on how to use them to consistently achieve good results, the wave is complete. A new wave begins and the cycle is repeated when the community of practice shifts its attention to a new problem.

Below is a simple illustration of the three waves of the Agile social movement.

Three-Wave Milestones

1. Agile Manifesto published
2. The Enterprise and Scrum
3. Scaling Lean and Agile Development
4. The Principles of Product Development FLOW
5. "Leader's Guide to Radical Management" Management 3.0
6. Agile Coaching Institute founded
7. PMI-ACP Certification launched
8. SAFe released
9. "Why Lean Startup Changes Everything"

Agile Teams · Agile at Scale · Business Agility

The First Wave: Agile Teams

The objective of the first wave was to stand up a small Agile team to produce better software. It began when the Agile industry began, with the publication of the Agile Manifesto in 2001. Although initially what constituted an effective team practice was furiously debated, over time a consensus emerged. Today there is general agreement within the Agile industry that by properly using practices such as Scrum and Extreme Programming we can establish an effective Agile software delivery team pretty much anywhere, we can say the first wave is complete.

Let's note two events that signaled the end of the first wave. The first was the founding of the Agile Coaching Institute (ACI) in 2010. Before the Agile industry, there was no such thing as team coaching for knowledge workers in a business setting. Today team coaching is widely accepted as the most effective way to develop an Agile team. The ACI's mission is to establish team coaching as an industry competency. The warm reception that the ACI's efforts have received by the team coaching segment of the Agile community demonstrates industry agreement on what constitutes the practice of team coaching.

The second was the introduction of the PMI ACP Agile certification in 2012. The nature of the PMI organization makes it a lagging indicator. When the PMI institutionalizes a set of practices, they have by then largely been accepted by the global project management community.

Two work domains are within the scope of the first wave: software development and project management, which respectively correspond to the dominant Agile team practices, Extreme Programming and Scrum. Although it's true that the mission for the Scrum Alliance and the PMI extends to all projects and there are examples of Agile teams outside of software development, when compared to the software development industry, where Agile is rapidly becoming the standard practice, Agile in other domains is still early in their respective wave cycles. The software industry, however, has progressed well into the second wave of Agile, Agile at Scale.

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The Second Wave:
Agile at Scale

The objective of the second wave is to integrate and coordinate work across Agile teams, while sustaining Agile teams in an institutional setting. Scaling Agile is fundamentally different from standing up an Agile team, since what works well for a small group of people does not easily translate to a large group of people.

As organizations pursue Agile transformations, the scope of the initiative tends to increase over time to include more and more of the value stream.
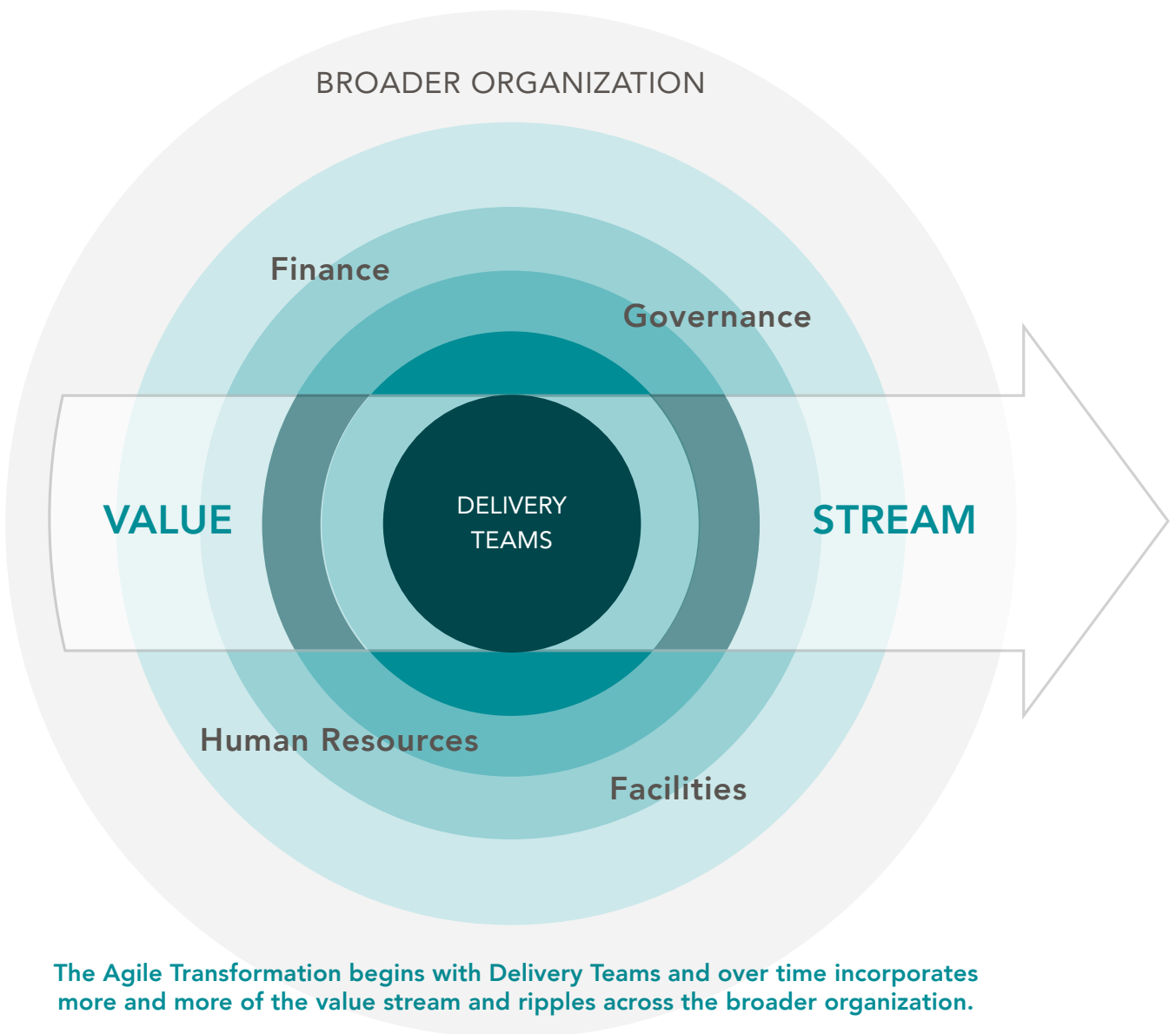
I'll peg the start of the second wave at about 2007, the year that The Enterprise and Scrum was published by Ken Schwaber. Although this book was not particularly influential at the time, it did signal that the community of practice had begun to seriously grapple with issues regarding the use of Agile in larger organizations. In 2008 Larman and Bodde published Scaling Lean and Agile Development, a more comprehensive approach that reflects a maturing industry view. More recently, the Scaled Agile Framework

(SAFe), a set of practices gleaned from the Agile community and packaged as "best practices" for scaling Agile, was published in 2011 by Dean Leffingwell. SAFe took off like a rocket demonstrating that the industry attention had decidedly shifted from teams to scaling. Although adopted at least in part by many, SAFe remains controversial. Broadly speaking, community opinion has yet to converge. The second wave is still building.

As we might expect, the work domains of the first wave (software development and project management) are within the scope of scaled Agile initiatives. However, what sometimes comes as a surprise to the sponsors of these initiatives is that their scope extends beyond software development to include other kinds of work—at least when they are successful. Additional work domains include business analysis, product management, operations, as well as a variety of middle management roles. In fact, as organizations pursue Agile transformations, the scope of the initiative tends to increase over time to include more and more of the value stream of which software development is merely one part. In addition, corporate functions that support value stream such as HR, PMO, Operations and Facilities are also affected if not transformed.

We discussed how the first wave gave birth to a new discipline: team coaching. A new discipline is also emerging from the second wave: Agile organizational change management (OCM). What makes Agile OCM different from its predecessors is the encapsulation of core Agile principles such as transparency, empowerment and feedback-driven adaptation into the change management process. When the community of practice establishes a consensus regarding the practice of Agile OCM, we will have a solid indicator that the cycle of the second wave is nearing completion. The expanding scope of scaled Agile transformations points us toward the emergence of the third wave of Agile: Business Agility.

The Agile Transformation begins with Delivery Teams and over time incorporates more and more of the value stream and ripples across the broader organization.

The Third Wave: Business Agility

The objective of the third wave is to transform how we charter, lead and manage organizations by shifting to an Agile mindset, fostering a culture of organizational learning, and adopting organization-wide Agile operations. As we shift our attention to general management and leadership practices, our subject broadens to include all knowledge work domains and the entire organization.

We can identify several crossover events that signal a shift of attention toward Business Agility. Jurgen Appelo's Management 3.0 published in 2010 discusses how the role of manager needs to change to support the emerging needs of empowered Agile teams. Management 3.0 can be seen as part of the Agile at Scale wave, since it addresses the need to redraft the manager role, which is caused by the growth of Agile teams. Nevertheless it can also be seen as a step towards Business Agility since it's focused exclusively on the domain of management, which has largely fallen outside the Agile at Scale purview. In The Leader's Guide to Radical Management also published in 2010, Steve Denning abstracts from Agile practices (especially from Scrum) new patterns to be applied to the work of general management, business strategy and business operations. And then there is The Lean Startup, which took

the world by storm when it was published in 2011. Although Eric Ries was writing about his experience at a software startup where Agile software development practices were used, initially it had a bigger impact outside the Agile movement than within it. In fact it spawned a movement of its own, which draws not just from the venture community but also from well established, large organizations, most notably GE. Even more relevant was the 2013 publication of "Why The Lean Startup Changes Everything" in the Harvard Business Review by Ries' mentor Steven Blank. Blank makes the case to the general management audience that Lean Startup principles—essentially Agile principles—should and will broadly change business and management practices.

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The Evolution of the Agile Movement

With each new wave, the scope of the Agile movement has broadened to include new work and problem domains. The initial focus on software development has expanded to include all forms of knowledge work including design, engineering, marketing and management. And the initial focus on teams has expanded to encompass the entire organization. What unifies the Agile movement even as it changes and grows is a commitment to Agile principles and values. Over time, these have been abstracted from their origins in Scrum, Extreme Programming and the Agile Manifesto to have broader applicability and relevance, while remaining essentially unchanged. As mentioned above, these include concepts such as transparency, empowerment, collaboration and feedback-driven adaptation, which reorganize our knowledge work into human-centered learning systems that inspire creativity and innovation. Standing on the crest of the third wave, we remove our "software-tinted-glasses" and see an expanded horizon. One of the first things we see is our very own Agile principles reflecting back at us from other fields. A sampling of sympatico works that originated outside the Agile movement that are devoted to how knowledge work is transforming our ideas about work, creativity and management

include *Change By Design* (Tim Brown, 2009), *The Principles of Product Development FLOW* (Donald G. Reinertsen, 2009), *Where Good Ideas Come From* (Steven Johnson, 2010), and *Drive* (Dan Pink, 2011). A different sampling that reflects what we have come to understand as Agile principles discusses how complexity science is transforming our views of leadership, markets and organizations, if not our view of the world. This includes A Leader's Framework for Decision-Making (Snowden & Boone, 2007), The Tipping Point (Malcolm Gladwell, 2000), and Antifragility (Nassim Taleb, 2012). Going back to the 1990's, it's a no-brainer to

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cite Peter Senge's The Fifth Discipline: the Art and Practice of the Learning Organization as well. We can now look into our back yard and more easily recognize that the previously noted Steve Denning was a proponent of Agile

principles (by another name) in his home field of business management long before he became part of the Agile movement (and probably before it existed).

Once we in the Agile movement get outside of ourselves, we can see that the software industry is only one of many fields that are converging on a common set of new values, principles and methods that are transforming the world of business.

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