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Benefits and challenges for the "Agile Agency"

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Executive Summary

Increasingly, consultancies such as Magic Milestones are being approached by both digital and full-service agencies in order to help them develop Agile processes. The key driver for this is a rapid uptake in Agile among client IT departments and a demand for their partners to also work in this way.

Additionally, there are also drivers within agencies due to the increasingly dynamic nature of competition in the digital field and a feeling that the agencies lose business to smaller boutique outfits.

This issue has been prevalent in the media industry for some time, given the early adopters included many broadcasters such as the BBC, Sky and publishers such as IPC Media.

The key benefits of Agile (when implemented correctly) include:
- rapid deployment to market of highest priority features
- better quality assurance
- increased visibility of progress
- a greater emphasis on user requirements
- a lower cost of change
- highly functional teams

However, the constraints of Agile include:
- a need for the customer to agree to less stringent contractual conditions (normally in favour of the agency)
- a need for significant cultural change
- less emphasis on (even discouragement of) "Up Front Design"[1]
- possible restriction of the creative process[2]
- a limit to its effectiveness for constantly changing teams
- a need for an on-site customer or very good customer advocate[3]
- confusion as to who the "customer" actually is
- a limit to its success where development techniques are not adopted

Given the constraints of Agile "by the book" and the prevalence of organisations' customisation of Agile to suit their requirements, it would seem sensible for any agency adopting Agile to look at its constraints and tailor the techniques appropriately.

There should also be individual consideration for each project and/or client, to ascertain which (if any) Agile method should be deployed.

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[1] Chamberlain, Sharpe, Maiden (2006) p.145
[2] Chamberlain, Sharpe, Maiden (2006) p.148
[3] Chamberlain, Sharpe, Maiden (2006) p.143

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Why Agile?

In 2010, Forrester Wave research studied twenty-seven interactive agencies in North America and the UK. Taking two sites from each, they assessed them on the quality of user experience. Although agencies scored on average 12-13 points higher than the average score, only one reached the pass mark of 25. As such Forrester drew the conclusion that;

"Even interactive design agencies with talented personnel and impressive creative and technical capabilities fail to consistently deliver high-quality work" [4]
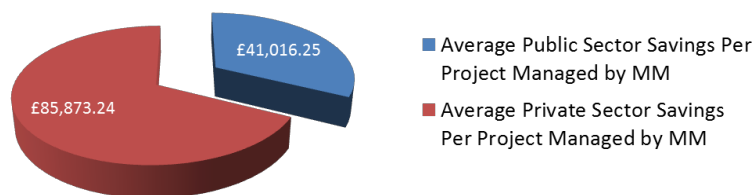
The report goes on to make a series of recommendations, one being the adoption of Agile by successful agencies.

In recent years, agencies have also experienced increasing pressure from clients who have themselves adopted the techniques. Many clients are expecting partners and suppliers to follow suit, as the success of Agile techniques often depend on holistic adoption across the entire project team.

Further, boutique agencies are increasingly challenging the dominance of traditional agencies, particularly in the field of social media. For instance, industry analyst Jeremiah Owyang from Altimeter Group says, *"now, we're seeing the rise of social media boutiques, and we have telling data that shows they are threatening the budgets of traditional digital agencies in a particular type of client"* [5]

Benefits and Return on Investment

Magic Milestones' own data on savings per project (post Agile adoption by our clients) show that investment in Agile project management alone more than covers its own costs due to the slashing of project timelines.[6]

■ Average Public Sector Savings Per Project Managed by MM

■ Average Private Sector Savings Per Project Managed by MM

£41,016.25

£85,873.24

Anecdotal evidence from our work suggests the best savings come when agile development methods are adopted alongside agile management methods. Of

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[4] Browne (2010) p.3
[5] Owyang (2010)
[6] Figures based on average reduction in time to market
Final ROI / costs saving = associated costs incurred with average "pre MM" timescales – MM Project Management fees incurred
More information available on request

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our clients in the statistics above, only one was fully mature in this area, suggesting that agencies can greatly increase the return on investment by adopting the technical aspects of agile alongside the management ones.

Constraints

The constraints on agencies going Agile are numerous but not least cultural, as the legacy of print based advertising, with its fixed deadlines and need for "sign off," sets the tone for a more traditionally linear way of working. Perkin's blog puts this very well:

"...The traditional advertising process is established around discontinuous cycles... The advertising industry is not set up around continuity. It is set up around campaigning. Campaigns have a beginning, middle and an end. The process, the model, the way advertising is made, the way it is bought, the way it is implemented, the way it is assessed; are all focused on keeping this model alive." [7]

Where this is the way things need to be done, one may well ask why an agency needs to go Agile at all. However, the need to deliver more integrated campaigns via TV, Print and Digital have set the scene for team integration, greater customer input and iterative cycles.

Perhaps a more damning constraint is that of contract negotiation and the insistence of the client base to want fixed cost, fixed scope and fixed schedule projects. The traditional approach could rarely deliver on all three without the need for change requests, and consequently set clients up with unrealistic expectations that even Agile cannot meet.

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[7] Neil Perkin (2009)

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Conclusion

When meeting the constraints and possible benefits of Agile, a number of items must be held in mind:

1. Agile is not a silver bullet and cannot work for every piece of work an agency produces. Some items will need to be produced traditionally and indeed are better this way.
2. Agile management and Agile development processes are mutually inclusive and cannot be adopted independently without an impact on the success of projects.
3. There is a considerable organisational change element to going Agile and the risks must be assessed against the benefits for any organisation planning to embark on this way of working. Only after a period of reflection should pilot projects be commissioned.
4. Each client needs to be assessed alongside each project for "negotiability". If the client is not pragmatic, then the approach will simply fail.

A Forrester report in January 2010 found that organisations are using Agile in all manner of different ways. Indeed, they discovered more organisations mix it with other methodologies (35%) and combine elements of the various forms of Agile (39%) than stick exclusively to one particular variant (27%).[8] Of those that implemented Agile, 38.2% said that the required ROI was achieved (with 46.7% saying that it was too early to say).

Did this strategy deliver the expected ROI? (% of adopters)
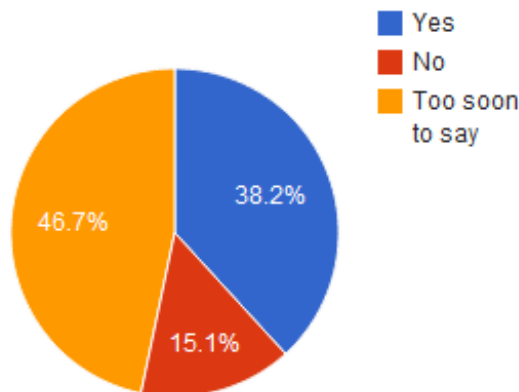
The evidence in the industry and the pace of adoption suggest that Agile methods can bring significant benefits to most organisations. However, the devil is in the detail, and agency research is not yet mature enough to tell us if Agile can bring these benefits to every agency project. This being the case, any agency must adopt a clear Agile Transformation Method alongside their organisational strategy, and test the method selected on a project by project basis. Improvements and adaption to feedback will be vital in both assessing the return on investment and also in maximising the chance of success.

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[8]Information Age (27th Jan 2011)

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