A Powerful Framework for Better Teams

Scrum methodology is helping software firms increase productivity. Their developers are working together with more energy, focus, clarity, and transparency.

Before 2007, Nate Bowler kept track of his company's software projects and development team by simply looking around or speaking up. His five employees sat nearby, in the same small office at AtTask, collectively building a web-based project management system.

Bowler, the company's CTO, realized something was lacking as the business started growing rapidly —the process AtTask had in place to prioritize projects, estimate hours, assign responsibilities, gain feedback, fix bugs and hit deadlines. **"I felt like the only guy in a busy air traffic control tower," he says. "I lost track of what developers were working on. We were making up mythical target dates. Basically, we were operating on the edge of chaos."**

Like many companies, AtTask was using the "Waterfall" method of product development, a conventional software-building technique that entails detailed documentation of projects before they're built or tested, and detailed time estimates based on inflexible steps.

Bowler aimed to provide his developers with a framework they could use to make fast but informed decisions. He sought a way to inject them with more flexibility, empowering them to self-organize through close communication and mutual agreement about priorities, impediments and deadlines. And he knew that better customer feedback yields better innovation.

He turned to OpenView Venture Partners for guidance.

Getting Into the Scrum

One of OpenView Venture Partners' many value-added services is ongoing education and training in implementing "Scrum," an Agile methodology that helps companies develop, maintain and support software systems in the most productive, sustainable way possible.

Agile development requires companies to react to new information and new ideas at any point in the development process. The gist: Software companies that constantly build, send, gauge and tweak—all the while following a systematic way to identify problems and fix them—are best suited to deliver products customers actually want and need.

"What seems chaotic in the software industry is actually quite normal—communication breakdowns, missed release dates, quality defects and other problems are common," says Igor Altman, Senior Associate at OpenView Venture Partners. "The value of Scrum is not that it solves all problems, but rather that it shines a light on what those impediments really are." (See "11 Benefits of Scrum" on page 4)

Essentially, Scrum is a framework used to organize teams and get work done more productively with higher quality. It enables teams to choose the amount of work to be done and decide how best to

do it, thereby providing a more enjoyable, productive working environment. The framework helps teams prioritize work based on business value, improve the usefulness of what is delivered, and increase revenue.

Scrum is designed to adapt to changing requirements during the development process at short, regular intervals. This helps teams provide what the customer wants at the time of delivery, while eliminating work that is not highly valued by the customer. Scrum's goal is to deliver as much quality software as possible within a series (three to eight) of short "time boxes" (fixed-time intervals) called "sprints" that typically last a few weeks. (See "Scrum in Action" on page 5)

OpenView's Unique Resource

The portfolio companies of OpenView Venture Partners have a unique resource when implementing Scrum—the co-creator of the methodology, Jeff Sutherland, Ph.D., is a Senior Advisor at the company, as well as Chairman of the Scrum Training Institute. He works closely with software and IT companies that aim to become more responsive and valuable to their clients.

"Companies that adopt Scrum quickly realize the importance of focusing on interactions—between the customer and the company, between developers and management and between members of the self-organized team," Sutherland says. "These interactions are mainly about one thing—delivering working software to the client."
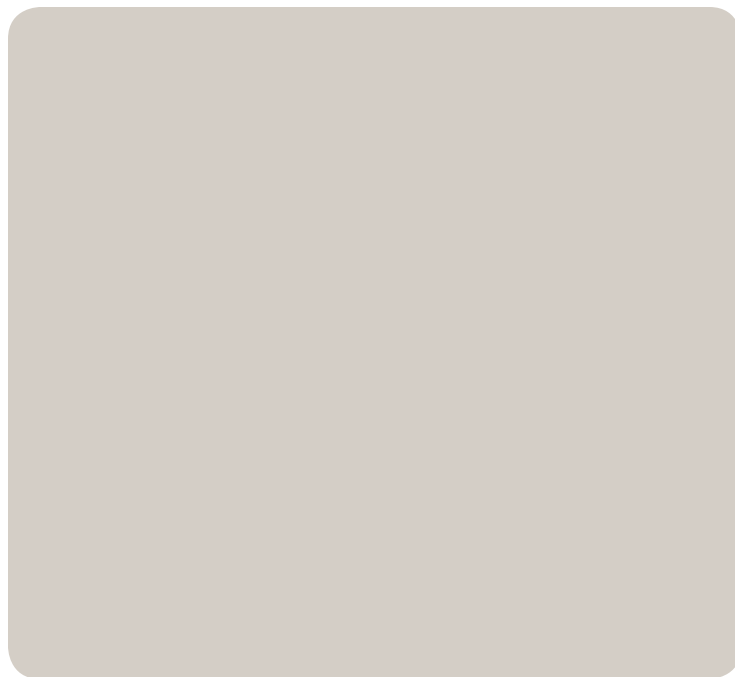
SCRUM SUCCESS AT FOUR FIRMS

1

Kevin Donaldson,
Vice President of Product Management.

WHO
Balihoo provides local marketing automation technology and services to national brands.

WHY
"Constraining rules work well for things that are known, like accounting, but flexible nimbleness can be a competitive advantage for software companies," says Kevin Donaldson, Vice President of Product Management. He sought a management framework that enabled his team to develop frequently-changing software with minimal costs. "Many customers don't know what they want until they see it."

WHAT
"Scrum helps us create a short feedback loop with our users," Donaldson says. "We've definitely made important gains, including better project velocity and more accurate estimating. We no longer spend a great deal of time figure out how long entire projects will take. The most important benefits we've experienced are making the entire software development process more predictable, and modifying code with real feedback instead of best guesses."

2

Nate Bowler, Chief
Technology Officer.

WHO

AtTask provides web-based project management software for nearly 100,000 users.

WHY

"Our goal is to provide shippable code that solves our clients' business goals," says Nate Bowler, Chief Technology Officer. "To do that, a team needs to be able to agree on what those needs are, and how to give clients usable software right out of the gate."

WHAT

"The shorter cycles of Scrum help us do that consistently," Bowler says. His company has three Scrum teams with different product backlogs—one focuses on new product development, one focuses on new features for existing products, and one focuses on usability issues. "Scrum just helped us build an important new capability for financial management that breaks down project costs on a weekly and monthly basis, at the same time another team began the first phase of a redesign project for an existing application. Both were completed extremely efficiently." Since implementing Scrum in 2007, AtTask has reduced its defect rate, boosted its productivity and improved its customer satisfaction.

3

Arnulf Hsu, Chief Technology
Officer and Co-Founder.

WHO

Central Desktop provides a web-based collaboration platform that enables business teams to communicate and collaborate more efficiently.

WHY

"We were always able to make adjustments quickly, getting features out the door for our software, but there was no process we followed—we were kind of going through the motions," says Arnulf Hsu, Chief Technology Officer and Co-Founder. "We needed a framework that let everyone know what their roles were for a given period of time."

WHAT

"We found the setup of Scrum to be simpler than we thought—a product owner who sets the vision, a Scrum Master who serves as a liaison between the product owner and the team to remove impediments, and the team members," Hsu says. "We run 2-week sprints, and quickly find that value in our daily, 10-minute stand-up meeting. We quickly learn what everyone is doing, and what we can do better. It's fast-paced and flexible, but we also learned that 'self-organization' doesn't mean 'no planning.' Scrum has kept us focused, and it puts our team on rails—we don't walk into work in the morning wondering if we're doing the right thing for the right reasons."

zmags
Read On™

WHO

Zmags delivers interactive collateral management to clients which allows them digitize marketing content and publications with interactive features and reader-tracking technology.

Nicolai Bentsen,
Product Manager.

WHY

"Before Scrum, our developers were doing a lot of innovative work, but some of it was the wrong work," says Nicolai Bentsen, Product Manager. "We weren't specifying our 'stories' (system requirements, features, etc.) deeply enough."

WHAT

"Our users are now getting the tools and features they really want," Bentsen says. "Meanwhile, we've improved our development speed and minimized risk because we get more frequent feedback from users. Scrum has given us a combination of extreme speed and smart documentation. There's now a clear description of what developers are doing and where our business is going. The two are in line with each other."

11 BENEFITS OF SCRUM

1. Rollouts and schedules are faster and more predictable.

2. Software development teams are more engaged.

3. Customers get what they want and participate in a constant feedback loop.

4. Processes are less ambiguous.

5. Resources are more easily identified.

6. Team trust is developed, and teams are self-managed.

7. Individual and corporate objectives are better aligned.

8. Culture is driven by performance.

9. Communication is stable and consistent.

10. Individual stress is reduced.

11. Low-value work to the client is eliminated.

Manifesto for Agile Software Development

"Being Agile is like playing in a large symphony orchestra, playing a very complex music piece," says Igor Altman, Senior Associate at OpenView Venture Partners. "Focusing on just one or two aspects of the overall concept of Agile does not work." Instead, he says, companies should keep all four tenets in mind:

1. Individuals and interactions over processes and tools

2. Working software over comprehensive documentation

3. Customer collaboration over contract negotiation

4. Responding to change over following a plan

To read the 12 principles of Agile, visit:

www.agilemanifesto.org

Igor Altman, Senior Associate, OpenView Venture Partners

Scrum Origins

The term Scrum comes from a 1986 study published in the *Harvard Business Review*. In that study, authors Takeuchi and Nonaka note that projects using small, cross-functional teams historically produce the best results. They wrote that these high-performing teams were like the scrum formation in rugby. When Jeff Sutherland, Ph.D., Senior Advisor at OpenView Venture Partners and Chairman of the Scrum Training Institute, developed the Scrum process at Easel Corporation in 1993, he used this study as the basis for team formation and adopted their analogy as the name of the process as a whole. Ken Schwaber formalized the process for the worldwide software industry in the first published paper on Scrum in 1995.

Jeff Sutherland

Scrum in Action

Scrum's goal is to deliver as much quality software as possible within a series (three to eight) of short "time boxes" (fixed-time intervals) called "sprints" that typically last one to four weeks.

THE BASIC SETUP

ROLES Product owner, ScrumMaster and team

CEREMONIES Sprint planning, sprint review and daily scrum meeting

ARTIFACTS Product backlog, sprint backlog and burndown chart

THE STEPS

PLANNING The company defines a new release based on its currently known "backlog," along with an estimate of its schedule and cost. If a new system is being developed, this phase consists of both conceptualization and analysis. If an existing system is being enhanced, this phase consists of limited analysis.

ARCHITECTURE The company designs how the backlog items will be implemented. This phase includes system architecture modification and high-level design.

DEVELOPMENT SPRINTS The company develops new-release functionality, with constant respect to the variables of time, requirements, quality, cost and competition. Interaction with these variables defines the end of this phase. There are multiple, iterative development sprints, or cycles, that are used to evolve the system. Each sprint is followed by a review.

CLOSURE The company preparation for release, including final documentation and pre-release staged testing. When the management team feels that the variables of time, competition, requirements, cost, and quality concur for a new release to occur, it declares the release "closed."

Prepare your venture for its next leap in growth.

To learn more about how OpenView Venture Partners can accelerate your success—contact OpenView directly at **(617) 478-7500** or email info@openviewpartners.com.

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