



# Enabling Australia Post's digital future with the Scaled Agile Framework

Case Study

October 2017



Australia Post is Australia's iconic postal services provider. For 208 years Australia Post has been integral to how people and communities connect across Australia.

We have the privilege of servicing customers across the full spectrum; from communities, citizens and businesses through to large corporations and government departments as a services provider.

We deliver our services through a collective workforce of over 50,000 people across a wide range of touchpoints; over 4,400 post offices and business hubs, contact centre, delivery networks and, more than ever, digital.

The Australia Post brand is incredibly important to Australians; it captures within it a piece of Australia's history and pioneering spirit. It is a brand that has been continually evolving to provide trusted services and solutions for over 200 years.

## A driver for change

Like many organisations Australia Post's business has been disrupted and is transforming to adapt to the digital era. Traditional business pillars such as letters are in persistent decline, as for all postal providers, while the company faces fierce competition, but also immense opportunity, with the growth of ecommerce services. The opportunity for Australia Post lies in creating sustainable competitive advantage through creation of trusted relationships between consumers, businesses and government.

As we evolve, we need to ensure that we continue to provide a personalised and consistent service, bringing the best of the service that our postal and retail staff provide, in a digital way.

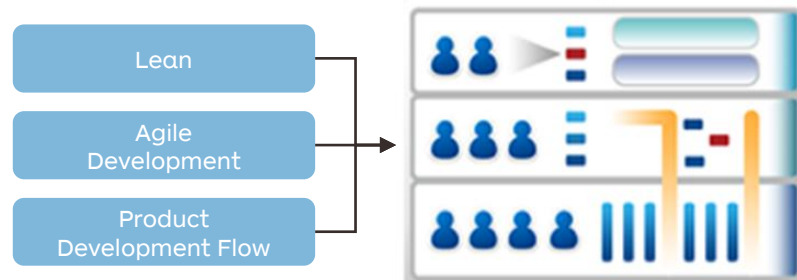
Australia Post has a strong operating and cultural heritage, sustained through a highly dedicated workforce filled with passion, excellence and experience. Through experience it refined a singular, highly-tuned traditional investment, governance and delivery process that served it well prior to digital disruption.

With the accelerating need for rapid adaptation, innovation and continued customer focus, a new way of working was needed to both sustain and further enable Australia Post as a trusted services provider and delight its customers with personalised digital products and services.

## A new way of working

Over the past four years Australia Post has invested in its technology, people and culture to change the way that we work. A way of working that is right for a world that is continuously changing, where great customer experiences are foundational and continuous innovation is core to survival.

The creation of a digital capability at the start of this journey, through the establishment of the Digital Delivery Centre (DDC) and Digital Channels and Innovation (DCI) teams, was key to incubate, prove out and ultimately scale an iterative, adaptive and value-driven way of working. Over this time the digital team evolved to over 450 digital professionals including 250 engineers and 100 digital channel and user experience professionals.

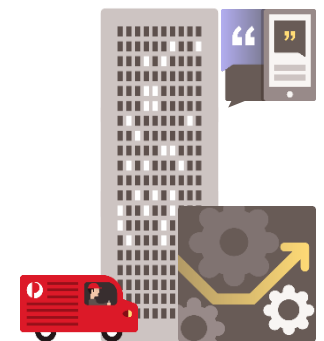


**If you need structure, make it Lean**

In a large organisation the complexity of strategic portfolio delivery using an adaptive approach is not addressed by Scrum and XP alone. In bringing agility to the organisation, the goal is sustainable change to foster growth, enablement and support of new ways of working in a manner that meets enterprise needs.

Australia Post selected and adopted the Scaled Agile Framework not only as an operating model framework but as a tool for change. A tool to describe, communicate and build understanding of a way to leverage Lean and Agile principles across the organisation.

The structure and discipline outlined in SAFe has been a powerful way to communicate a different way of working. Using an industry proven framework offered a strong basis to start the conversation about working differently, providing a common language and consistent base to work off.



## Achieving sustainable change

### Enabling our people

Sustainable change requires people to change mindset, and doing so requires building desire and advocacy for change. It also means equipping people with knowledge and ability. To achieve this, a broad and comprehensive training and enablement strategy was rolled out across the organisation to build experience and maturity.

Over 900 people were trained in Leading SAFe and SAFe for Teams training courses. This included key leadership roles across the executive, business functions including Finance, Risk, Architecture, Security, Marketing and Sales, and of course Technology leadership and teams.

Through this training, associated coaching and project and program delivery Australia Post built extensive experience and maturity in enabling an adaptive delivery approach that meets enterprise needs.



### Changing the landscape

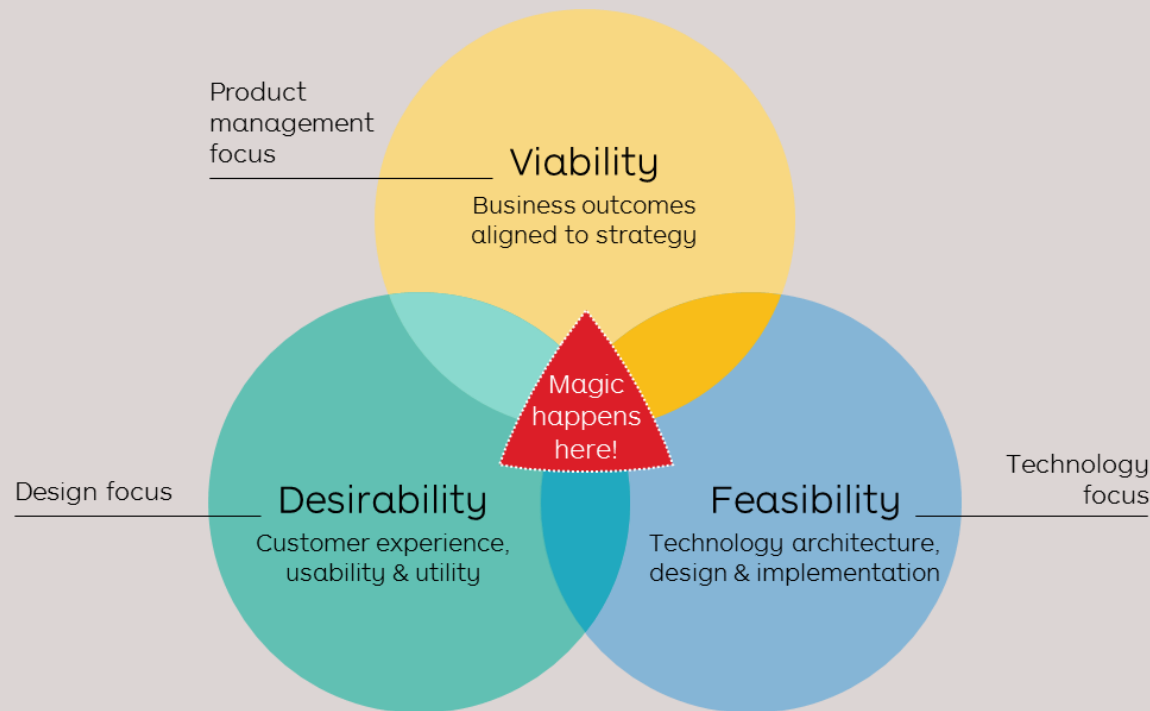
Achieving successful and sustainable change at Post focused on four interrelated, measurable and self-supporting aspects of change that go beyond just one area of the organisation. Together these represent a fundamental and persistent shift in the nature of how we approach and deliver against our enterprise strategies.



**“** We needed to create the environment and culture in which agile could grow and prosper. That was a big shift for us, moving away from focusing on ‘doing agile’ to how to create the environment in which agile can thrive.

– Cameron Gough, GM Digital Delivery Centre

# Sustainable change



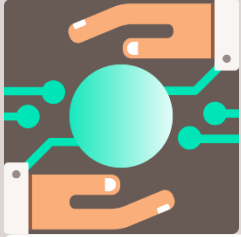
## Cross-functional, long running teams

Changing the way that we work at a team level meant moving from transient project teams to cross-functional, long running teams aligned to customer experiences, and based upon Lean and Agile principles and practices.

Through building more than 30 mature, high-performing cross-functional teams we enabled a strong focus on delivering high quality, quantifiable value, backed by metrics and underpinned with a relentless focus on continuous improvement.

A key improvement to align on optimal solutions involved recognition that, beyond the notion of a single key stakeholder, we need to collaborate and balance needs across the three key aspects of a solution spanning business, customer and technology.

# Sustainable change



## Culture

SAFe takes a strong position on the role of Lean Leadership and building empowered, highly engaged teams. The framework could not be readily implemented without focussing on the cultural change needed to support it.

Most importantly, Australia Post has invested significantly in changing the culture of our organisation to one where curiosity, innovation and a learning mindset predominate in our people. A culture where people are actively developed, teams are the primary unit and where autonomy and empowerment are prevalent - balanced with the responsibility that comes with decentralised decision making.



## Fostering Innovation



Hackathons



Internal Incubator



Accelerator Program



Customer Co-creation

# Sustainable change



## Technology Enablement

Beyond cultural and process changes, a focus on improving delivery flow, reducing batch size of features and releasing value rests upon a cost efficient and effective technology platform. A key enabler for Australia Post is the strategic technology investment to establish and mature an effective build pipeline and deployment infrastructure aligned to DevOps principles.

Today, 99% of digital traffic flows through cloud-based services, with a core System Team enabling team self-service of the technology platform, from version control and continuous integration to infrastructure setup and production deployment. This enabled teams to embrace custodianship of their software assets; not only for development activities but also support and maintenance.

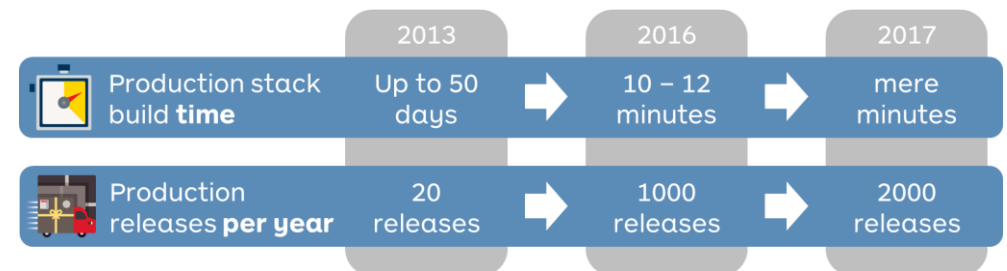
The ability to deploy quickly and often meant a corresponding ability to economically reduce the batch size of features to increase business responsiveness. Since 2013, yearly digital deployments increased 100-fold to 2,000 deployments per year, with infrastructure provisioning down from 50 days to mere minutes with 98% cost reduction.

**Business Application**

- Self-service provisioning
- Platform security
- Data backup
- Auto scale – capacity matches need
- Logging, monitoring, alerting built in
- Orchestration & automation
- Cloud based

A secure continuous delivery platform accelerates the delivery of digital applications.

Taking care of all the infrastructure heavy lifting, developers are free to focus on creating great customer experiences.



# Sustainable change



## System of Work

Implementing a new way of working spans well beyond teams to every part of the organisation that supports the delivery of business initiatives. To succeed we needed to focus on the entire system of work; the complete environment within which teams operate.

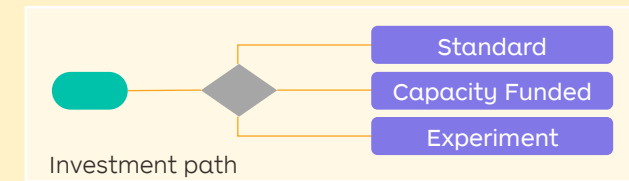
Such broad change is driven through leadership and recognises that iterative and adaptive delivery requires leaders to facilitate change in critical areas of our business in a manner that respects and meets enterprise needs.

To facilitate the acceptance and viability of new operating models and improve organisational flexibility, we worked to introduce new innovative funding and governance models such as Capacity Funded Investment, formal recognition of experimental and iterative delivery and de-emphasis of line reporting structure. We also worked closely with shared services groups such as security, architecture, marketing and legal to tailor approaches to enable and meet their needs under an iterative model.



## Capacity Funded Investment

A significant breakthrough involved establishing Capacity Funded Investment (CFI) in partnership with the enterprise governance team. This is a shift away from traditional project based funding approaches, in line with SAFe's Lean budgeting and governance approach.



The CFI approach provides stability for long running cross-functional teams aligned to a common purpose and funded for a period of time. This stability frees teams to be more innovative in evolving solutions and responding to customer feedback.

Tailored governance processes facilitate this investment approach and the increased responsiveness it provides through ensuring firm alignment to strategy, strong focus on value and benefits, and visibility of decentralised decision-making.



## A base for growth and enabling larger change

The capabilities built at Australia Post form sustainable building blocks for change and enablement.

With aspiration for full instances of SAFe, the initial focus was on building capabilities to support immediate business needs. Early focus on long-running teams and culture allowed maturity to build and grow as we experimented across our processes and evolved a contextual implementation approach.

From the beginning a persistent focus on cadence and synchronisation was key to building alignment and embedding disciplined delivery practices across diverse teams. With all of Australia Post on the same sprint (and then Program Increment) cadence, scaling the digital teams, enabling and forming enterprise technology teams and ultimately forming these into Agile Release Trains became a natural evolution.

Underpinning this phase was an understanding of the need to demonstrate success in order to build support and advocacy for new ways of working and opportunity to extend the model further across the organisation.

Importantly, we recognised that while initial thought leadership and capability came from our digital and technology teams, this is not solely a digital or technology led change. Indeed, the greatest traction came with the advocacy and leadership of our business sponsors and leads, with understanding of the increased business opportunity and confidence in the delivery model.

### Not just Agile Release Trains!

One size does not fit all! Mindset change, mature digital capability and product innovation culture have also enabled distinct customer-led innovation initiatives. These initiatives fit in the organisation's portfolios and value streams but in their nature are smaller and tightly focused in scale.

While aligned to lean, flow-based product development, their experimental focus and small cross-functional teams lend themselves well to Lean Startup principles and practices, complementing the larger scale Agile Release Trains.

## Where we are today

The adaptive customer and innovation focused capability built over the past four years has complemented and enabled Australia Post's strategic business priorities and programs of work. Today, Australia Post's value streams are aligned to two key dimensions, as described below. To support these value streams five Agile Release Trains have been formed to serve the needs of associated enterprise strategies.



### Customer platforms

*Segment-aligned customer experience platforms for Consumer and Small Business customers spanning multiple products and services*



### Technology platforms

*Enabling B2B ecommerce between Australia Post and government and enterprise customers covering payment, identity services & parcel lodgement*

Today, as true as four years ago, we continue to evolve and grow to meet the needs of our business. Our focus on continuous improvement means we continue to challenge ourselves as we innovate to create the next wave of trusted services for our customers.

# Agile Release Train Deep Dive MyPost Consumer

The MyPost Consumer Agile Release Train sits within Australia Post's Consumer market segment value stream.

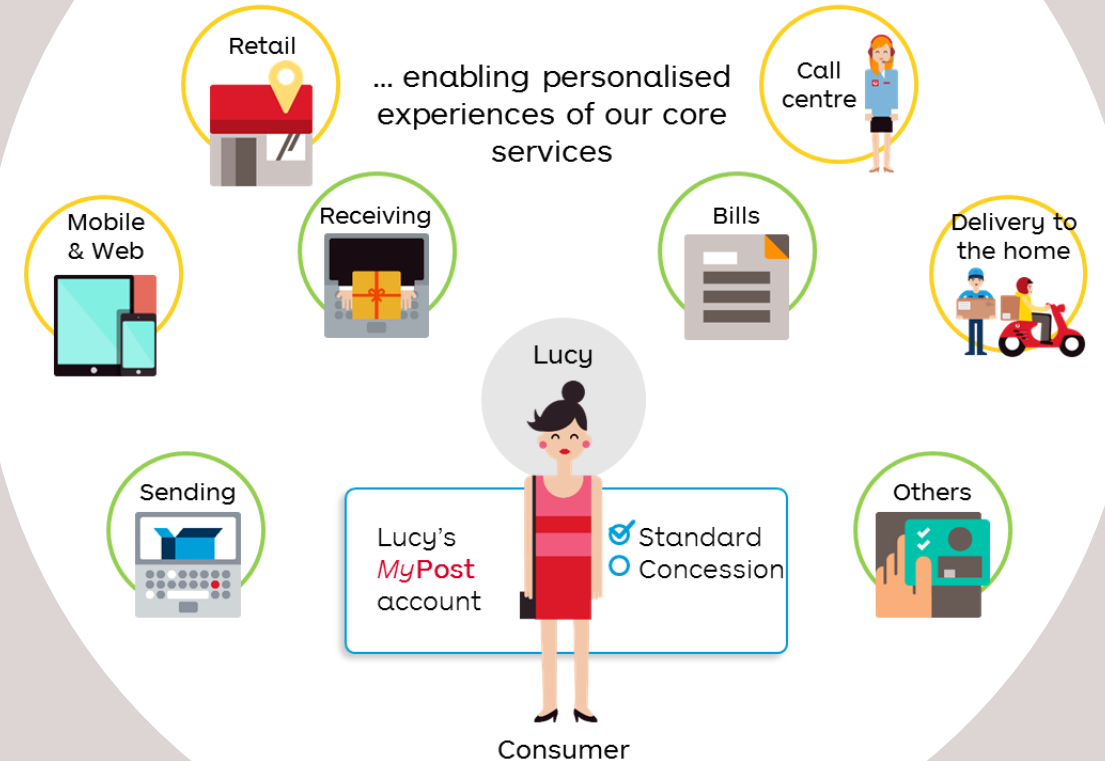
Established in 2015 to play a significant role in Australia Post's shift towards a customer-centric culture, MyPost Consumer is creating an omni-channel platform from which we offer a personalised way of delivering compelling services to our customers.

The train's primary focus is the parcel delivery experience which provides millions of opportunities to delight our customers each month.

**MyPost is an account –**

... via any channel

... enabling personalised experiences of our core services



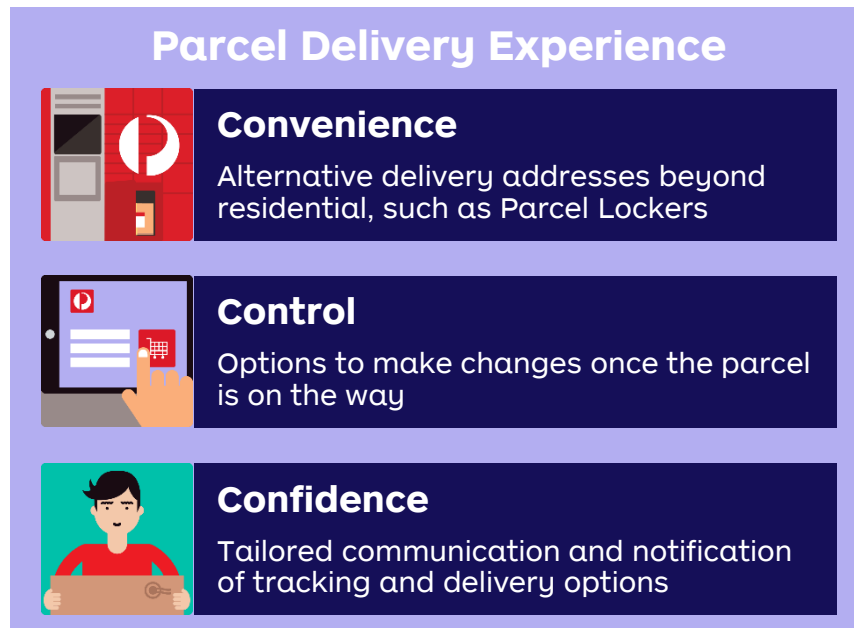
 [auspost.com.au/mypost](https://auspost.com.au/mypost)

## Who we are

The MyPost Consumer team is made up of 110 cross-functional roles comprising the program team and seven delivery teams, each responsible for individual components of the parcel delivery experience.

Supporting these teams are our customer researchers and user experience designers who ensure the 'voice of the customer' is carried through our teams and the wider business.

The parcel delivery experience is anchored around three critical aspects of parcel delivery:



Our ongoing commitment to put our customers at the centre of everything we do created an opportunity for us to empower our entire team to make fact-based, data-driven decisions.

In doing so, we aim to positively and meaningfully improve our customer experience and create advocates of our brand and delivery experience.

We define three distinct success measures from which to learn and drive our focus:



## Who we are

As a multi-channel, multi-technology program, only 30% of features are purely digital. The most impactful features necessitate changes to multiple channels and enterprise technology systems covering finance, customer, parcel management, retail, integration and data warehousing.

Importantly, then, getting the job done right is about focusing as much on how we work together, as what we are working on. We know there are many unknowns in achieving our program strategy and we don't (and won't) always get it right. However we also know that by respecting each other, and staying committed to rapid learning cycles, we will always come up with great solutions.

In a team of more than 100 creative, inquisitive and highly capable people there are plenty of opposing views and it's critical to face into difficult conversations. Our focus on developing collaboration skills means that at all levels we encourage a candid, collaborative and creative way of working together.

In this model, establishing trust is critical. Helping each individual to develop mutual respect and appreciation for the other's perspective, skills and style has been key to our success. In achieving this, we come together to create effective solutions no single individual could independently achieve.



# PI Planning Day

## The program heartbeat

PI Planning Day is the most important synchronisation activity in our Agile Release Train. At Australia Post we run a 6-iteration, 12 week PI, tailored to our context.

### Single day of PI planning

A single day of PI planning is run in the last week of the PI. From mid-PI the teams are involved in both prioritisation and elaboration of upcoming features, which enables a single day of planning. Management review is conducted throughout the day, particularly following each playback session.

### Mid-PI checkpoint

A mid-PI planning checkpoint is run at the end of the third iteration. The mid-PI checkpoint confirms progress to date, changed priorities and scope, and any re-planning needed to meet PI objectives.

### MyPost Consumer PI Planning Day - Agenda

Time	Duration	Item	Who
09:05	5	Welcome & Safety	Release Train Engineer
09:10	5	Opening Address – Strategy update	Business Owner
09:15	10	Metrics update	Metrics Lead
09:25	10	PI Prioritised Features overview	Service Design Manager
09:35	5	PI Recap & Team Planning Overview	Release Train Engineer
09:40	10	Planning – Sprint Zero	Delivery Teams
9:50	40	Planning break-out session #1	Delivery Teams
10:30	20	<i>Morning tea</i>	
10:50	30	Playback session #1	Delivery Teams
11:20	40	Planning break-out session #2	Delivery Teams
12:00	30	Playback session #2	Delivery Teams
12:30	30	<i>Lunch</i>	
01:00	40	Planning break-out session #3	Delivery Teams
01:40	30	Playback Session #3	Delivery Teams
02:10	40	Planning break-out session #4	Delivery Teams
02:50	30	Playback Session #4	Delivery Teams
03:20	20	<i>Tea break</i>	
03:40	20	Planning finalisation – Program Wall Completion, Objectives	Delivery Teams
04:00	20	Review of risks, issues, assumptions	Release Train Engineer
04:20	20	Playback of the Program Plan	Release Train Engineer
04:40	5	Confidence vote & stakeholder endorsement	Release Train Engineer
04:45	10	Retrospective	Release Train Engineer
04:55	5	Wrap up & next steps	Release Train Engineer



# Creating a customer centric culture



## Love Our Customer initiative

The Love Our Customer initiative aims to improve the way we build, deliver, maintain and support our software, with a focus on the end-to-end customer experience.

The initiative is designed to equip all our people to be advocates for the customer experience, regardless of whether they directly engage with our customers or not.

To facilitate this, a learning and empowerment culture that matures our way of working is focused on:

- ownership of customer experience features
- application of an hypothesis driven approach to feature delivery
- resolution time of customer incidents

Love Our Customer is based on four guiding principles:

### Customer focus

Teams focus on constantly improving their in-market features and the end-to-end experience of their customers.

### Continuous improvement

Team members support and coach each other to optimise team delivery through continuous improvement. Team member rotation is used to encourage personal growth and diversity of experience.

### Ownership

Teams are custodians of the technology assets enabling their features and associated customer experience, including support and maintenance.

### Bias for action

Teams are empowered to take calculated risks and make timely decisions.

# Creating a customer centric culture



Two important evolutions helped bring Love Our Customer to life:

## 1. Align delivery teams to customer experience

- Focus each team on specific aspects of the parcel delivery experience.
- Enable development of core expertise for each focus area.
- Enable self-managed, autonomous teams to develop short-medium-long term goals to improve the customer experience, aligned to a metrics and measurement mindset.

## 2. Improve integration of support activities

- Implement an internal support triage function to assess and direct customer cases to the appropriate team.
- Teams are responsible for supporting and maintaining the features they develop, creating a greater depth of knowledge.
- Leverage core expertise to achieve faster resolution times of customer incidents.



## Data-driven Learning

Technology tools to collect and report on data are a key enabler to embrace a measurement and learning culture that empowers our teams. These include:

- Real time data analysis tools across web analytics, log analysis, data warehousing and operational monitoring used to capture detailed metrics to provide leading indicators of our success measures.
- Team dashboards representing team metrics and in market feature performance.

These tools allow team impact to be visible and measurable:

- Each real-time dashboard screen is displayed in the team area.
- Team leaders are responsible for identifying learnings from dashboards and using insights to continually improve the customer experience.
- Data and insights gained are fed back into the PI planning cycle.

The use of technology to facilitate learning and empower our teams has allowed them to learn fast and make feature changes when necessary. The outcome is a data-driven approach to how we identify, prioritise, implement and learn from what we do in each quarterly planning cycle.



# A focus on metrics drives business outcomes

A strong focus on measurement and learning to maximise strategic impact and business outcomes has resulted in significant and positive impact to key success measures and supporting metrics.



**Net Promoter Score**

**+8** point increase

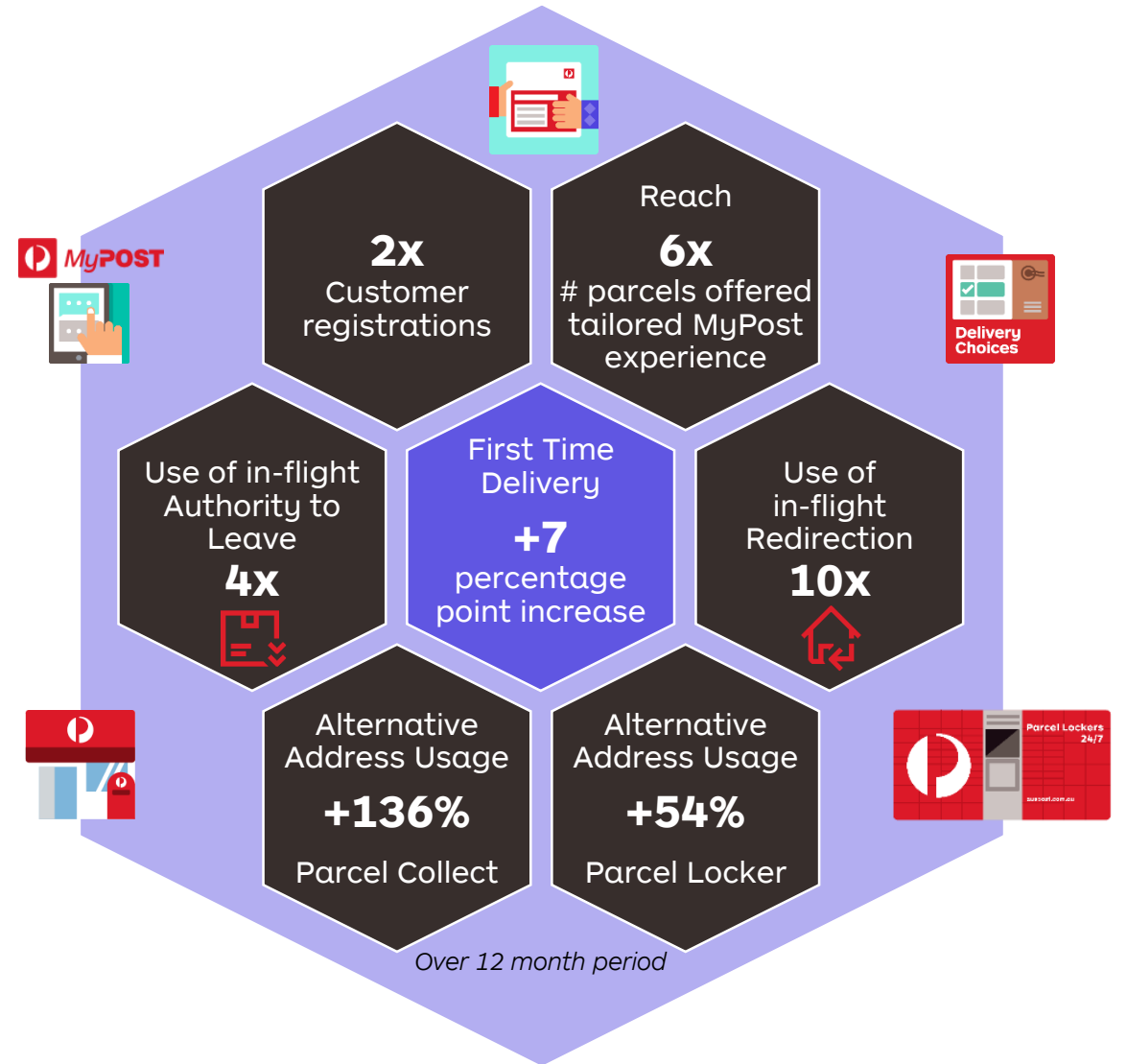
**Mobile App Rating**

**★ 4+**

app star rating across iOS & Android

**Voted Best Customer Centric Project in Australia / New Zealand\***

\*2017 CX Management Conference



# Continuous improvement

## Leading the way to predictability and high performance

A culture of continuous improvement is a pillar of the train. Our success is based on our ability to continually improve and a relentless focus on evolving our experience to meet our customer's needs. We know we need to continually adapt and respond to market demands and changes. To do so, we continually improve our technology capability to evolve our business across our digital channel, retail stores, delivery network and call centre.

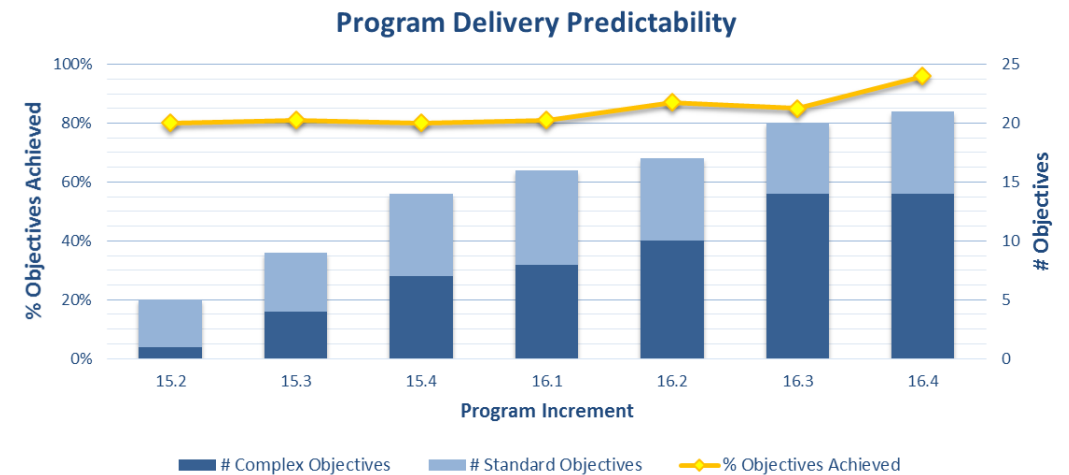
Through each team retrospective and Inspect and Adapt session, the program sets goals and actions for the following PI to improve itself across a wide variety of areas, including UX and Architecture runway, feature prioritisation and elaboration, metrics measurement and technology design and innovation.

The results speak for themselves! Since the initial PI, the throughput of the train's business outcomes rose in 18 months by over 400% with only a 20% team size increase - all achieving over 80% of objectives. Of significant note is the degree of complex work undertaken during this time. As a multi-channel, multi-technology program, only 30% of features are purely digital. The most impactful features necessitate change to multiple channels and enterprise technology systems.

“ It is my belief that the MyPost [Consumer] Release train is the most successful train in Australia ... and sets a bar I regularly use to inspire other clients.

SAFe  
Fellow

– Mark Richards, SAFe Fellow

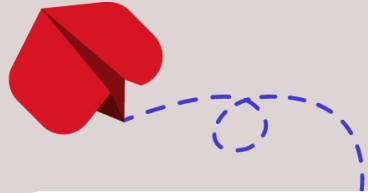


+400% throughput  
(+20% program size)

High performance predictability

70% multi-channel, multi-technology scope

# Continuous improvement Commitment and action



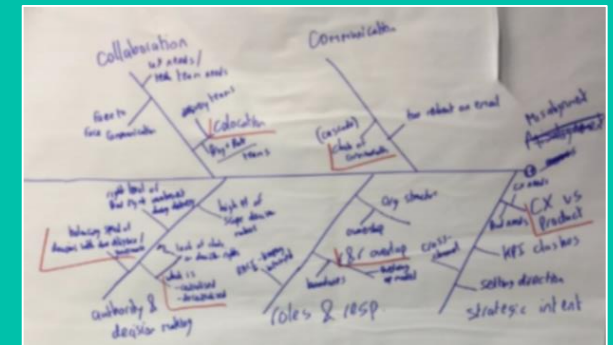
We commit to continual and ongoing evolution and improvement through a four-tiered approach, validated through team & customer feedback, user research and metrics.



## Quarterly reviews of our processes

At the end of each quarterly planning cycle we hold an Inspect and Adapt workshop where we discuss what's working, what's not working and ways we can improve. Each session we produce 15-20 ideas to improve our way of working in the following quarter. To date we've had over 140 ideas formed and in excess of 100 implemented.

The teams regularly meet outside of these formal sessions to review how they are working and opportunities for them to further improve. Ideas and opportunities to improve outside of our formal workshops are tracked on our improvement wall which is displayed centrally.

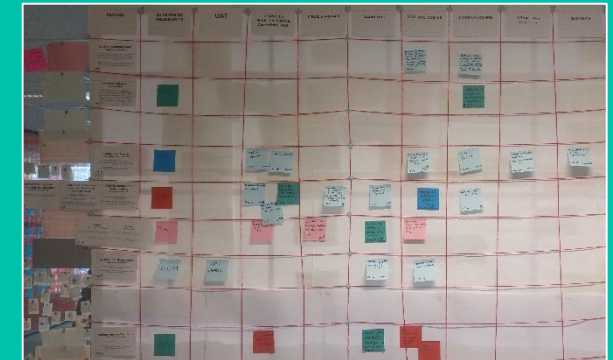


## Improved channel alignment

We developed a roadmap for each of our channels (digital, retail, contact centre) that delivers on our customer needs and our changing consumer and business landscape.

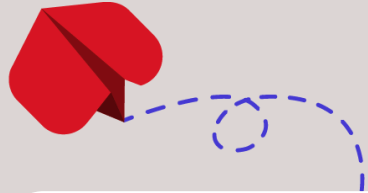
This roadmap was developed by involving consumers, merchants, team members from each channel, and our drivers to achieve our 2020 ambition.

Our Go To Market wall and working group ensures that impactful implementations are aligned across our delivery teams and channel, communications and change representatives.



# Continuous improvement

## Commitment and action

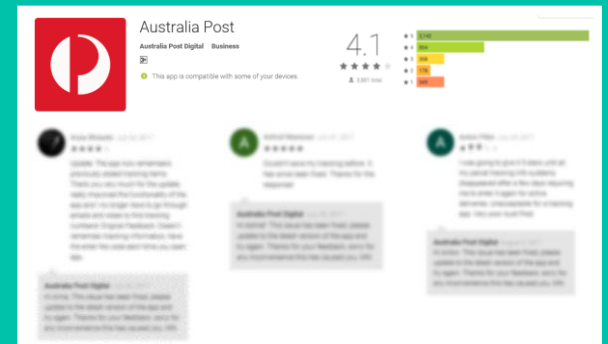


### Direct response to our customers

We empowered our teams to provide their feedback directly when customers engage with us, rather than solely through our traditional support channels. This direct engagement stopped the use of generic auto-replies that create a disconnect from customers.

We gather detailed and specific feedback from customers so that we can better solve their problems and make meaningful changes to the experience which our customers will love.

One measure of this impact is our mobile app rating, which now has a 4+ star rating across iOS and Android, up from 2.5 stars two years ago.



### Cross-functional problem solving

Throughout the development of features and ideas, each of the cross-functional teams work together on the possible solutions for problems and opportunities raised by customers.

With developers, designers, researchers and product managers working as one we solve customer-facing problems together and deliver tangible outcomes.

Our culture of autonomous, empowered, cross-functional teams has contributed to our employee engagement score within our program being in the top 20% of the company.



# Want to know more?

For further information please contact:

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People

Culture

Technology

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