Akbank All IT Agile Transformation with 100+ Scrum Teams

Esra Colarusso, Agile Coach, Agile Studio, Akbank
Hande Kırcı, Agile Coach & Scrum Master, Agile Studio, Akbank
Enis Özer, Agile Coach & Product Owner, Agile Studio, Akbank
Tolga Kombak, Agile Coach & Consultant, ACM
About Akbank

Akbank is one of the biggest banks in Turkey having core business in banking activities, consisting of corporate investment and private banking, commercial banking, SME banking, consumer banking, payment systems and treasury transactions, and international banking services. In addition to traditional banking activities, the Bank also carries out insurance agency operations through its branches.

With a strong and extensive domestic distribution network of 800 branches and more than 14 thousand employees, Akbank operates from its Head Office in Istanbul and 22 regional directorates across Turkey. In addition to providing services through branches, the Bank’s traditional delivery channel, Akbank also serves more than 16.5 million customers through the Akbank Direkt Internet Branches, Akbank Direkt Mobile, the Call Center, 4,400+ ATMs and more than 510 thousand POS terminals as well as other high-tech channels.

Equipped with state-of-the art IT systems and a staff of experienced professionals, Akbank provides top quality services to an extensive portfolio of consumer and corporate banking customers.

Akbank continued to win prestigious awards in 2016 when the global business cycle weighed on the banks. Akbank was voted as the “Bank of the Year in Turkey” by The Banker, winning the sector’s most important international award. Akbank also registered major accomplishments for the Turkish banking industry by being deemed the “Best Bank in Turkey“ by Global Finance and the “Best Bank in Central and Eastern Europe“ by Euromoney. Akbank continues to work with a high level of motivation in an attempt to raise the bar even higher in banking and to create more value.

About ACM

As the first and leading provider in Agility services in Turkey, ACM assists numerous local and international companies to become further adaptable. ACM collaborates with public and private sector companies of all sizes to help them; be more value driven, deliver their services or products faster, manage changing demands, reduce costs, increase productivity, bring their creativity out and be more innovative through its training, coaching and consulting services. So far, ACM guided over 1,000 Agile teams mainly within IT, and also in marketing, sales, customer care, C-level management and cross-functional business units. Over 10,000 professionals from more than 600 companies across all industries have been trained in ACM’s courses.

For more information:
Web: www.acmagile.com
Youtube: www.youtube.com/ACMAgileLabs
LinkedIn: www.linkedin.com/company/ACM_2

About Scrum.org

Improving the Profession of Software Delivery
Based on the principles of Scrum and the Agile Manifesto, Scrum.org provides comprehensive training, assessments and certifications to improve the profession of software delivery. Throughout the world, our solutions and community of Professional Scrum Trainers empower people and organizations to achieve agility through Scrum. Ken Schwaber, the co-creator of Scrum, founded Scrum.org in 2009 as a global organization, dedicating himself to improving the profession of software delivery by reducing the gaps so the work and work products are dependable.

Scrum.org
The Home of Scrum
History of Piloting Agile Approaches
Akbank IT started to pilot Agile approaches in 2010. The first Scrum implementation was “Scrumpact” team where the product was related to credit cards and POS devices. The outcomes of the project, decreased time to market and customer satisfaction were so high that new projects from the yearly masterplan quickly followed. Within a year 12 pilot teams started to experience Scrum. One of them was “Corporate Internet Banking” which had three Scrum teams working on the same product where scaling Scrum practices have been used for the first time. One was for re-developing the deposits accounts system which was monetarily very critical and needed to be developed without damaging the current operating deposits system.

The next step taken was piloting a full IT-domain with Scrum teams and the card payment systems domain was a volunteer candidate. The card payment systems domain was split into six Scrum teams called “Scrumville” and they started sprinting for all their development processes. The major experiences gained during this period were managing high dependencies throughout the teams, and better prioritization of the PBLs. The significant outputs were increased quality, customer involvement and increased employee engagement.

After reaching a maturity level by continuously delivering functionality in every 2 weeks, Akbank IT decided to spread Scrum and Agile mindset to all IT teams.

Need for all IT Agile Transformation
The main drivers for all IT Agile transformation were:

- Dependency management and alignment between Agile and non-Agile teams were very difficult and hard to govern, because non-Agile teams had their own priorities and plans according to the yearly master plan.
- There were problems in end-to-end value delivery, because the work was handed-over between different departments during the development life cycle which was quite inefficient.
- Looking at the statistics, Akbank’s master plan compliance rate was around 35%. The biggest problem identified was that the master plan was continuously changing. Therefore, a continuous planning mindset on the organizational level was required.
- Banking sector in Turkey is very competitive. Adaptation to new technologies and offering distinctive services to customers is a must. So the need for faster delivery, digitalization and innovation led to change the way of working.

Final Scene
Akbank IT now runs with 950 people of internal and outsourced employees who are practicing Scrum with:

- 143 Scrum Teams
- 9 Product Group domains
- 143 Scrum Masters
- 98 Product Owners
- 72 PSM-I certification holders
- 12 PSPO-I certification holders
- 4 internal Agile Coaches who are PSM-II certification holders.
Agile Transformation Timeline

Agile Transformation Governance Model™ was used to govern the transformation:

![Agile Transformation Governance Model™](image)

This model focuses its change activities at the levels of Team, Organizational Infrastructure and Portfolio on the basis of five main areas, and carries them out under the leadership of Agile Studio™ and Agile Leaders™ teams.

Leading Transformation

As John Kotter has described in his 8-Step Process for Leading Change, a team which will embrace and lead the transformation should be set up; this transformation should be promulgated inside the company under the leadership of that team. The members of this team who will take an active role in the transformation should be identified and the transformation should be owned throughout the whole organization. In line with this, transparency for all transformation-related efforts will be ensured and the transformation awareness will be enhanced throughout the company.

Focus on Customers

Customers should be involved in the production process in order to achieve true Agility and to ensure fast delivery of correct value. At this point, it is targeted to mitigate the differentiation between software teams and business units via improving communication and empowering teamwork. This is achieved by means of efforts to make sure that an Agile work model is understood within the business units, and business unit’s perspective and its market understanding in the IT is developed.

Measurement and Transparency

In brief, Agility may be the defined as an ability to change for the better and to yield higher values. This mechanism will fully function in case high-level transparency is basically achieved. In this sense, speed, priorities, problems, performance and quality are transformed into a process that can be easily tracked and understood at both team and corporate level. Efforts are undertaken to create a self-organizing and automated transparency.

KAIZEN Culture

Along with the achieved transparency, there is also a need to trigger continuous improvement (KAIZEN) culture in the corporation to ensure improvement and sustainable progress. Agile transformation targets to create a learning and developing organization. To support this culture, self-organizing expertise will be created and made functional based on the needs of communities.

Quality

Agile transformation is a “cultural change” process. There will be both managerial and technical repercussions of this transformation. In order to achieve the agility in true sense, it is more important to further improve engineering capabilities in the organization. Therefore, while there are works on managerial culture and process, there are also efforts to secure that Agile engineering practices are absorbed and commonly embraced inside the organization.
Agile Studio™ and Agile Leaders™ teams will assume the leadership of the process for the management of the transformation on the basis of five focus areas.

**Agile Studio™**
Agile Studio™ is an in-house Agile coaching team responsible for the correct and sustainable implementation of Agile values and practices inside the company. Among its tasks are rolling out new Agile teams in the company, coaching the existing ones, supporting KAIZEN by promoting the experimenting culture at the level of teams and ensuring that good practices and experiences are commonly used throughout the company.

**Agile Leaders™**
Agile Leaders is a transformation sponsor team that owns the organizational transformation at the highest level. It leads the transformation efforts in 5 main focus areas under Agile Transformation Governance Model, and tries to overcome obstacles and barriers in front of the transformation, and supports other Agile teams in conjunction with Agile Studio™.

**Establishment of Team Seed**
In accordance with the transformation governance model for Agile Leaders team, a sponsor team named “Seed” was established in December 2015 in order to lead the transformation and spread out the agile culture within the organization. The main goal of Seed was to overcome initial organizational impediments so that the teams could adopt Agile mindset easier and work productively.

Seed lost its functionality shortly after the establishment of Agile Studio and Agile Studio took over some of the responsibilities. By September 2017, the sponsor team, ProSeed, is re-formed, having members all from IT Executive level, operating in weekly Sprints. ProSeed has a backlog consisting of organizational impediments and corresponding actions.

**Akbank Agile Studio™**
As the transformation continues to scale up with new teams, the need for both team level and organizational coaching has increased, resulting in the establishment of Akbank Agile Studio in May 2016. During this scaling phase, Agile Studio helped teams by coaching them, experimenting new practices and workshops, trainings and by removing organizational impediments.

**Trainings and Team Rollouts**
At the beginning of the transformation, the highest priority was to increase the knowledge of the team members about Agile practices, especially about Scrum. We had pilot teams and they were familiar with Scrum, but most of the people in the organization had limited or no knowledge about Agile. Therefore, trainings were delivered before the team rollouts.

In the early stages of Agile transformation 6 classes of Scrum.org Professional Scrum Foundations Trainings for 120 people were delivered followed by 19 classes of ACM Gamified Scrum Trainings. Main goal of the rollout process is to assist teams for changing from current working method to Scrum. In order to do that, a Definition of Done for team rollout was specified:

- Scrum Refresher Activity (brief overview of Scrum) facilitated by an Agile Coach
- Team’s strengths and weaknesses are identified by the team
- Team’s name, logo and other initial parameters are defined and Scrum Master is chosen by the team
- Initial backlog is created
- Team runs a Preparation Sprint and an Agile Coach assists the team during this Sprint
As the team rollouts continued, a need for a break aroused after 25 teams to remove some of the impediments that came along with scaling. At this period, new workshops were designed to support the existing teams and also organizational decisions were taken for scaling.

After 3 months of break, transformation scaling continued with empowered agile teams and a supporting environment for the new teams. By the end of April 2017, all of the IT organization has been transformed to 90 Scrum Teams. The fast pace of trainings, rollouts and coaching new teams with very few Agile coaches were the main challenges in this scaling period.

**Organizational Changes**

The existing IT organization had been designed for the traditional method and had to be changed with the Agile Transformation. But the problem was that, organizational changes in an enterprise like Akbank take longer than team transformations. The need for organizational changes emerged as soon as the teams started to operate in Sprints. Major changes were:

- Testers were working separately in another IT department. For cross-functional teams and reducing managerial complexity, all team
members of a Scrum team were organized to be in the same IT department.

- Need for supportive teams around the transformation resulted in the establishment of teams called “Transversal Structures” which were:
  - Agile Studio™ for fostering agility within the organization,
  - Software Architecture Transversal for supporting developers,
  - Analysis and Test Transversal for supporting analyst and tester roles, and
  - Portfolio Management for governing the IT project portfolio.

![New Organizational Structure](image)

Portfolio Management, formerly Project Management Office, changed the annual Master Plan cycle and started to implement continuous planning mindset within the organization by facilitating monthly planning meetings called “Spotlight”.

- For creating self-organizing teams and breaking the command-and-control culture, team leader role is removed which decreased the hierarchy by one level in the IT organization. This was one of the biggest and most controversial changes during Agile Transformation that created some anxiety on the middle level managers.

**Spotlight**

The new working model brought some changes to traditional Project Management Methodology applied in Akbank. Instead of making long term master plans, more dynamic and continuous planning model is implemented. “Spotlight” meetings are held with the participation of Product Owners, Portfolio Managers, Product Group Leaders and the next three months are planned every month in a sliding window manner. Adaptation to change is faster and responding to changing priorities is more effective with Spotlight.

Spotlight evolved from a 2-hour alignment based meeting to a whole day event where priorities, risks, inter-team dependencies and work-in-progress metric of each team are inspected, Product Owners align with each other and collaborate to adapt their release plans.

**Importance of Coaching**

Coaching is the successor of the training process. Training for a new way of working cannot be sufficient by itself in couple of days, therefore teams need proper coaching support to change their habits.

Intense coaching was mostly needed because of the stated reasons:

- Fast rollout process and the need to enact new habits and behaviors
- Working with the traditional methodology for long time
- Command-control organizational culture
- Upfront planning culture

For this, starting from the early stages of the transformation, ACM Agile Coaches also started co-coaching the teams with new Agile Coaches from Akbank, so that teams could adopt their new Scrum
roles, understand the goals of the events and artifacts.

Co-Coaching
The Agile Studio team was formed of experienced Agile Coaches from the Agile Transformation consultancy company ACM and the new Agile Coaches from Akbank. Internal Agile Coaches started to co-coach teams together with ACM Agile coaches for having hands-on experience and observing the coaching stance and style of professional Agile coaches.

Coaching Tools
In the coaching process, some tools were developed by Agile Studio to support the needs of the teams for different situations. Some of these tools are explained below:

*Self-Scrum Refresher (SSR)*
For some teams that have been using Scrum for a long time, there was a need to refresh their knowledge of Scrum and self-evaluate themselves with the Agile perspective.
Self-Scrum Refresher is a tool where teams assess themselves on the basis of Scrum events, artifacts and roles. After these assessments, improvement actions are taken by the teams in the SSR workshop with the facilitation of an Agile Coach.

*Team Forming Exercise*
Team Forming Exercise was designed for teams that needed to be split into two or more Scrum teams that are responsible for the same product.

With this exercise, the Development team members collaboratively self-organize to decide the members of new Scrum teams. Some policies can be set by the Product Owner and Agile Studio, such as both teams must be cross-functional or must include one UX capable person.
In a large room, all team members are divided into teams in accordance with the policies with the facilitation of an Agile Coach. The event is an incremental event where the forming of the teams are repeated until everyone is satisfied with multiple cross-functional teams. One of the positive aspects of this workshop is that it empowers the team members by giving them autonomy even before the teams start working.

*Release Projection Workshop*
Product Owners must have a release projection according to the past performance of the Scrum teams and the current situation of the Product Backlog.

This workshop is designed by Agile Studio to emphasize the importance of release projection concept. It includes some theoretical narration on Release Projection and a game where the Product Owners are asked to prioritize the Product Backlog Items of a sample product. Afterwards, they are expected to design meaningful releases from these PBIs and estimate the release dates according to the velocity of their team and the evolving Product Backlog.

*User Story Mapping Workshop (U)*
Scrum teams that fully focus on their work in the Sprints could lose sight of the big picture.
User Story Mapping Workshop allows the teams to look at the general structure of the their product together with customers. With this workshop, prioritization of PBIs is visualized transparently through a collaborative session with the business units. This workshop may also be used to clarify the MVP and further release goals.
The workshop also provides the Development Team with insights about the product vision, value proposition and customer perspective.

**Definition of Done Workshop**

This workshop was designed for the teams to find out why they needed the “Definition of Done” and clearly define their own.

A real life scenario is created by the Agile Coach for a better understanding of Definition of Done concept. Following this scenario, the teams are encouraged to post their all activities on the wall to turn PBIs into a done increment and they are grouped and categorized to create a clear Definition of Done.

**Structured Coaching with Experiments**

Structured Coaching is an artifact that derived from the need to collaborate on a common basis in terms of team coaching and increase coaching transparency. This structure is based on a simple cycle: Observe the dysfunctions, Experiment ideas to solve these dysfunctions with the team and Validate the results together.

Creating such a structure would help Agile Studio track:

- Top impediments or dysfunctions a team faces,
- Experiments applied by the team to solve problems,
- Expected time of experiment,
- Short or long-term target of the experiment,
- Results of the experiment.

The most obvious outcome of this structured coaching was the teams in the same product group had similar impediments. Therefore product group based coaching would benefit more.

**Coaching Strategy: Product Group Based Coaching**

The Information Technologies department of Akbank is separated into product groups that operate for common functions of each banking product, such as “Credit Product Group”, “Investment Product Group” etc. Since the teams in the same group have similar stakeholders and similar set of impediments, product
group coaching method brings value by sharing experiences to tackle the common issues. This approach aims to build a working model that every product group operates as a self-running, transparent and self-managing unit.

The approach is designed to firstly engage with the teams belonging to a chosen product group. Agile Coaches support each of these teams individually to identify their impediments, which are collected in a backlog in order to provide full visibility and responsibility to the Product Group Leader and the whole Product Group. Regularly, Product Group Leader and Scrum Masters meet in front of a physical board of this backlog to synchronize and take actions.

Coaches emphasize the importance of group leaders’ encouraging their teams by communicating a clear product vision and respecting their teams’ decisions to try new practices and learn from their failures. This requires a mindset shift from the traditional management style where the instructions were delivered top-down through the hierarchy.

Evolving To A Collaborative Organization

Growing the Communities
Akbank is focused on strengthening the knowledge and experience sharing by growing communities across different Scrum Teams. The communities are organized by roles, in order to maximize the learning and share topics such as common impediments and tips.

Agile coaches in the organization led this initiative by scheduling biweekly/monthly gatherings of the different roles as highlighted in the following sections.

Scrum Master Gatherings
These gatherings were utmost important to build up collaboration culture among Scrum Masters since there were few or no interactions in the previous organization setup between these individuals.

During these gatherings, Scrum Masters initially shared common impediments such as communication obstacles in the teams. Afterwards they focused on facilitation techniques and ways of spreading the Agile culture in the overall organization. Furthermore, by the effect of growing trust, they started sharing their experiences on using some techniques in different teams that led to refinement of these practices.

AKbank Team Sharing Sessions
AKbank Team Sharing Sessions are bi-weekly gatherings organized by Agile Studio. Generally, a volunteer, individually or as a group, is proposing the subject to share with the whole IT organization. AKbank Team Sharing Sessions started with anyone sharing their experience or an experiment in the Agile domain but afterwards it evolved to a Brown Bag Meetups series where the topic can be of any type, even not related to Agile, used as an ice-breaker to keep the community alive such as origami or investment tips.

The meetups are highly advertised in order to create a celebrity-like feeling for the presenter and attract more volunteers.

Previously, Agile Studio led this initiative by finding volunteers and promoting participation. After a certain number of meetups, it evolved to an autonomous and popular gathering where volunteers signed up themselves.
Cultivation and Empowering The Roles

**Scrum Master Empowerment Programme**
The Scrum Master Empowerment Programme is an instructor-led training series which spans over 10 to 14 weeks with bi-weekly gatherings of half day. It includes reading and watching assignments such as the analysis of a case study, TED Talks videos and other sources. At the beginning of every session, a short quiz is presented to the attendees with the purpose of emphasizing the value of the assignment. Along with that for each session Scrum Masters had homeworks such as preparing a presentation on Agile and Scrum, or blog post on their experience of coaching another team or facilitating a different team’s retrospective.

The goal of the Programme is to improve the competencies of the Scrum Masters on coaching their teams, fostering the Agile mindset within the organization and support the transformation.

Within 2 years, 4 Scrum Master Empowerment Programme classes have been held and 59 Scrum Masters graduated from the programme.

**Product Owner Empowerment Programme**
The structure of the Product Owner Empowerment Programme is similar to the Scrum Master Empowerment Programme discussed previously. Since the Product Owner’s main focus is the product vision, programme concentrated on enacting the Minimum Viable Product mindset and strengthening the value of prioritization of the business needs. Product Owners are also expected to improve their skills of release management and projection for their stakeholders with this programme.

73 Product Owners have attended 4 Product Owner Empowerment Programme classes so far.

**Coach The Coaches**
To support the development of coaching skills and to sustain self-improvement among Agile Studio members, “Akbank Coach the Coaches” sessions were started.
Throughout these gatherings the main focus areas were these topics;

- Developing Akbank coaches’ own trainings
- Analysis of different case studies
- Book reviews
- Brainstorming about new workshops
- Experience sharing

Some of the workshops and practices explained above such as Self Scrum Refresher, Team Forming Exercise were designed and developed in these sessions.

**Agile Library**

In order to spread the Agile culture and let anyone in the teams to learn at their own pace, a set of books, initially 11, were selected among popular books about Agile and Scrum for the library.

The books were placed on the Agile Studio desks for the people to lend for short periods. The initiative had acceptance from the people who wanted to improve. Also the coaches themselves took value from the library, allowing them to enhance their knowledge. The library grew, doubling the numbers of available titles.

**Data Driven Decision Making**

All throughout the Agile transformation process one of the most important aspects was adapting our actions by inspecting some metrics and data.

**Sprint Bulletins**

Sprint bulletins were created in order that teams could create transparency about their Sprints and become more aware of each other’s progress.

The Sprint Bulletins include:

- Done/Committed ratio,
- Emergent/Committed ratio
- Velocity chart
- Velocity distribution (features, maintenance, other)

In the Sprint bulletins, teams also emphasize their Sprint goals and make them visible to each other and their stakeholders.
Surveys
In order to establish a data driven decision base in Agile transformation, some surveys were used.

*Agile Transformation Satisfaction Survey*
In the early stages of Agile transformation a survey with all IT was held on the overall satisfaction of Agile transformation. Here is the result:
Changing processes is just a tool for being more Agile, but in the end customer satisfaction and frequent value delivery is the ultimate purpose for these changes. Therefore some surveys were held to sense how this transformation affected customers’ lives. Below is the 14 Question survey and the average results.

Over a 1-5 NPS score the customer satisfaction survey showed that the overall satisfaction of the Agile Transformation was 4.14 over 5.00. The sub areas considered showed that:

- **Speed**: was not highly affected in the early stages with a 3.83 / 5.00 average
- **Quality**: was more satisfactory with an average of 4.08 / 5.00
- **Productivity**: increased with an NPS score of 4.25 / 5.00
- Transparency; was the most improved aspect with a score of 4.56 / 5.00
- Creating common goals and collective ownership was around an average with 3.92 / 5.00

**Role Capability Assessment Survey**

Another survey was conducted with 22 existing Scrum teams at the time. The capability radar charts showing 3 different views are below:

The role capability assessments were held in 3 different aspects. The roles assessing themselves, the other Scrum roles assessing that role and the Agile Studio assessment.
For all 3 Scrum roles there was a significant gap on how the role assessed themselves, the other Scrum roles assessed this Scrum role and how Agile Studio assessed this role. These results led to the initiation of the Scrum Master and Product Owner Empowerment Programmes.

As seen above starting from the first half of 2017 throughput of all IT has increased significantly. Some of the factors for this were:

- A more mature MVP mindset in the business units
- Continuous planning of the portfolio through Spotlight
- Improved collaboration and dependency management among teams and Product Groups.

Above chart shows the Time to Market by project size. In 2017, XS sized projects are implemented by embracing MVP. As seen with the blue line, the average Time to Market starts to decrease beginning from 2017 by continuous planning mindset.

As seen in the chart above when the number of started projects decreases, the number of finished ones are increasing significantly. Limiting Work In Progress(WIP) and focusing on finishing mindset were the main aspects of this progress.
Lessons Learned

- Hybrid structures impede your organizational agility. Be brave to take action towards all organizational transformation.
- Start a quality training program for all IT & business.
- Establish high level sponsorship.
- Gather and cultivate internal change agents.
- Empower the teams’ self-organization and decision making.
- Create quick wins and make them visible to create buy-in all through the organization.
- Empower your POs and SMs.
- Lead the way to a learning organization through failing and learning.

What’s Next on Our Journey?

- **Team Maturity**
  Teams have changed the way they are operating but improving their skills in implementing Agile practices, enacting and sustaining Scrum values among all teams are still important goals for the transformation.

- **Engineering Culture**
  Technical agility is very important for continuous value delivery. That’s why DevOps initiatives have been launched and there are DevOps teams to automate continuous deployment, continuous integration and continuous delivery in all teams.

- **Mid and Senior Management Mindset Shift**
  If managers keep asking traditional questions to the teams, they get traditional answers. Coaching and mentoring managers and cultivating Agile Leaders instead of traditional managers must continue to support an Agile organization.

- **Business Agility**
  Transforming the IT is not sufficient in an Agile organization context. So the next steps for a whole Agile organization will be the Business Agility teams that deliver value end to end with all supporting functions such as marketing, sales, operations, IT, etc.