

It's True – You Can't Do Agile Without First Being Agile

Traditional financial institutions are scrambling to keep up with the Ubers and AirBnB's of personal banking (think Paypal) while having to comply with regulations, regulations and more regulations. How do you manage change at the speed of technology without jeopardizing compliance?

This presentation will share the lessons we at TD Bank have learned while developing agile methodologies for projects as well as audits of projects, including the recognition that being agile has to come first.

Deborah Michaelsen, TD Bank

October 6, 2017

Background

- Toronto-Dominion Bank (French: Banque Toronto-Dominion)
 - Canadian multinational banking and financial services corporation headquartered in Toronto.
 - Commonly known as TD and operating as TD Bank Group (French: Groupe Banque TD).
 - Created on February 1, 1955 through the merger of the Bank of Toronto and The Dominion Bank, which were founded in 1855 and 1869, respectively.
 - Second largest bank in Canada by market capitalization and a top-10 bank in North America. Globally, it ranks as the 19th largest bank in the world, according to Forbes.
 - TD and its subsidiaries have over 85,000 employees and over 22 million clients worldwide.
 - TD serves more than 11 million Canadian and 6.5 million US customers.
 - Our retail operations include over 1,150 branches in Canada and 1,300 branches in the eastern United States (Maine to Florida).

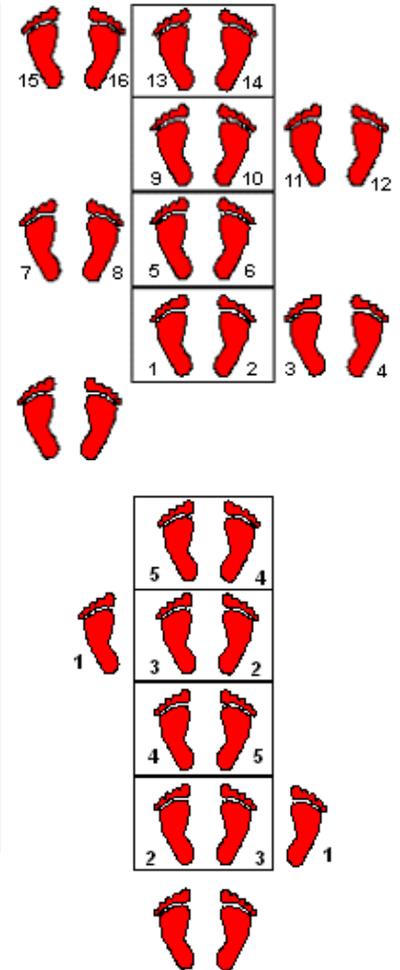
- Deborah Michaelsen
 - Project Audit Manager with TD Bank's Internal Audit Global Project Audit team.
 - Joined Audit after career in software development with an emphasis on quality assurance that taught me, among other things, the merits of embracing change.
 - Currently building agility into TD's Project Audit Methodology as TD moves towards using more agile project management approaches.

Big "A" versus Little "a" Agile

Big "A" Agile is intended to provide:

- The ability to create and **respond to change** in order to profit in a turbulent global business environment.
- The ability to **quickly reprioritize** use of resources **when requirements, technology, and knowledge shift**.
- A very fast response to **sudden market changes and emerging threats** by intensive customer interaction.
- Use of **evolutionary, incremental, and iterative delivery** to converge on an optimal customer solution.
- Maximum BUSINESS VALUE with **right sized, just-enough, and just-in-time processes and documentation**.

Source: [Agile Governance and Audit: An Overview for Auditors and Agile Teams](#), Christopher Wright, 2014



a-gil-i-ty (ə-'ji-lə-tē)

Property consisting of quickness, lightness, and ease of movement; to be very nimble.

Large & Legacy – the Antithesis of Agility

“Depending which bank you talk to, they will tell you that anywhere between 50% and 90% of their IT budget is being driven by regulatory changes. It makes change very difficult.”

Anonymous Banking Executive

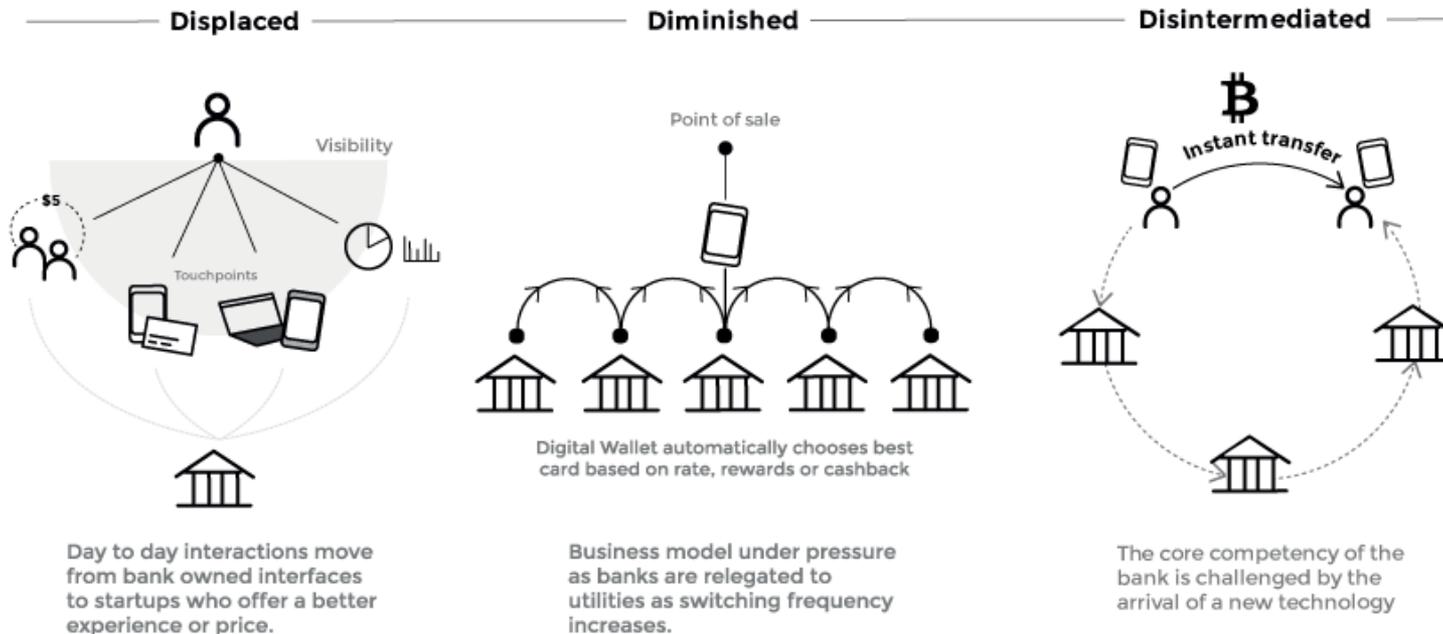


69% banking executives didn't believe retail banks are able to react quickly enough to changing consumer needs.

Adaptive Lab / Research Now

Displaced, Diminished and Disintermediated

The three stage scenario that we already know is underway.



BYE BYE BANKS?

adaptivelab.com/byebyebanks

"We need banking. We don't need banks." Bill Gates , 1997

Disruption from Every Direction

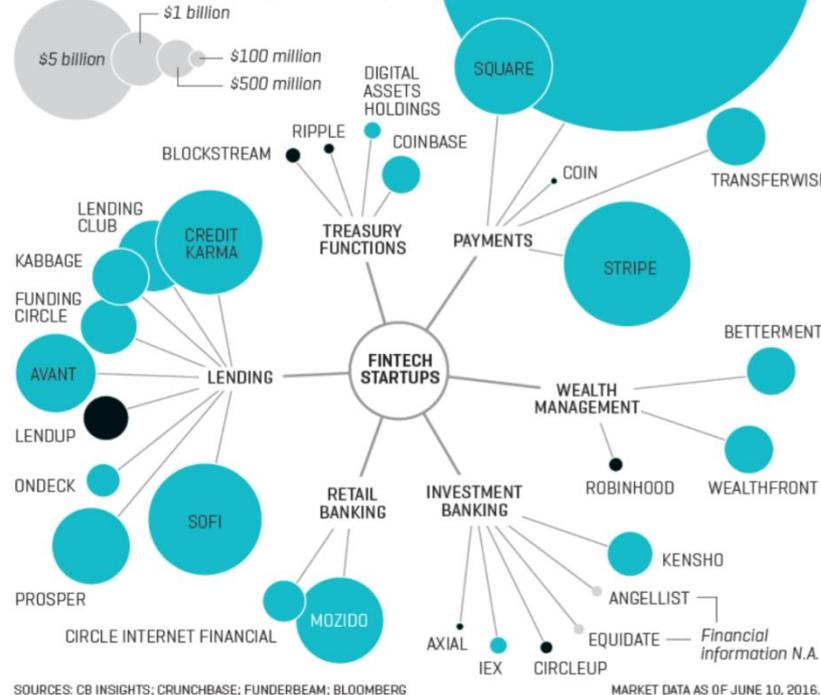
It's plain to see that a perfect storm of competition, technology, shifts in customer behavior and regulations looks set to wreak havoc on the businesses we trust with our money. It's a matter of when, not if, banking will be reinvented.

James Haycock, author [Bye Bye Banks](#)

Last year, investors poured \$19 billion into fintech, and startups continue to proliferate. Challengers to the big banks now range from PayPal, the granddaddy of e-payments which spun off from eBay last year, to cryptocurrency companies such as Coinbase. Below is a selection of the best-funded startups.

SIZE OF CIRCLE SHOWS:

● ESTIMATED VALUATION ● FUNDS RAISED [VALUATION N.A.]



SOURCES: CB INSIGHTS; CRUNCHBASE; FUNDERBEAM; BLOOMBERG

MARKET DATA AS OF JUNE 10, 2016.



BYE BYE BANKS, YOU'VE HAD YOUR FUN

Banks charge hidden fees when you send money abroad. With TransferWise you save up to 90%. Problem solved, money saved.

Message From TD CEO – January 2016

We must adapt and innovate while becoming faster and more agile. New technologies are changing the way people bank – and the way they think about banking. At the same time, the pace of change is accelerating. We must continue to evolve at high speeds.

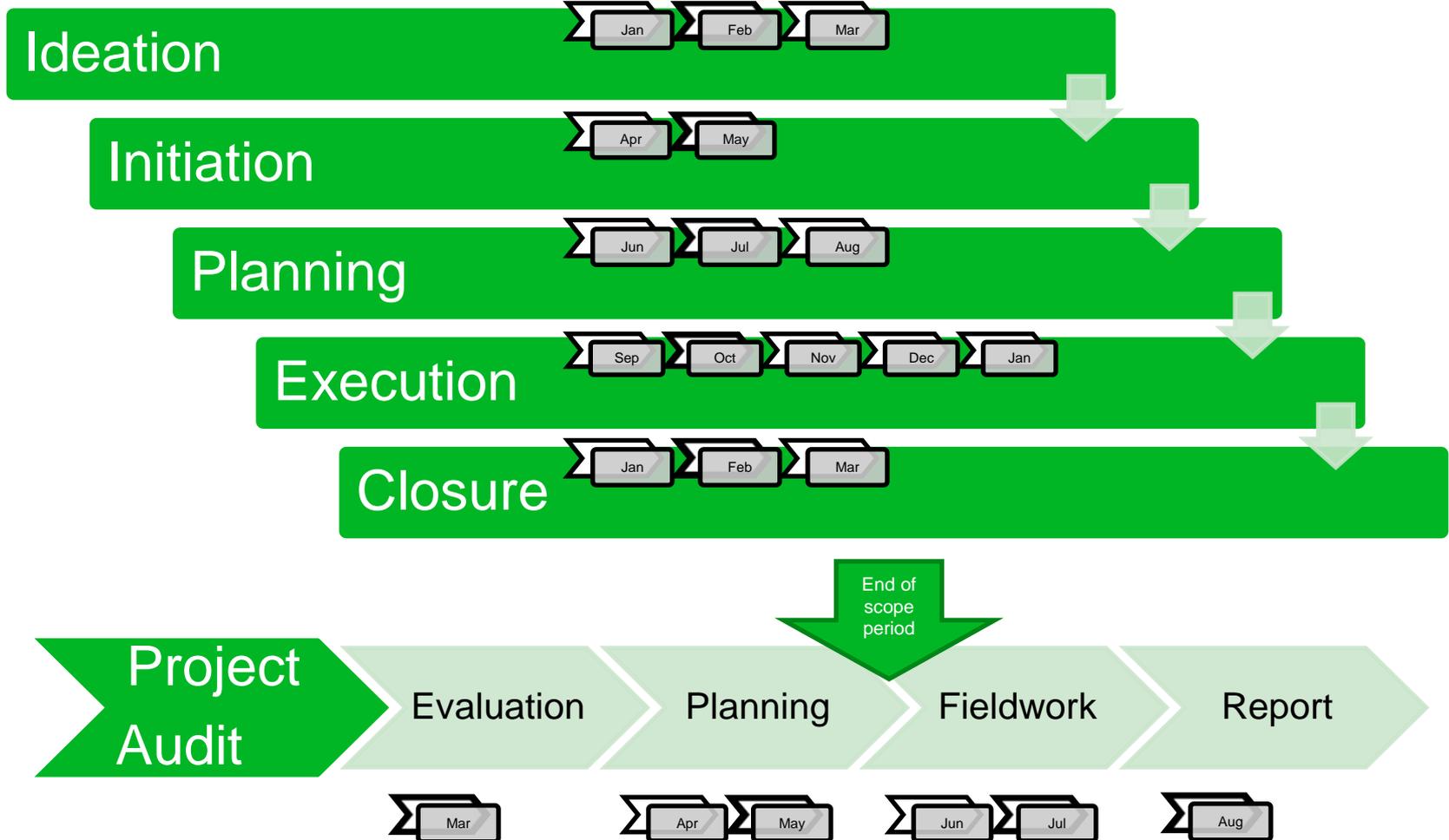
Impact on Methodology, Projects, and Project Audits

- Enterprise Project Management Office
 - Added two new methodologies – Rapid (similar to Disciplined Agile Delivery) and Iterative to the traditional waterfall Project Delivery Life-Cycle (PDLC).
 - Updated tools and templates for iterative use, including a suitability assessment to risk assess and provide mitigation strategies for non-waterfall approaches.
 - Lessons learned included working with Finance on project estimation to allow for more iterative and more accurate project estimations.

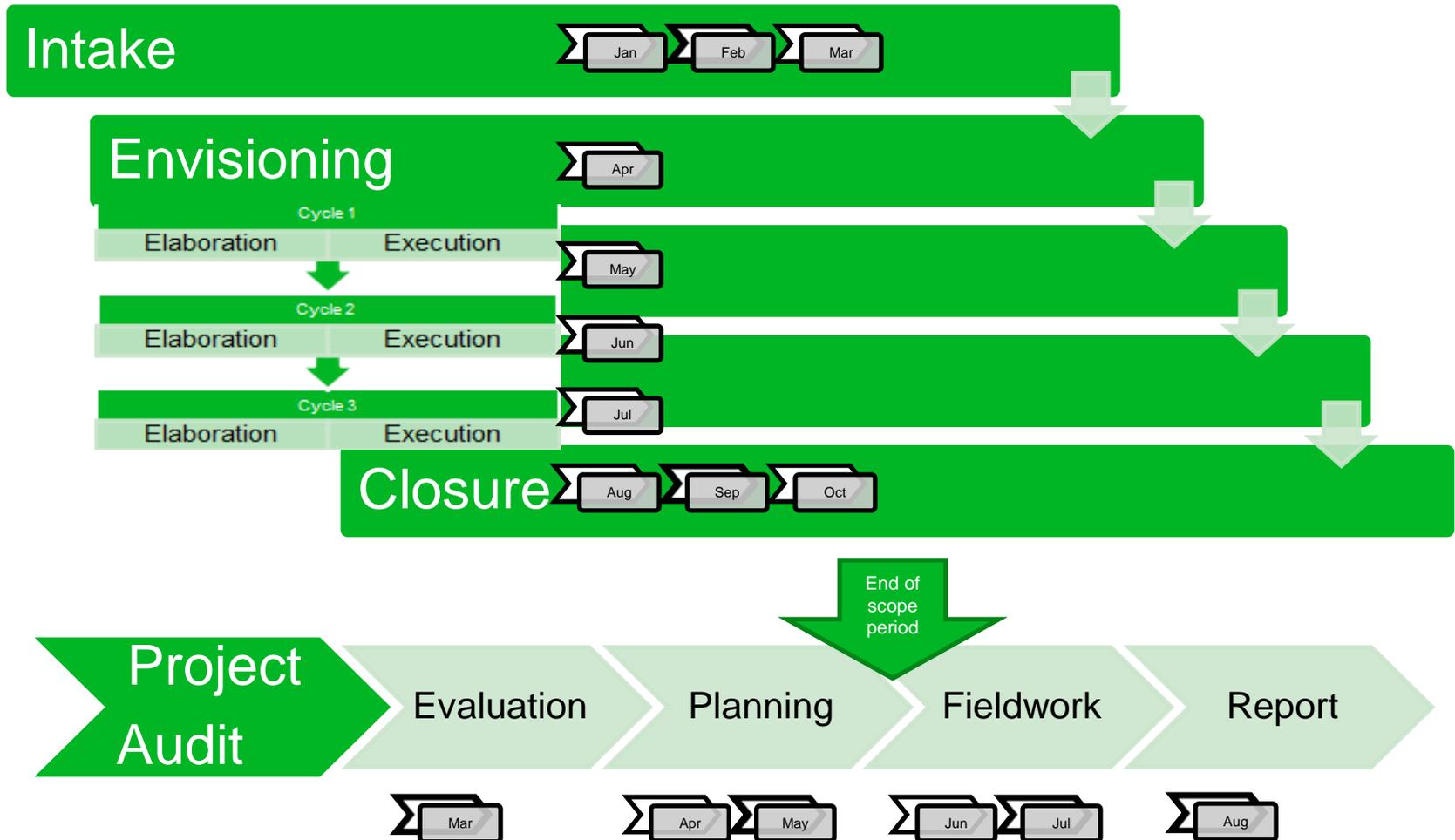
- Business Projects
 - Increase in number of projects opting for non-waterfall delivery approach. Not all were successful.
 - Lessons learned identified need to re-examine methodology exceptions, revisit required activities and artifacts, and educate stakeholders and control functions, including Audit, on how to engage with and support non-waterfall projects.

- Project Audits
 - First ever non-PDLC project audits conducted; most 'agile' of projects chosen for audit review terminated before implementation.
 - Lessons learned identified need for additional training for project auditors without agile experience, being willing to accept the equivalent of a PDLC artifact, and the need for an 'agile' project audit methodology.

Project Audit Alignment with Waterfall Project



Project Audit Alignment with Rapid/Iterative Project

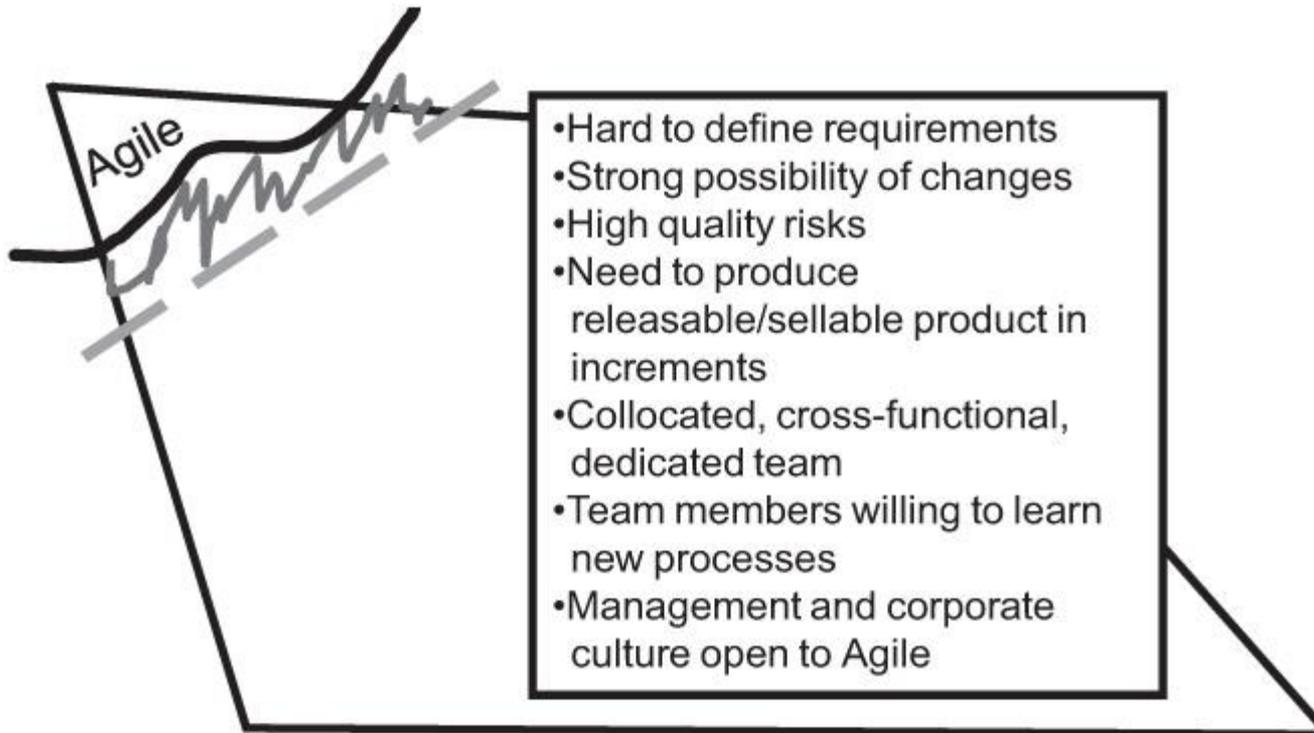


You cannot "do" Agile, you have to "be" Agile

	Waterfall	Agile
Governance	<ul style="list-style-type: none"> Centralized command and control Consistent approach for all projects and programs 	<ul style="list-style-type: none"> Command and control largely managed within the project team Approach may vary project to project
Project Teams	<ul style="list-style-type: none"> Organized into separate roles (project manager, analyst, tester, etc.) with specific, limited responsibilities No expectations for location or duration on project May be assigned to multiple projects 	<ul style="list-style-type: none"> Some individuals have specific roles, but all team members share equal responsibility Preference for co-located teams Team members are dedicated to one project for the duration
Planning	<ul style="list-style-type: none"> Done once Done for entire project Based on discrete phases of tasks Each phase is completed before next begins 	<ul style="list-style-type: none"> Done for each iteration Done for specific deliverables Based on what's known at the time Work streams may run simultaneously
Budget Schedule Scope	<ul style="list-style-type: none"> Cost (budget) is variable Time (schedule) is variable Deliverable features (scope) are fixed 	<ul style="list-style-type: none"> Cost is fixed Time is fixed Deliverable features are variable
Project Management	<ul style="list-style-type: none"> Defined with high predictability Centrally controlled. Consistent response to consistent triggers Discourages change in flight 	<ul style="list-style-type: none"> Loosely designed and flexible Determined by team based on experiment, observation and continuous learning Expects changes during flight
Documentation	<ul style="list-style-type: none"> Intended to be comprehensive 	<ul style="list-style-type: none"> Intended to be "barely sufficient"
Customer	<ul style="list-style-type: none"> Limited involvement 	<ul style="list-style-type: none"> Frequent involvement

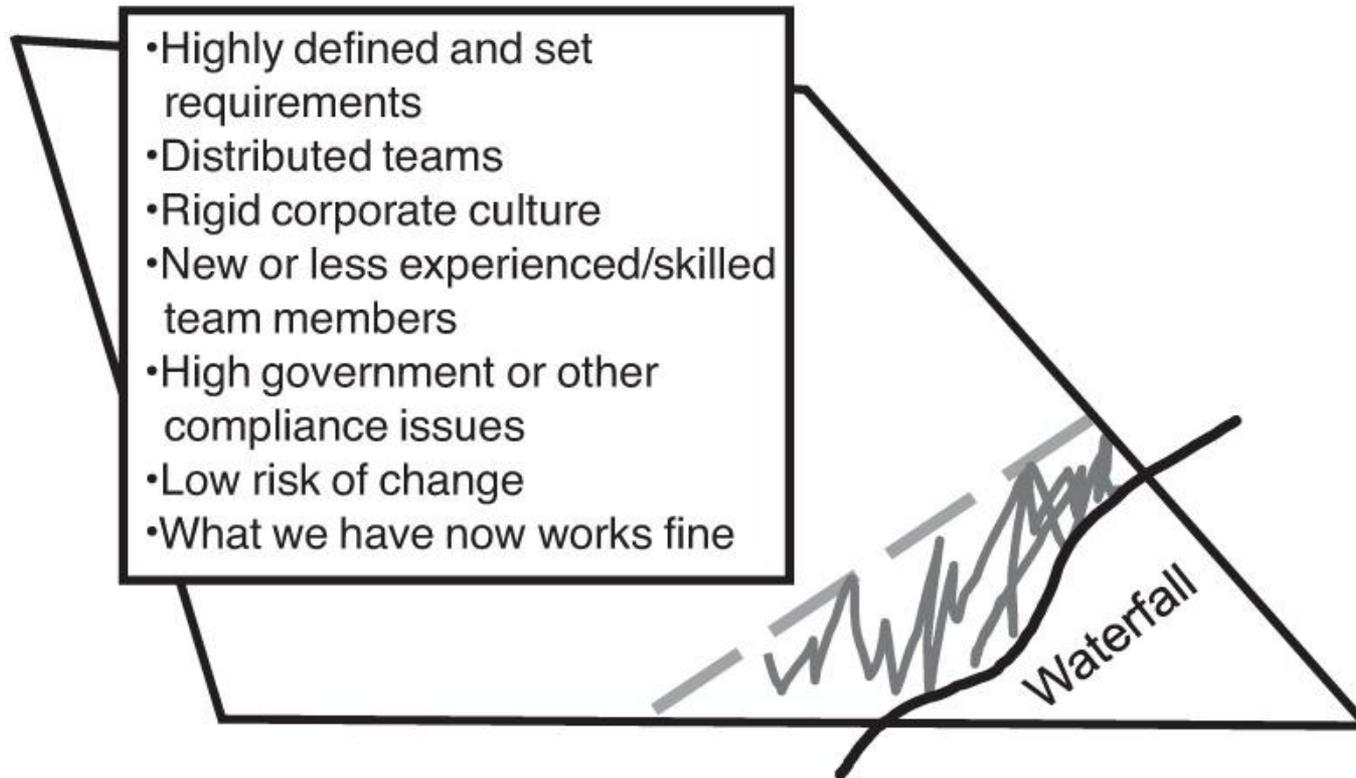
Not Every Project Is Right for Agile

Agility is a good thing, but it doesn't fit every situation. It works best in these situations.



Not Every Project Is Right for Agile

But a waterfall approach is going to be a better choice when some or all of these are true:



Agile Values Individuals/Interactions over Processes/Tools

This approach will not be effective when:

- Team members are not available to work exclusively on the project
- Team members are not available to work on the project from start to finish
- Team members do not have the expertise to self-organize or manage the project
- Team members don't have any experience on agile projects
- Team members cannot participate daily in project activities due to geographic, time zone, or schedule limitations
- Team members are not comfortable or willing to work in a highly interactive, collaborative environment

Agile Values Working Product over Comprehensive Documentation

This approach can be problematic when:

- Project cannot evidence compliance with regulatory requirements
- Project cannot evidence compliance with enterprise mandates
- Project does not provide reusable artifacts
- Incremental project progress cannot be evidenced
- Project benefits are not clear and return on investment cannot be determined
- Project objectives are not clear and success cannot be determined

Agile Values Customer Collaboration over Contract Negotiation

This approach will not be successful when:

- Customers can't or won't commit to the level of engagement that an agile project required
- The Product Owner role isn't staffed, or isn't staffed at the right level of subject matter expertise, or isn't staffed at the right level of engagement
- Customers don't have any experience participating in agile projects

Agile Values Responding to Change over Following a Plan

This could cause the project to fail if:

- Project objectives are not defined, communicated or understood – and not met
- Project deliverables are not delivered, or not delivered on time
- Changes to project objectives and/or deliverables don't support all of the stakeholder needs, and are made without their knowledge, consent, or input
- The impact of risks, issues, decisions and actions introduced or managed by the project extends beyond the project boundary but are not communicated or communicated timely

