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Agile Mentor February 2009

## Agile Dad

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Agile Mentor  
Agile World

# Agile Mentor



## About the Author:

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This Certified Scrum Trainer's experience spans a broad array of technical software production roles and responsibilities. Lee has worked hands on as a GUI web developer, quality assurance analyst, automated test engineer, senior product manager, senior project manager, ScrumMaster, agile coach, consultant, and ADDIE training professional. He has worked with hundreds of teams to assist them in successful implementation of thousands of projects. His client list includes Fortune 500 companies, Government sector projects, small and large software production facilities, and multiple successful large scale e-commerce implementations.

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## Agile & Software Capitalization

The number one question any accounting department or executive in an Agile organization would like to know is how much is this Agile process going to cost me? How am I going to go about re-factoring the cost of the software we produce? What will happen to our current time and materials model? How can I measure success with the Agile Model? How do I know each resource is putting in their fair share?

In many cases what they are really trying to say is I really do not care how you get me to the destination as long as I make it there reliably and with accurate cost assessment. As the United States dives deeper and deeper into a recession, it becomes more critical for organizations to be accountable for where they spend the almighty dollar. This poses the following questions:

- Can Agile work in a model where software capitalization is critical and necessary?
- How do we address the traditional time and materials mindset?
- How much does a story point cost?
- How do I know that all of my resources are putting in full effort if I remove my focus from the time aspect of planning?

## this issue

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I cannot promise to answer each of these questions in the fullest detail, but we will attempt in this month's Agile Mentor to cover as much of the topic as we can in a short few columns.

Before we take the deep dive into the questions, we must first understand that depending on your organizational adoption of the Agile process, you may fall into different stages of the proposed solution. Although we can all agree that the ultimate solution is to provide a way for executives and accounting gurus alike to be satisfied with the numbers and metrics reported, it is not always easy to tear them away from traditional measurement metrics.

We will try to tackle the presented issue in 4 steps

- 1) Common understanding of the fundamentals of Agile
- 2) Translation from time and materials to points and resources
- 3) Software Valuation using Agile Methods
- 4) Faith and trust in the resources results in more accurate assessments of costs.

So much for talk, let's get started!

## Agile Dad



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V. Lee Henson - AgileDad



## Agile & Software Capitalization Continued

**"It all starts with a common understanding of Agile Fundamentals"**  
- V. Lee Henson CST

It all starts with common understanding of Agile fundamentals. I cannot count the number of times I walked into an organization who was attempting a grassroots effort to bring forth Agile processes into the organization without any knowledge or buy-in from other groups that interact with their group. I am not an advocate of a heavy signoff process and I do feel grassroots efforts often yield success, but so does visibility.

The fact is we as an organization need to be clear in our intent and provide visibility to all those who have a stake in the success of our project. With this being said I cannot emphasize enough the importance of giving the executive team and others a solid Agile overview.

This does not need to be a two day course, but should be heavy enough to set expectations and get everyone communicating on the same sheet of music. Remember, this effort does not need to produce a perfect symphony, we should start by making certain

that everyone is singing in key and on tempo.

One of the hardest things to understand is the translation between traditional time and materials mindset and the value of a resource or story point. The key question continues to be how much does a story point cost?

How do I value a resource that works on multiple projects? The fact is there is no scientific formula to figure out the value of a single story point across every team nor do I feel it would be healthy to attempt it.

Naturally over the course of the project or product we are building we will be able to show continued value and come to a much closer figure as to the value of a story point. Once a team has an established velocity and a stable core group on the team, it becomes easier to be more accurate and predictive. The hardest part to explain is that accuracy will take time & will change the traditional mindset about resources.

This all ties back to the way we tie a price tag to a piece of software produced in an Agile framework. The key here is to capture accurate and reliable actual. The way to be successful in this measure is to remember exactly why we are collecting them. This is not to hold someone's feet to the fire about working eight hours a day or forty hours a week. The goal is to track cumulative hours spent

**"Effort does not need to produce a perfect Symphony"**

- V. Lee Henson CST

working on tasks to complete the much larger product or project. With these accurate numbers, we are able to

assess the value of a product, project, or even story point! This takes time to adjust to and must be easy for all resources to enter into a solution to help you track. If it is not easy to do, teams will opt out and choose not to enter their actual time. This in turn will make it impossible for you to track exactly how much anything costs. This is a two way stretch and all parties need to understand the why we



### Have Something to Say?:

We are still looking for your feedback or story to tell! What do you know about Agile that you want to scream to the world? This is your chance!

The world is listening, what do you have to say?

Sound off in the next Agile Mentor Newsletter.

The overarching key to success is to remember that the role of a manager on an Agile team is to remove obstacles and not to manage at a micro level. If we set the course for executives and explain the why behind the what to the team, we can rest assured that the rest will come naturally.

Congratulations, you are well on your way down the path of Agile success!

Now what can I get for a dollar?

are being asked to do this and why it is important to the business and ultimately the customer. If they do not understand the why behind the what, it will never happen.

Finally, this all requires faith and trust in all of your resources from the top down. Accountability is a serious matter and becomes entirely visible as a result of implementing an Agile Process. With this, we need to remember to be kind and responsive to the needs of the team in order to best capture the information we are looking for.



## This Month's Agile Q&A

**Q: How do I contact AgileDad to do a speaking engagement at my company?**

A: Great question! Many companies have already taken advantage of having AgileDad out to give a motivational session or a talk reinforcing lean agile principles. All you need to do is email [leehenson@gmail.com](mailto:leehenson@gmail.com) or [lee@agiledad.com](mailto:lee@agiledad.com) and ask for details!

**Q: Can AgileDad review my tool or organization and publish the report in the Agile Mentor Newsletter?**

A: YES! Beginning in March we will start accepting applications for product or service reviews to be featured in this publication. Stay tuned to the March edition for additional details.



## EYE ON IT Upcoming AgileDad Engagements:

Certified ScrumMaster Offerings:

March 31<sup>st</sup> - April 1<sup>st</sup> Lehi, UT  
Just south of Salt Lake City and north of Provo, UT.  
<http://www.scrumalliance.org/courses/4545-certified-scrummaster>

April 20<sup>th</sup>-21<sup>st</sup> Alpharetta, GA at the VersionOne Headquarters  
Just outside of Atlanta, GA  
<http://www.scrumalliance.org/courses/4507-certified-scrummaster>

Orlando Scrum Gathering -  
March 16-18 Orlando, FL

Better Software Conference -  
June 8-12 Las Vegas, NV

## AgileDad Private Course Offerings:

Private course offerings are available including:

Agile For Executives  
Agile Boot Camp  
Agile Business Requirements  
ScrumMaster Certification  
Scrum Product Owner Certification  
Managing & Grooming The Product Backlog

On-Site Agile Coaching and Consulting are also available.

For more information or to book a course today, please contact:

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