



Nordea

A Uniform Heartbeat with Help from Scaled Agile Framework[®] and IJI

- Increased efficiency with team members aligned and working together
- Greater creativity as teams are empowered to make decisions
- Management aligned and supportive of agile teams

Creating **winning** teams.

According to a July 2014, research report by McKinsey, European retail banks that pursue a full digital transformation can realize improvements in earnings of more than 40 percent over the next five years. It estimates that, currently, European retail banks have digitized only 20 to 40 percent of their processes. The bank that is able to successfully deliver an enhanced digital customer experience will have a vast competitive edge over competitors who have not transitioned to digital services.

Nordea, Europe's 17th largest bank, launched a program in 2014 that will enable the bank to develop a more personalized and convenient digital experience. As part of the program, IT investments have increased by 30 to 35% as new core banking and payment platforms are built. ¹

The bank operates an internet bank, which has more than 5.9 million online customers doing more than 260 million payments per year.

The future in banking is digital and it's moving quickly.

Nordea is headquartered in Stockholm, Sweden, and has more than 1,400 branches.

The bank is located in 19 countries around the world, operating through full service branches, subsidiaries and representative offices.

Nordea currently serves 11 million private and 700,000 active corporate customers.

Transforming to an Agile Way of Working

Once Nordea set a goal to deliver a new digital banking experience for its retail customers, it was determined that the best way to meet its goal was to adopt an agile development methodology and chose Ivar Jacobson International to provide company guidance, including coaching and training services, to accelerate agile adoption within Nordea. In June 2014, Scaled Agile Framework (SAFe®) was introduced to Nordea.

Introducing SAFe

Adopting SAFe can penetrate deep into an organization and affect many existing structures, processes and practices, so proper preparation is vital for pain-free adoption. Nordea kick-started their SAFe introduction with a two-day session with management and stakeholders to establish a common way of operating.

The two-day workshop simulated how an agile-at-scale approach would work in Nordea's environment. The session illustrated the flow of work to teams and how that work could be used to provide the oversight and accountability that large organizations like Nordea require while allowing teams to be agile and reactive. Participants used a simulation-based training approach to explore the setup of different teams and programs in order to test various scenarios concerning both the organization and the workflow. It was clear from the simulation exercises that the focus at launch should be on a single program, aimed at the program level and the teams within the programs.

Following the introductory sessions, IJI provided workshop style training for staff involved in the flow of requirements to teams; this helped the teams prepare their program backlog for the PI planning session. One-on-one training and support was provided for the release train engineers (RTEs) to ensure they knew what had to happen at the PI planning event and that the practical considerations, such as room bookings, travel, communications, etc. had all been addressed.

Setting up an Agile Release Train

In SAFe teams, roles and activities are organized around Agile Release Trains (ARTs); a team of agile teams, which delivers a continuing series of incremental releases of value. The Agile Release Train is composed of multiple agile teams, and includes the roles and infrastructure necessary to deliver fully tested, working, system-level software. Combining two existing delivery streams formed the Agile Release Train at Nordea; a total of 80 people formed five development teams, one system team, and various cross-functional roles to represent architecture and user experience.

Development of the software occurs with a standard cadence; Nordea's development was set for every 10 weeks. A program increment (PI) consists of a release planning session, followed by four development iterations, and concluding with one innovation and planning iteration.

Program Increment Sessions Provide a Number of Benefits

Agile teams meet with key program stakeholders on the PI cadence and plan the next increment during a PI planning session. At Nordea, these PI planning sessions were facilitated by a Nordea RTE and supported by an IJI consultant who helped ensure everything stayed on track with the goal of making Nordea self-sufficient.

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Nordea's first PI planning session was in October 2014; however, prior to this, IJI provided just-in-time training to give the development teams the necessary knowledge to complete the first event. A second PI planning session occurred in January 2015. During both PI planning sessions, all members participated in visioning and planning; as a group, they identified interdependencies in order to establish Team PI objectives and Program PI objectives.

"We had a strong deadline of when we needed to be ready with a program vision and feature," said Maria Lloyd, Head of Test & Quality Management in the Nordics at Digital Banking, Nordea. "The PI sessions with IJI have given us a heartbeat. Everyone now understands the cycle and how to work which makes it much easier. We know what to do and when to do it. Because of this, our efficiency has increased."

It's about Empowerment

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One of the most immediate benefits that Nordea witnessed from their very first PI planning session was the empowerment of the teams.

"We used to work in a top controlled way and the manager set direction and program events and controlled the time plan, which slowed us down and took away creativity," explained Maria. "To see a waterfall Program Manager embrace SAFe after only two days of participating in a PI planning session is remarkable. He is now one of our biggest ambassadors of promoting SAFe within Nordea."

The team continues to evolve and improve their delivery system with each PI. They now create their own backlog rather than receiving a list of tasks and features. During the PI session, teams break down the features themselves and identify dependencies with an associated time plan. They have learned how to structure their work to provide enough information to allow it to be planned without doing a lot of big upfront design or prematurely creating a work breakdown structure.

It's about Collaboration

"Our new agile approach has fostered greater collaboration between teams and cross teams," said Maria. "We are working together on one goal and the PI session facilitated by IJI had us all working and talking together. Our way of working has become extremely transparent."

Nordea has found that the PI sessions enable agile principles to be implemented in practice. The power of identifying dependencies between the teams has been a significant benefit of the PI sessions. The team has now set up a Scrum of Scrums whereby they follow-up with a program board to identify more dependencies and track progress.

Prior to Nordea's first PI planning session in October, teams were experiencing frustration because the two delivery streams were not in unison. It wasn't until the first PI session, when all the teams got together, that the two delivery streams began to feel like one.

The PI sessions have taught Nordea that they need to involve a good cross section of people in the elaboration of the features so that teams feel knowledgeable enough to pick features when required.

"After our first PI session with IJI, we felt like we were delivering one delivery stream, one system, one team. Although we were part of different agile teams, we now understood that we were all part of the same Agile Release Train," explained Maria.

It's about Management Support

"What we have managed to do is set up very strong management support for the Agile Team and IJI was pivotal in helping us with this," said Maria.

The management team has learned to work in the same way as the agile teams. On a management level, Nordea has one program management team that has their own backlog of things they want to do (similar to an Agile Team). They also have a program portfolio management board that has their own backlog but what they are producing are epics for the delivery stream. The same goes for the program management board on the program level and also managing the features for the teams. They are working like Agile teams with their own velocity and with the same heartbeat as the development teams.

Moving Forward

The success of the program to date has inspired other parts of Nordea to scale agile. The SAFe framework guides management on what to do, not just to commit them selves to the journey. "Finally, we understand how to best support the agile teams on how to deliver value to our customers," claimed Maria. "Our agile journey continues and we are confident on the chosen path forward."

1. Nordea annual report <http://newsroom.nordea.com/en/2015/02/12/nordeas-annual-report-published-today/>



About Ivar Jacobson International

IJI is a global services company providing high quality consulting, coaching and training solutions for customers seeking the benefits of enterprise-scale agile software development.

We are passionate about improving the performance of software development teams, and maximizing the delivery of business value through technology.

Whether you are looking to transform a single project or program or your entire organization with lean and agile practices, we have solutions to suit your needs.

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