



Mik Kersten (00:06):

Hello, and welcome to the Mik + One Podcast, where I sit down with industry leaders to discuss the project to product movement. I'm Mik Kersten, Founder and CEO of Tasktop and bestselling author of Project to Product: How to Survive and Thrive in the Age of Digital Disruption with the Flow Framework.

Mik Kersten (00:28):

Joining me on today's episode is Sally Elatta, CEO and Founder of AgilityHealth and Agile Videos. Sally is a thought leader in the space of business agility and measurement, for which we share a passion, as we see both as critical in driving innovation. Sally is such an engaging speaker and has been advising top executives of leading global organizations. It was a pleasure to sit down with her, learn more about her journey and about her learnings. So, with that, let's get started.

Mik Kersten (00:59):

Hello, Sally, and welcome to the Project to Product podcast. How are you?

Sally Elatta (01:02):

I'm good, Mik. Thank you so much for inviting me.

Mik Kersten (01:05):

My pleasure. I had to invite you because over the last couple years, I've been encountering the work and the footprint of your work more and more in many organizations. And I think that we've seen a lot of organizations adopting AgilityHealth, your platform for measurement and continuous improvement. And I think a lot of people also of course know you from your Agile Videos. But before we get into all of that and our shared passion for metrics and measurement that we'll talk about here, can you just tell us just how this journey started for you? How did you end up here? How did you end up being so passionate about these topics?

Sally Elatta (01:37):

Sure. Thank you. I am originally from Sudan in Africa, so for people that don't know me, I was born in Sudan. I lived with my mother in Scotland, in Edinburgh. I used to have a Scottish accent and I've lost that over the years. My mother was getting her PhD and we then moved to Saudi Arabia. I graduated from high school from an American school. And when I graduated, my mom's like, "Where do you want to go? Sudan or America?" And I was like, "Okay, really, Mom? Of course, America, the U.S." So I came here when I was 17 years old and I've always had this vision of being able to live the American dream and honestly change the world, make a very big impact on the world.

Sally Elatta (02:11):

So I always say I'm a young girl from Africa who has very big and bold dreams. And that is how I started my company. I did graduate from an MIS degree, Management Information System, and so I'm a very technical person. I was a software engineer and a developer, an architect for many years and found that I have a passion for training, and educating, and teaching people new things. I like to take very big complex problems and simplify them and visualize them. And I think a combination of all those different things brought me to being an entrepreneur and starting my own company about 12 years ago.

Mik Kersten (02:45):

That's amazing. That's quite a story. Tell me, when did you actually start getting interest in technology? Were you still in Sudan or Edinburgh or when did that start?

Sally Elatta (02:55):



My mother says when I was in Edinburgh and I was like six years old is when I had my first laptop and I learned how to program. I really-

Mik Kersten (03:02):
Really?

Sally Elatta (03:02):
... loved programming and yes, it was... They gave you like this big paper and you basically wrote all of the code from that paper, and then like a game would be on... the laptop would turn into a game. So, I've had a passion for computers and engineering and all of that for many years. I think it just came naturally to me and it's a field... I like fields that seem complex, but solve big problems in the world, and so that's why I really got into it.

Mik Kersten (03:30):
Wow. So you were way ahead of me because my first laptop was a Timex Sinclair. They had actually no memory, so I had to just learn basic. And it was when I was immigrating out of Poland and into Canada, so a little bit of a similar journey there. Because the programming and trying to make games with mixed success back then definitely got me interested in what you could do with software and with technology. When did you start actually taking development more seriously? Because I can imagine how the sort of things that we all experience as developers, as people who've worked very closely with technology, with teams quickly turn into a passion for change, for training and for transformation.

Sally Elatta (04:14):
When I started, I was an intern doing PL/SQL and COBOL development, and then I learned Java and started programming. One of my managers said, "I think you're great at teaching people, so I want you to start delivering some training classes for us." And then I moved into a consulting company that did a lot of work for IBM and delivered training for IBM. I just realized that educating people and simplifying complex topics, and sometimes I'd be the only girl in the room, and sometimes I'd be the only mixed girl in the room. But I didn't really care, Mik, all these things really didn't matter to me because I was so passionate about the topic.

Sally Elatta (04:48):
And I always felt like if I can help people understand how to develop, how to program. I did a lot of training around Java and EJBs, servlets all these very-

Mik Kersten (04:57):
Oh my God.

Sally Elatta (04:57):
... technical things at the time. I know, and I used to love it. But it-

Mik Kersten (05:02):
I used to love EJBs too. I know people kept loving EJBs.

Sally Elatta (05:06):
I don't know why I loved EJBs and why but it's a true story.

Mik Kersten (05:06):
No one really loved EJBs for too long.



Sally Elatta (05:09):

But slowly, slowly as I worked in that field, I started to meet people. It was actually a local company here called Farm Credit Services where they told me about Scrum and Agile. And to be honest with you, it was like love with first sight because a lot of the challenges that I saw in the technology world was around collaboration. Business and technology working together, teams being very oriented on results and working together, actually having fun. And just Agile and Scrum at that time seemed to kind of address all of that.

Sally Elatta (05:36):

So I quickly went and got certified and then decided, I think I'm just going to focus on this. Organizational transformation and helping teams do what they do better, that's what I'm good at, that's my passion. It was very hard to leave the technology world and make a decision that you're not going to be technical anymore and you're going to be in the transformation space. But I felt like all of that before was my foundation for this. All of my ability to learn how to train and understand technology would help me in my next career.

Mik Kersten (06:03):

I definitely know what you mean because getting further from technology is a harder thing to do. But when you realize the sort of impact that you can make on-

Sally Elatta (06:11):

Exactly.

Mik Kersten (06:12):

... not just the code base, but all these hundreds or thousands or these days, tens of thousands of people creating these code bases, it becomes a pretty amazing thing to be able to do. And very frustrating sometimes as well of course. Why don't you tell us a little bit about what you've learned and those many years as you started seeing the... I think a lot of us did see the potential that scrum... And it really was scrum. I know for you, for me, first, it was XP just working on a team.

Mik Kersten (06:39):

But then the bigger impact that scrum could have and how quickly it could spread across in organization and basically start dialing in these ways of working and allowing teams to become a bit more collaborative and predictable with other stakeholders. I'd love to hear about your experiences with that journey, then lead us into where you think we are today.

Sally Elatta (07:00):

I was very lucky in that I work closely with the CIO here in Nebraska for Blue Cross Blue Shield Nebraska, her name is Susan Courtney. And I always say she's a mentor. And just very lucky to find somebody like that, an executive who has a vision and who's bold and willing to take some big steps to transform their organization. And I think her giving me a chance for several years, and we've already been doing this with other companies, but a lot of companies, they have you come in and help them for a little bit and then go, and then you never see the lasting results.

Sally Elatta (07:31):

But at Blue Cross Blue Shield Nebraska, that was I would say my first end to end case of what does it look like when the team, and the business leaders, and the executives, and it doesn't matter where you are within the organization are adopting agile ways of working? And that transformed me in that I started



Episode 39: Sally Elatta
Episode Transcription

to... And I believed in scrum and agile at the team level, but for me to see, how do you take large initiatives, large programs, hundreds of people? How do you turn around a multimillion dollar project and actually and make sure that it delivers?

Sally Elatta (08:01):

It was no longer theory, it became very practical. I remember she always said, "Agile's not about post-it notes and standups. It's a new way of thinking, and it's a mindset shift, and it's about people and culture." So I learned from her a lot about transforming leaders, transforming people, hearts, and minds. So I would say that's really where it started for me is just being a believer. One of the problems I saw was I wasn't able to explain to Susan if it's working, if it's not working in a quantitative way.

Sally Elatta (08:31):

I felt it was working. We all felt and knew it was working, but we almost had to have all the coaches on the ground talking to all the various teams to know where the problem we're at. And I think you don't have that problem when you've got five to 10 teams, when you have 50 to 100 to 1,000 teams, the problem of, okay, we're doing this, but how well are we doing this? And are we getting better or not? And where is it that I should focus my energy? It becomes very difficult to answer.

Sally Elatta (08:56):

That is what led me to say, "I think this is going to be..." I'm very in obviously strategic and innovative, but I felt like that's going to be a problem for other companies that are transforming is, how can I measure where we are and how can I improve using quantitative data to help understand. So that's where AgilityHealth came from.

Mik Kersten (09:17):

When was that? When did you get inspired by the CIO of [crosstalk 00:09:20]

Sally Elatta (09:19):

2009.

Mik Kersten (09:19):

2009?

Sally Elatta (09:21):

2009 is when I started my own company. I started with them even before that with Blue Cross Blue Shield. But we started my own company in 2009 and then began to see the full transformation unfold. And I think 2013 is where we had really scaled agile and it became sort of a way of working and servant leadership and all of that. And I built the AgilityHealth platform in 2014, was the first release of it.

Mik Kersten (09:49):

Okay, amazing. And I think what you're saying is I think so closely related to, well, I'm sure so many listeners, certainly I've been so interested in, which is that agile over the last two decades has felt like a solved or become a solved problem at team level, mostly. I think it will continue improving and improving practices and tools and methodologies and frameworks around that. But bringing this to the business, this last decade, has had so much mixed success, I think.

Mik Kersten (10:15):

So I think it sounds like you were able to engage with a large organization closely and actually help get them to that notion of business agility. But we're still at the, I think point in time where so many



organizations to your point, they actually don't know where they are. So all of these initiatives have happened, all of these large transformations have been put in place, but it's very hard for them to say, like you said, without talking to every team and every coach in terms of how we're doing and getting a whole bunch of potentially inconsistent answers and inconsistent ways of sensing, on whether there's more value and better outcomes being delivered or not.

Mik Kersten (10:49):

What has been really interesting to me about your approach recently is I think, how seriously you took this need for metrics and measurement and the study that you actually put in place to better understand that. So I'd love for you to take us through that, actually, why, why did you do this? Tell us a bit about the study and why you ended up there.

Sally Elatta (11:11):

Well, we have so many metrics in AgilityHealth now, and we had focused for many years, like you said, at the beginning on team agility. And so we have one of our radars it's called TeamHealth. So we measured how healthy is this team? How are they doing in terms of their maturity, which is the practices and the behaviors. And then is that leading to performance? Which is the quantitative metrics. And when we first grew up, when we first built AgilityHealth, we didn't have quantitative metrics because it was all qualitative.

Sally Elatta (11:36):

And about five years ago we added quantitative metrics, so I said, "Okay, guys, we need to pause. We need to see what we can learn from this data." So the why was, I just strongly felt like there's a correlation and I wanted to ask the question of show me high performing teams with the AgilityHealth teams that really were able to achieve flow, quality, predictability, these actual quantitative metrics. What correlations did it have to their maturity? What were the areas that they absolutely invested in that drove to that performance?

Sally Elatta (12:06):

And so the study covered 46,000 team members that were already with AgilityHealth across many, many companies that are customers of AgilityHealth, large enterprises. And we looked at only the quantitative and the qualitative data correlation. And we basically tried to answer the question of, for each one of our quantitative performance metrics, which we have five of unpredictability, time to market, value delivery, quality and responsiveness to change, what were the five drivers of that, predictors of that?

Sally Elatta (12:36):

And so that was fascinating for each one of them to see. And then when I looked at all of them, I said, "Okay, there was a lot of those drivers that were the same. They kept repeating themselves." So I'm like, "Okay, that's going to be low hanging fruit." It feels like if a company can just invest in those, because they kept repeating themselves, they really impact performance quite a bit. Then at least we have sort of that instead of gut feel transformation, we can say, at the foundation level, you should really invest in these practices because we now know.

Sally Elatta (13:06):

And we actually went back and said, "Show me all of the teams that were highest maturity in these practices. Did they really have better performance?" And they were 37% higher performing than teams that did not. So we were able to quantify that teams that invested in these practice were 37% higher performing from a quantitative perspective than teams that did not. And I was honestly astonished about



Episode 39: Sally Elatta
Episode Transcription

some of these top practices that showed up. Do you mind me sharing some of them some of the listeners?

Mik Kersten (13:38):

Yeah, I would love to dig into those because... But tell us, you actually hired a university as well to do this. Just tell us a bit about how you set this up.

Sally Elatta (13:42):

Yes. Oh yeah, we did not do this on our own.

Mik Kersten (13:42):

Because this is a very substantial study.

Sally Elatta (13:44):

Yeah. University of Nebraska at Omaha has an org psych division, organizational psychology division. We had hired them seven years ago actually to do what we call quantitative correlation analysis and look at question validity. Because some of our questions that we ask need to be valid from a physical analysis perspective. And so we hired them back again, so this was their second statement of work with us to do that.

Sally Elatta (14:07):

And Kevin who's a PhD graduate from there is the one that really helped us along with the Dean, for the UNO org psych division.

Mik Kersten (14:15):

That's excellent to add that kind of rigor to it. I'm obviously a fan of that.

Sally Elatta (14:19):

Oh yeah. Yeah. And I learned a lot about the way the approach that they did it, and the correlation and the way that he would talk about it is some something called stepwise regression analysis. Using all of the weights we're using an unstandardized regression coefficient. There's a lot of stuff he put into it. For me, I'm the business person, so I just looked at the end result and I was really excited to see some of the insights that we got out of that.

Mik Kersten (14:46):

Let's dig into those. So tell me, maybe let's start with where you are, the biggest surprises to you because I think those are always some of the best learning.

Sally Elatta (14:53):

The number one was not a surprise because it's very much around a specific agile practice that really drives team performance, and that ended up being weekly iterations. Teams that had a strong maturity around planning on weekly iterations, two-week sprints, planning and delivering on two-week sprints had the highest performance. So that did not surprise me at all because I expected some of these agile practices to show up.

Sally Elatta (15:18):

Generalizing specialist was number two and that is around T-shaped individuals, so that was cool. Because what that meant is that having people not specialize in one thing, but allowing them to learn, be specialized in something, but learn other skills around it so they can help the team as needed was... This



Episode 39: Sally Elatta
Episode Transcription

was evidence that that practice, that cultural practice that we've always advocated for in agile makes sense.

Sally Elatta (15:41):

The other ones that showed up on the list was the creativity and innovation. That was my pleasant surprise, to be very honest with you. I did not... We've always talked about creativity and innovation. We've always talked about how important it is for agile teams to be empowered, to make decisions, to solve the problems. Like give me the problem, don't give me the solution and allow the teams to figure out the how. But the fact that creativity and innovation actually was ranked number four there, teams being able to empower it, I really love. That was one of my ahas and my surprises.

Sally Elatta (16:12):

Planning and estimating was not a surprise for me, because again, think about that one along with weekly iteration. It just talked about teams that have the rigor of knowing how to break down epics and stories into smaller chunks and get them done within two-week or one-week sprints were higher performing than other teams. That totally made sense. And then the last one, number five was self-organization, that was a surprise. Because again, this was more of a cultural value and it also related to empowerment. And self organizations about delegating decisions down to the team and enabled them to manage their own work and not dictating to them.

Sally Elatta (16:46):

So my two biggest surprises was creativity and self-organization, both had that empower the team to solve the problem, don't tell them what to do. We've always known that, we've coached that for years. But having quantitative metrics now that shows me that that actually has led to high performing teams, I was like, "Oh my gosh, this is gold. Love it. We finally have an answer that people should enable teams to self organize around their work."

Mik Kersten (17:12):

I remember seeing something on the roles and clarity as well. Was that related?

Sally Elatta (17:16):

Yes. Roles and expectations and size and skills. The other two that came after that was, we also included not just what drives performance, but what drives teams' happiness and confidence of the product owner in the team. And so a few more showed up over there, which is clarity on roles and expectations. People knowing who is doing what, and then the teams having the right size and skills and stability were also another big driver. It was just exciting to see some of this.

Sally Elatta (17:45):

And we incorporated this now within the platform so that when teams are assessing themselves and they see that quality is low or predictability is low. Some of these drivers from this research and study is now within the platform itself. They can see, okay, this is what I need to work on if I really want to improve this.

Mik Kersten (18:00):

Right. So I think we're all after improving the flow, the outcomes that teams produce. But of course, I think your key findings are what are some of the inputs to that? What some of the leading indicators of teams that actually able to self organize in a way to minimize their dependency, let's say to accelerate their flow. Which we know that then turns, at least from the data that we've been collecting that actually drives better happiness, better engagement, better outcomes.



Mik Kersten (18:23):

And I really like how you've got this at just a very fine grain level with just this really impressive data set. Now that you've got this, I'd love to hear some about how you actually see being acted on at organizations that you work with. The data's there, we've got these through neat spider charts and the rest, take us through an organization that let's say was in a... And it can be larger or smaller one, it'd be good to get a sense for size, but one that you actually saw do the right things with the data with these kinds of insights.

Mik Kersten (18:56):

How do they approach it? What have you seen as the success patterns of creating this roadmap for improvement for change? Because I think one of the things that I know is tricky in a lot of these organizations is they're getting these metrics, getting these data, and then the teams have no time to act on it. The teams get then additionally frustrated that, okay, we shared our data with you, but nothing's changing.

Sally Elatta (19:16):

The bigger picture we got to... Let's go up a level before we go down to the team level is our goal and our objective is to enable business agility and enterprise business agility within the transformation. And again, I'll just remind people, when I say business agility is not about agile. Business agility, the definition is the ability to respond to change, learn and pivot, deliver at speed and thrive in a competitive market because gone are the days where big companies eat small, today, fast companies eat the slow.

Sally Elatta (19:44):

So we always have to keep that in the back of our mind is our objective from all of this is to enable business agility and help teams achieve outcomes. In order for us to do that, we have to invest in team agility, which is what we just talked about; measuring and assessing where the teams are at right now. Helping teams identify obstacles that are blocking them. What we do within AgilityHealth is we really create a culture where teams themselves commit to improvement within each iteration.

Sally Elatta (20:09):

So they have a backlog of features they have to do develop, but they have two or three things in the next quarter that they're going to do to improve themselves. The key to success at the team level is-

Mik Kersten (20:18):

I'm sorry to interrupt you. I think that's such a key point, and then we'll continue. But I think having improvement on the roadmap and channeling Gene Kim's Phoenix Project here, that improvement of daily work is even more important than the daily work, because of course it makes the daily work better, more impactful, and more engaging, and more joyful. How do you actually do that?

Mik Kersten (20:41):

Because you're providing them with this input, how do you get it on the roadmaps? And then maybe this is going to get back to your point on organizational support, but can you just dig a bit deeper into that?

Sally Elatta (20:50):

Remember, we don't run surveys. Running surveys and just gathering data from surveys is a very old school of continuous improvement. The way that you do these assessments for those teams is facilitated retrospectives. So remember we certify people, and the reason we do that is because these are very important conversations, you're facilitating with the team once a quarter. The team is identifying their problems. The team in the same session are committing to action.



Sally Elatta (21:14):

They're building an improvement backlog immediately from the data. And I'm just sharing that because a lot of people don't realize, they think we're just setting out surveys and gathering data and creating fancy dashboards. That's a very old school way, and I actually think it's really... Because metrics with no action is worthless data. So we also ask the team in the same session, in the same TeamHealth retrospective to identify one thing that leaders can do to help you optimize your flow of value.

Sally Elatta (21:37):

What's one obstacle that's getting in your way that's beyond your control that if leaders could remove for you, you would flow faster, you would be higher performing? So now what you've got is this activity that's been consolidated into this two and a half hour session. The teams are assessing where they are. They're having a very open, honest elephant in the room conversation about how they're doing. They are committing to two, three things they're going to do to get better. And they're identifying one thing for organizational leaders and managers to help them.

Sally Elatta (22:05):

I've now got gold in terms of data, because I now know I've already put them on the path to improvement, but now I got to come to the managers and leaders. And this was the gap for us for several years. I can't tell you how long it's taken us to make sure that companies are invested in their management layer, that middle layer, knowing that their new role has changed, Mik. The role of managers before, which was to move people around, reprioritize their work, tell people what to do, task manage. That's gone.

Sally Elatta (22:31):

Today, this is their backlog. All of these impediments and obstacles that came from the team that is now the new management backlog. So I've always said, "Now managers need to use agile. I want them to demo back to the team once a month, what obstacles they've removed for them. I want them to measure their velocity. I want them to commit to continuous improvement. They should be focusing on talent development and all of that." So I just think the role of the manager is a very big part of the success of any transformation.

Sally Elatta (23:01):

I think we've forgotten about them. We've influenced the teams, we've influenced the executives, everybody's on board, but the managers are like, "Yo, you just disrupted my role. My entire existence of what I used to do before is different," but we haven't given them a new job, a new role. And so with us, within AgilityHealth, I got a big backlog for them of things that they can work on to help the organizational improve in order for team agility to be a reality.

Mik Kersten (23:24):

Okay. So you just said that improvement is the most important thing on the manager's backlog.

Sally Elatta (23:29):

Yeah. Continuous improvement, removing obstacles and talent development. So identifying skill gaps and improving them, which is going to be on that backlog, and removing these obstacles that are hindering flow. Yes, that's the number one. If you're not working on that, I want to know what else is more important than... I understand there's administrative stuff and all of that, but you got to at least tell me that 50 to 60% of your capacity is on removing roadblocks.

Sally Elatta (23:54):



Episode 39: Sally Elatta
Episode Transcription

And those could be anything. They could be technical roadblocks, they could be talent and skill. They could be cultural roadblocks, they could be agile and process. All of those for us are just obstacles or growth up opportunities.

Mik Kersten (24:05):

That is awesome and I could not agree more. And I think obviously systematizing that somehow in terms of actually providing a cadence to it, providing measurement to it. Providing a feedback loop of whether that improvement generate the right outcome for the teams and for improving the flow. That's amazing. Now you're saying it's the... I'm going to keep digging into this, but it the first line manager's job, the second line manager's job, the third line manager's job? Who's whose job is it?

Sally Elatta (24:30):

Teams are organized into product lines, product lines are organized into portfolios, portfolios make up business lines. So think about just the Team, Team of Teams structure. So if I'm trying to resolve problems for a team that is within a product line, then it's probably going to be the direct managers of those teams along with an agile coach, for example, or a change agent at that level. If I'm trying to remove obstacles that are at the portfolio level, it's going to be a different group of people, might be the director or the VP.

Sally Elatta (24:58):

So what we have in AgilityHealth is not just the metrics, but these what we call them growth items. We have them at different levels, and so team level growth items are going to be managed by the team. Organizational growth items are probably more managers of the teams. And then enterprise growth items are going to be more senior level people. But the point is everybody roll up your sleeve and help us. Instead of asking me for fancy dashboards, which we've got them, every dashboard...

Sally Elatta (25:23):

And by the way, I have to tell you, I want to give kudos to Troy McGinnis. Troy McGinnis was the agile metric guru who helped us design our dashboards. And he's taught me that every dashboard has to answer the question of what is the data telling me? So what? Is it good or is it bad? Now what? What should I do about it? And that's the key there is, what should I do about it?

Mik Kersten (25:43):

Yeah. Troy is great. Was one of the first people around the Flow Framework buy. Was Troy going, "Troy, would this have worked? Would this be helpful?" Exactly. He derived those quotes.

Sally Elatta (25:55):

Yes. He's amazing and he's hilariously funny.

Mik Kersten (25:55):

He is.

Sally Elatta (25:55):

He's this funny guy.

Mik Kersten (25:57):

Yeah, we should invite Troy to the podcast. And he's influenced quite a few people. Okay. The growth items, I actually don't know as much about. Can you give some examples of the growth items?



Sally Elatta (26:08):

Oh wow, yeah. Growth items are written as stories. So just like you know a regular user stories as a team, we want to do X, Y, Z so that ABC. So stories could be the same thing. For example, as a team, we want to improve our quality by increasing our test automation percent. So what's my acceptance criteria for that? We are going to have to have two other people be upskilled on automated testing. We're going to have to fix the... So these are concerted acceptance criteria of what we're going to do to achieve that.

Sally Elatta (26:36):

I basically asked the team, "Fast forward three months from now, what is it that's within you?" You can't just say, "I want to improve engineering practices." That's an epic. You can't just say, "I want all of our teams to be more stable." Okay, that's really big. Those are epics. So just the same thing we learn about epics feature stories, but we take that and we adopt it to growth items, which is what is something that is feasible that within the next month or two months you can actually do that will improve the performance and the flow of this team?

Mik Kersten (27:07):

And how much do you rely on with this? Because I think it'd be great to have your sense, and I think as we all know, some teams are performing better, have better health. There's just a pretty big dynamic range. And of course, there are different reasons for this. In some cases, it can be a whole bunch of technical data a team is struggling with, in some cases it's more organizational data and these kinds of things. So how much of presumably some of these growth items are to help teams become higher performing like some other teams within an organization?

Mik Kersten (27:38):

How much are you seeing that? How much are you seeing that there's some great lighthouse teams, whereas you've got a large number of teams lagging? And within these organizations, are you seeing that those teams, for example, are continuing to prioritize the growth items more, whether other ones are continuing to basically function as feature factories and drive up their debt rather than focus on the improvement?

Sally Elatta (28:01):

It's always the commitment from the leadership team to this continuous improvement measure and growth program that makes a big difference. So it's just like agile. If I bring agile bottom up and I tell a couple of teams to go get training and hey, it's optional if you want to do it or not. You're going to get different level results when it's just sort of, we can do it, we don't have to do it. But a lot of our programs, because a lot of large companies come to us, they're coming from a leadership perspective.

Sally Elatta (28:25):

And so it's a program, it's not, "Hey, we want to use this tool to run an assessment." And I always tell them like, "That's dead on arrival," but you are launching a continuous improvement measure and grow program. The leaders are communicating why we're doing this. The leaders are saying, "We're going to remove obstacles." When we have that kind of change management around it, there's a lot of adoption, there's a lot of excitement. We have to create at psychological safety, Mik, because a lot of people are afraid of data and they think it's going to be used to punish or reward them.

Sally Elatta (28:50):

So my famous quote here is if you ever use data from AgilityHealth to punish or reward the teams, you'll never see the truth again. We have such high quality data because the teams trust that this will be used. So I would say the teams that invest in the process and bake it into what they normally do. A lot of teams



that are using SAFe, for example, scaled agile, at the end of every PI, they have something called an inspect and adapt meeting.

Sally Elatta (29:17):

So that is when they should be using AgilityHealth and doing those TeamHealth retrospectives. Within their own retro, that one hour retro that they schedule the end of every PI, use that time. So once they bake it in, and it's not an extra thing that they're doing, it's not an afterthought. Those are the teams that operationalize and honestly have a lot more success because they have a commitment to growth and improvement.

Mik Kersten (29:41):

As I've been working with more senior leaders, who I think, again, I completely agree with you. They number one thing they can do is actually drive a roadmap of improvement and create sense making and improvement. I've seen a lot of organizations adopting OKRs, which I think is great. I've been using them for almost the entire lifespan of Tasktop. And there's been... I found this and I'd love to get your thoughts on this.

Mik Kersten (30:05):

One of the most effective things that I've seen adapted is to actually have an organizational. And this might be for line of business, might be for a portfolio or a portion of the portfolio, but to actually have an OKR, an objective key result that has improvement and flow. So flow time efficiency as a part of its measurement. Because that forces this cascade of what then I think I would hope turns into your growth items, however the teams do this.

Mik Kersten (30:31):

But without that high level organizational support and endorsement that allows teams to prioritize that improvement, of course, what happens is again, is the teams focus only on the other items on the backlogs, then they get inundated further, whip and flow load grows even higher. And their ability to actually take down those backlogs goes down. When you're speaking to more senior people, how... That's been one of my strategies, like just make OKR, that's a flow metric. That's it.

Mik Kersten (31:02):

You just need to do it or your teams will continue to not have the space. And again, as you mentioned, SAFe puts this into the PI cycle, there's different strategies. What have you found successful to convince leadership and senior leadership of how important this is? Because that is one of the biggest challenges I know we're seeing in the data in the history, as well as we're collecting it, is the portion of times that teams spend on all their backlog items versus the ones they actually spend on ones that drive improvement and flow.

Mik Kersten (31:34):

And that's because of course they're overloaded and there's no time for improvement, which of course is a self-defeating issue.

Sally Elatta (31:42):

Well, it's kind of what we just talked about. Teams have a feature of backlog and they have an improvement backlog. We agreed to that as a principle, which is a must have. So now we got to say, how do we make sure that that aligns with the leadership of the executive roadmap? I want to take you a step back before I answer that question, because I think... My vision for AgilityHealth has always been way bigger than just team agility and TeamHealth Radar. That's one small portion of it.



Sally Elatta (32:06):

My vision has always been, how can I help an organization see how the maturity of their teams is a leading indicator for the performance of the teams, which is the quantitative metric? And those two are leading indicators for the outcomes and the OKR is that the team accomplishes.

Mik Kersten (32:22):

Exactly.

Sally Elatta (32:22):

So I just want to think this picture, which is maturity, performance, outcomes, and each one is a leading indicator. And the only metric we really should care about at the end of the day is the outcomes, the business outcomes that we're accomplishing. And so AgilityHealth as a platform has always had those three metrics. You can visualize them next to each other. Maturity data we get from our radars. Performance data, we get by integrating, which I think we're going to be integrating with Tasktop here fairly soon, which is exciting to be able to pull some of that performance data.

Sally Elatta (32:48):

And then we have an outcome in an OKR dashboard. When we are working with executives to talk about outcomes and OKR, we say there are two types of outcomes you should be creating, business outcomes and transformation outcomes. Business outcomes are those almost like the features for the team. Those are the things we must get done. We need to increase this, we need to roll this out. We need to have higher level of customer adoption in this market.

Sally Elatta (33:11):

We need to make sure our sales or our conversion rates are big. These are all like AIR, the acquisition, activation, revenue retention, referral, product kind of metrics. But equally, what are the transformation metrics or the improvement metrics and outcomes that you're going to... And I think that what you'll see is a lot of the portfolio business leaders are trying to drive the business outcomes.

Sally Elatta (33:34):

But then you'll have the transformation leaders that are supporting that portfolio are also from an executive perspective basically leading the transformation outcomes. And those are all like the ones that your five flow outcomes, the flow efficiency, the flow distribution, all of those. Happiness, quality, all those things, basically doing what we do better. I agree with you, if we don't create outcomes around it, then how are you going to prioritize identifying the gaps related to it, and then removing it?

Sally Elatta (34:02):

If my entire outcome base is like a big feature list of here's all the work you need to get done, you'll be doing it slowly ineffectively, and you just will never pause, slow down enough to speed up. So that's my answer there, which is tying maturity to performance to outcomes, and making sure at the outcome level, we've got both types of outcomes, business outcomes and transformation outcomes that are changing the ways of how we do our work.

Mik Kersten (34:26):

And I think you're putting it so clearly because this is exactly what I'm saying as well, is you need to be tracking all three. And then the fact that they're leading indicators of each other is critical. And of course, then you can create a feedback loop from that. So I think those... This is exactly what we're seeing when we look at the value stream from flow metrics. Now, the flow metrics don't track maturity. They're just an



outcome themselves of maturity, just like business results or an outcome of the flow of what was delivered, the value that was delivered by a team.

Mik Kersten (34:55):

So I think that definitely I guess what you're... Tell me if you agree with this, but basically it's hard to map them one to one of course, but actually having a clear correlation from maturity to performance to business outcomes actually allows leaders to create this feedback loop. And then of course the hope is to further invest in improving and driving maturity and scaling those practices.

Sally Elatta (35:17):

Well, and actually aligning them to each other visually is exactly what we are doing with an AgilityHealth. You can click, so the way that we organize the data is by team, Team of Team, product line, portfolio. But you can click at any level and say, "What's the maturity of this group?" Click over, what's the performance? Click over, what are the outcomes? And so you can clearly see teams that are higher maturing, higher performing are going to be producing better outcomes.

Sally Elatta (35:41):

But I do want to say something because some people have said, "Can I have a high performing team that is not achieving the right business outcomes?" And the answer is yes, if you don't have the right product management structure above them, or if your product manager or portfolio manager is not business savvy and not actually doing the right opportunity assessment, the right product discovery, the right market research.

Sally Elatta (36:02):

If you give team 100 features to get done and you tell them, "Those are what we need," but at the end of the day, they don't have any impact on the market. It means you're not doing product discovery, you're not doing design thinking. You're not getting the voice of the customer. Teams are in charge of delivery and they can help you with product discovery. But I do put responsibility on the portfolio leadership team and the product leadership teams to make sure that product discovery becomes part of the DNA of this organization, all the way down to the team level.

Sally Elatta (36:29):

But it's the practice that they do to make sure they're building the right thing. Because it's never about the quantity of work that's getting done, Mik, it's about is it impactful? We did some work with a large financial company and the problem that they brought to us is they said, "The top of the funnel is too big. It's too much work coming in so the teams are overwhelmed." And I said, "Well, we're going to have to apply outcome-based planning and product discovery to solve that problem because you've got too much stuff that's unvalidated. It's all everybody's idea, but you haven't validated any of it."

Sally Elatta (36:59):

So our goal was to reduce the top of the backlog, but make sure that it's coming in with the most valuable ideas.

Mik Kersten (37:05):

Yeah, exactly. And I think the... Sometimes I have noticed leaders get lost in this is that they can draw a straight line from performance to outcomes or something. But I think the way you put it is exactly the way I think about it, is that you track both. There is a correlation, there might not be a direct line of causation-



Sally Elatta (37:21):
Causation.

Mik Kersten (37:22):
Yeah, exactly, of putting the most elaborate user story in every single business epic and the like, but in aggregate, one needs to drive the other. And this is the whole point of having these metrics and these leading indicators. I've seen different examples of what you said, where you've got a high performing team who's not driving outcomes because what's happened is the market's changed. There's a disruption, there's a whole new kind of competition in the market, and even though the team is doing some amazing work, basically the users and the customers are going elsewhere because there's now a whole new competitor.

Mik Kersten (37:53):
Now, that doesn't mean that you don't want to continue driving that kind of high performing teams. It just means exactly I think what you said, is to establish that feedback loop.

Sally Elatta (38:01):
Your strategy.

Mik Kersten (38:01):
Yeah.

Sally Elatta (38:02):
Your market strategy, you have to figure out, how are you going to disrupt before being disrupted? And who are your strategic? And I'm honest with you, some of the product managers and people that I know are too tactical. And so if you don't have anybody strategically looking out for, how will we win in the market? You might be falling behind. And if you're not experimenting on how you're going to win in the market and constantly listening to the voice of the customer.

Sally Elatta (38:24):
You might have a very high performing, high velocity, high throughput team that is still not delivering what the market needs, because you're not feeding them. You're not even giving them the right vision or the right opportunity or the right things to work on.

Mik Kersten (38:36):
Yeah, exactly. And then I think the other thing I think I've seen that I'd love to get your feedback on that I think is very effective is actually to understand what kind of market it is and what kind of domain you're in. Another podcast is from Dave Snowden. Because I think for me, the Cynefin framework inspired me a lot and there's just different... If you're in a market that has chaotic dynamics and domain that's chaotic where things are changing so quickly, that what you said, basically that feedback loop you need between the team's maturity, the performance and the outcomes.

Mik Kersten (39:06):
And then potentially understanding, okay, we now need somebody with this kind of domain expertise on the team that we didn't have before. And to augment the design team or product management in this way, or to now master this new kind of stack. That feedback loop between those leading indicators, those metrics in a chaotic domain has to be so fast because you're acting before you can actually plan. Whereas if you're in the complex domain or in the complicated domain, maybe you can be a bit slower.



Mik Kersten (39:31):

If you're delivering, I know, payment technologies as one component of a massive portfolio of software. So I think that the thing I've been seen very effective is to make sure that you're tying these metrics, and I think as you're saying, these three sets of metrics to the kind of market conditions and the kind of strategy that you're executing on. Which means you need to understand them and you need to understand about the portfolio level.

Sally Elatta (39:54):

Yeah. And maybe that will just bring me to one of my final points here, which is, when a company comes to us and says, "Help me mature," Team Agility, and Team Performance and TeamHealth is one of the radars that we have. But we normally also start with what we call the Business Agility Radar, and that is more for the line of business leaders, the portfolio leaders to help them assess to what extent have they matured product management, design thinking, outcome-based planning. Organizational design, leadership and culture, digital transformation, have they invested in digital?

Sally Elatta (40:26):

The questions that we would ask there in the maturity assessment there is way different than the team level. You know what I mean? But-

Mik Kersten (40:31):

Mm-hmm (affirmative).

Sally Elatta (40:32):

So the point that I want to make is, investing in maturity is something that happen at every level of the organization. At the enterprise level, it should be about Digital Transformation and Enterprise Business Agility. At the product level, it should be about maturing product management and potentially DevOps. At the team level, it's going to be about improving TeamHealth. At the individual level role-based, talent development. How do I get better in my role as a developer, as a scrum master, as a product owner, as a product manager?

Sally Elatta (40:59):

I believe that if you do that, if you create an engine where at every level of the organization, we are measuring and improving and using insightful data to lead us, then who's going to stop us? Nothing can stop us anymore. So I'm just bringing that up because I don't want listeners to come back and be like, "Oh, it's all about TeamHealth." No, TeamHealth is one that you should absolutely consider because I would say that's the base of all agility is teams.

Sally Elatta (41:24):

But what about your business agility, maturity for each portfolio? And one of our large customers now, the Federal Reserve, that's exactly what they're doing. So they're doing TeamHealth as a bottom up, they're doing EBA, Enterprise Business Agility, from a top-down perspective. And then they're using that data to inform their strategy of where to invest.

Mik Kersten (41:43):

That sounds like definitely a roadmap for success. So basically it is self-similar at each level, in terms of, as you said before, the growth items they need to invest and the data that you collect, again at this higher level of abstraction.

Mik Kersten (41:56):



Episode 39: Sally Elatta
Episode Transcription

Okay. We'll start to wrap up here, this is amazing. Any guidance to getting started or scaling these initiatives? What advice do you have for leaders who have a sense that they're not getting the right kind of data on how to get started on this.

Sally Elatta (42:14):

Make it a priority. Please, anybody who's listening, make continuous improvement measurement and growth of priority. It is not about gathering fancy data and getting better dashboards. That's not what we're talking about here. We were talking about everybody rolling up their sleeve and first of all, leveraging the right data, which is maturity, performance and outcomes. And then saying, "Where is it that I can help remove impediments and obstacles to increase your performance."

Sally Elatta (42:37):

So I think just investing in this whole domain of measurement and improvement and providing leadership oversight over it and leadership support and buy-in, and never using the data to punish or reward the team. So please don't create a bonus structure for the executives that have the highest performing teams, because then they'll be forced to say that they're high performing. So you want to create psychological safety.

Sally Elatta (42:57):

That's really, my biggest advice is just get started with this, make it a priority. Create psychological safety, don't monkey with the data and use it the wrong way and punish. And you will see amazing results because I believe, Mik, that companies that are going to thrive are the ones that can outlearn other companies. It's not about your size anymore, it's about your ability to outlearn and out deliver your competitors. And so this is now a world of learning, inspecting, adapting, and pivoting, and it should be more data-driven as opposed to gut feel, which is what we've got right now.

Mik Kersten (43:31):

Yeah. I think those are your two awesome key points there, is that fast it slow. And the only way to get faster is to get faster at learning.

Sally Elatta (43:37):

Yes, exactly.

Mik Kersten (43:40):

I think for those already doing a lot of this, it's kind of inspection with flow metrics. Sally and I will be working on better connecting these maturity, performance and outcome metrics to the flow metrics as well. Sally, I guess we have a little bit of work to do, but we have made some good progress connecting those. So if you could... Any thoughts on that?

Sally Elatta (44:01):

Very excited. It's going to be in our Insight Dashboard. We've already thought about where will we bring them in? But it would really be at the Team of Team level. We have something called the Insight Dashboard and the organizational dashboard that sort of just summarizes everything. How are my teams doing? How are they doing overall from a flow perspective? And so, we're excited to start investigating, our APIs, your APIs talking to each other, and how can we visualize it again at every level of the organization so that the company can answer those questions and identify areas that they need to improve on.

Sally Elatta (44:29):



Episode 39: Sally Elatta
Episode Transcription

So you've been doing an amazing job in the industry as well, Mik, so thank you for all of the impact that you've made in the world of measurements, metrics, and honestly connecting. Because you need to connect so much stuff to each other to make some of this actually happen, so kudos to the maturity of Tasktop so far.

Mik Kersten (44:45):

Thank you so much. And I think, yeah, it's an important piece of it, but I think as you said, and I think with your background, your intuition and everything you're doing around actually helping teams improve and learn and train, it's amazing to see. So yeah, thank you for all of your contributions as well. Any parting words or advice?

Sally Elatta (45:04):

No, just thank you. Thank you for making time for me to speak on your stage here and along with all the other amazing thought leaders, and then we'll be back. In my next podcast, I want to talk about something not related to metrics at all. Maybe I'll share my story of Sudan next. I have a nonprofit on the side where I'm helping my home country-

Mik Kersten (45:21):

Really?

Sally Elatta (45:21):

... of Sudan transform. Yeah.

Mik Kersten (45:23):

Oh that's awesome.

Sally Elatta (45:24):

And I think that would be a great topic to just talk about how do we take our skills as leaders, as transformation leaders and help transform a country and help bring it out of poverty after revolution in Sudan. So we'll have to talk no metrics next time.

Mik Kersten (45:36):

Oh that's amazing, yeah. And I think I do keep going that the first podcast and one of my big inspirations was Carlota Perez. And she challenges all of us, thought leaders, all practitioners in IT and technology on how we can actually apply what we've learned to helping governments and countries and the entire economies function better and function better for their citizens. So I would love to hear more of your thoughts on that, Sally.

Sally Elatta (45:58):

Thank you, Mik. You have a wonderful day.

Mik Kersten (46:01):

All right. Thank you so much.

Mik Kersten (46:06):

A huge thank you to Sally for joining on this episode. For more follow me and my journey on LinkedIn, Twitter or using the hashtags MikPlusOne or projecttopproduct. You can reach out to Sally on Twitter @sallyelatta, via LinkedIn, or you can email her at sally@agilityhealthradar.com. I have a new episode



Episode 39: Sally Elatta
Episode Transcription

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