

# Benefits of agile methodologies for your SME.

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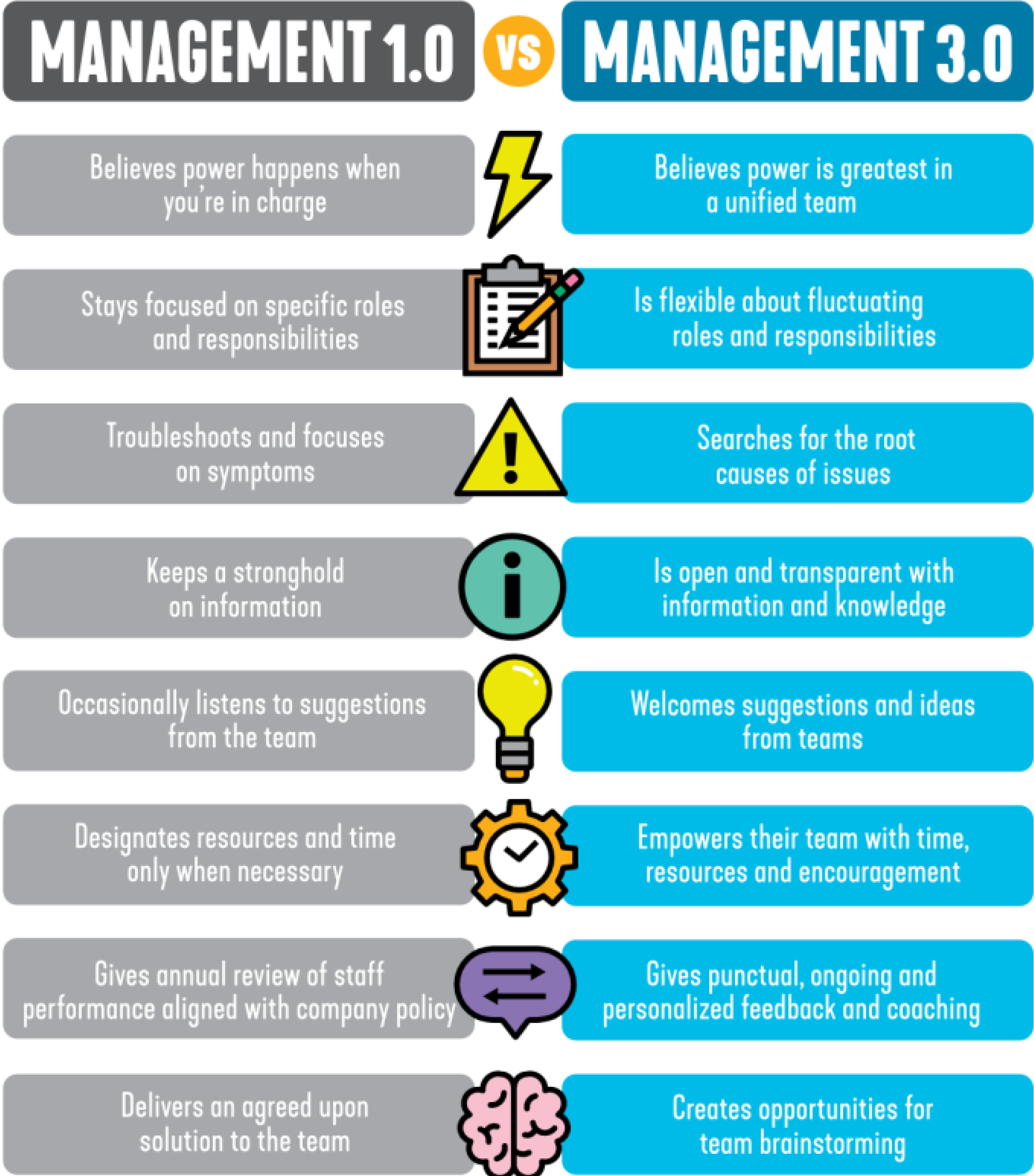
# 1. Introduction

In today's context, where there is continuous change and a high need for constant adaptability to the changing environment, the concept of agility makes sense.

**Agility** is understood as the **ability to create and respond to change in order to generate value for the customer in a constantly changing environment**. If an SME, regardless of its size, builds its foundations by internalising the values and principles that form the basis of agile methodologies, it is able to work in accordance with these concepts and position itself as an SME with a high capacity to adapt and be agile to change. **Agility turns the digitisation of a business into a competitive advantage from the outset.**

Agility must be implemented through the agile methodology, which is more than just a tool. It also goes beyond strategies or organisation. It is a philosophy that is changing the modus operandi of the World's most recognised companies to develop projects and meet the needs of their customers.

In other words, agile is a modern methodology that aims to identify customer demands and their most urgent needs in order to satisfy them as soon as possible. It is based on constant communication between team members, who share tasks by dividing projects into parts and then joining them together like a puzzle.



[REF-03]

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## 2.Change agility

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One of the main fundamentals to consider within the concept of agility is change agility: it is a balance between the art (skills, change posture, experiments) and the science (mental models, tools, measurements) of change. Change agility allows the digitalisation process to thrive constantly. Technology is constantly changing and evolving, and the ability to apply agile methodologies to quickly detect new needs and implement them, gives you a competitive advantage in the market. Digitalisation in all aspects of SMEs is the order of the day, both for customer management and for internal management and other areas, and agile management is essential.

In this sense, it is worth highlighting **Lean Change**, a management model or framework developed by Jason Little, which combines the different approaches of Agile, Lean Startup, Change Management and Design Thinking methodologies. This model **seeks co-creation and change with the involvement of the people affected by this change**, instead of imposing it without taking into consideration the people involved.

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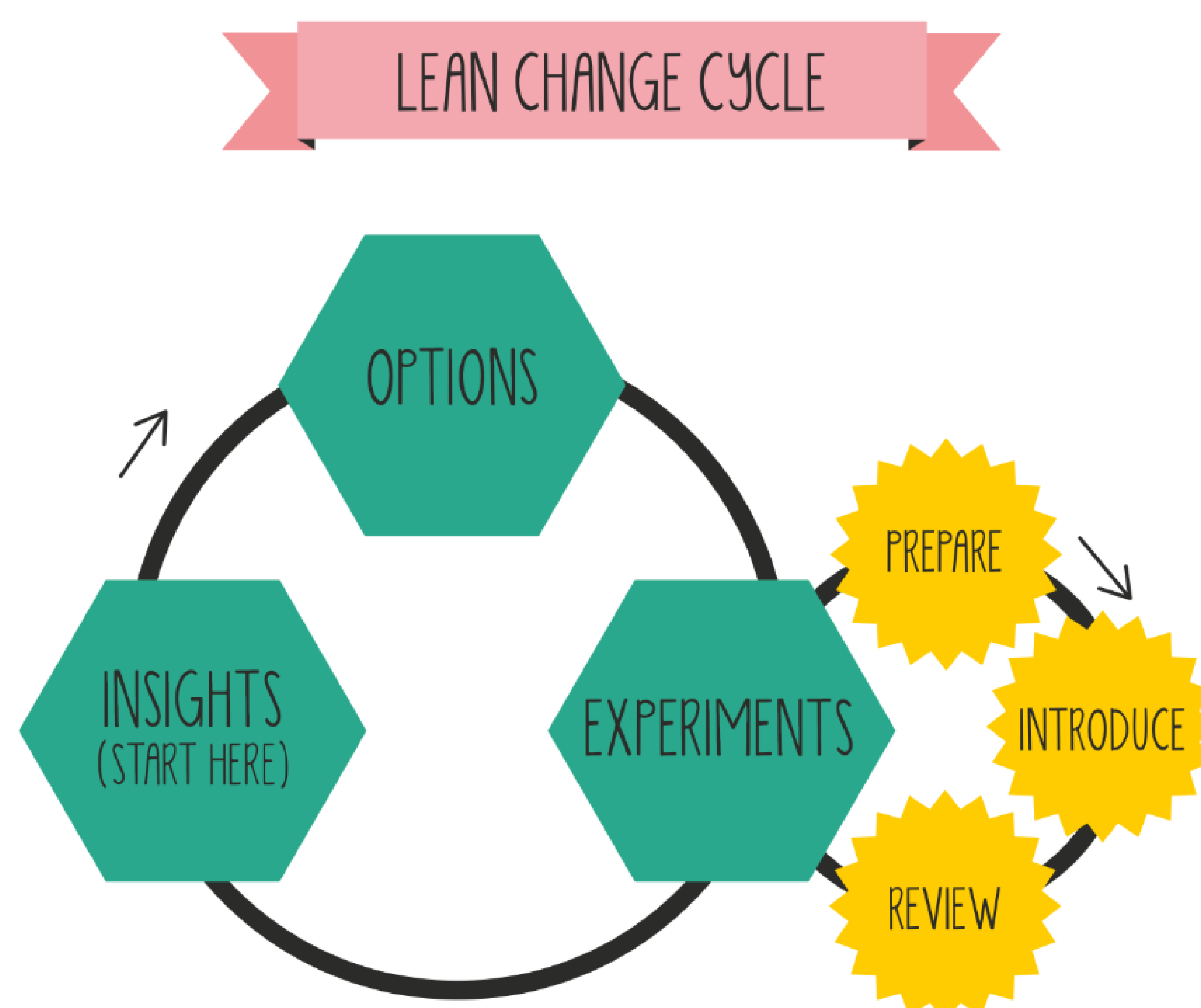
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This model implies the need to pay attention to the people involved, as they are the drivers and prescribers of change. To this end, it develops a model, the Lean Change Cycle:

1. It starts with the insights, the initial moment of a project or business in which the starting situation is observed and requires the implementation of a new methodology.
2. It continues with the options phase, in which the cost, value and impact of each of the different possibilities to be implemented are evaluated.
3. After this, a hypothesis is created in which the expected benefits of each of the options are tested through experiments. Each of these experiments include three parts: preparation, introduction and team review of each experiment.

This allows those involved to align themselves with the implementation of an agile methodology.



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## 3. Agile Leadership

Agile leadership seeks the integration of agile principles, values and practices by placing employees and the customer at the centre of every interaction. This is fostered through feedback, lead generation, and supporting the retention of internal talent in the organisation.



It is essential that a company that wants to be agile knows how to measure, motivate and work with a team; it must initiate a transition from the traditional leadership model to the leadership model that will enable an agile company.

For this, a good leader or manager must believe in a united team in which all points of view are considered, having flexibility when assigning roles and responsibilities, and looking for the origin of the problems, rather than their consequences.

In this sense, he be open and transparent with information and knowledge, seeking active participation, suggestions and ideas from the team.

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Finally, a leader of an agile organisation must empower his team with time, resources and motivation, being transparent and offering a constant review for the detection of possible improvements **[REF-04]**.

Digitalisation is not based on tools, but on how individuals lead in the management of tools to put them at the service of people.,



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## 4. Types of agile methodologies

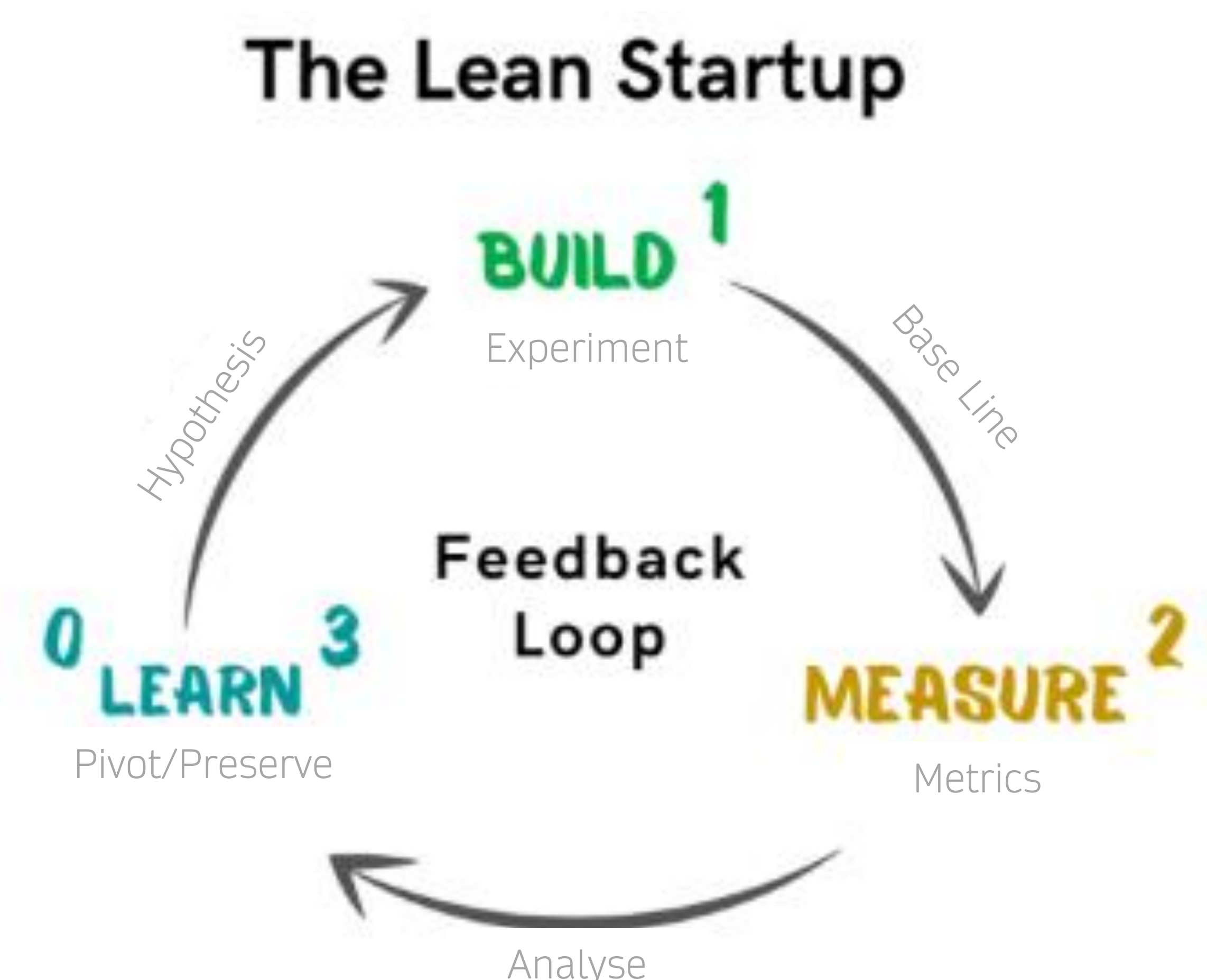
### **Lean Startup**

Lean Startup is a methodology created for business and product development, which focuses on short development periods, adopting a combination of experimentation and measurement, as hypothesis generation is carried out and progress is measured iteratively.

The Lean Startup method takes into consideration everything from how to lead, to when to pivot, and when to persevere and grow the business as fast and as well as possible.

It is based on identifying a target audience that allows easy adoption of the solution to iterate and improve the initial idea and expand to a resistant but potentially profitable audience.

The maxim of this methodology is to make a lower investment for a higher learning return, generating risky business hypotheses, which are built, tested and measured, thus allowing, finally, to learn from them **[REF-05]**.



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## Scrum

On the other hand, the Scrum methodology is a framework that encourages team collaboration, improving product delivery in an iterative and incremental manner.

In this methodology, it is notable the absence of sub-teams or hierarchies, being a team focused on one goal at a time, the Product Goal. The team is a cross-functional team, in which all members have the necessary skills to create value, being a self-managed team **[REF-06]**.

In the Scrum framework, the work is divided into sprints, and in each sprint, there are four meetings:

- **Sprint Planning:** The content of the sprint is planned, and its objectives are defined.
- **Daily Scrum:** The development team holds 15-minute daily meetings to discuss progress and improvements.
- **Sprint Review:** A review of the sprint is carried out and the results and increments are seen, making any necessary adjustments to the project.
- **Sprint Retrospective:** Ways to improve the quality and effectiveness of new sprints are defined.

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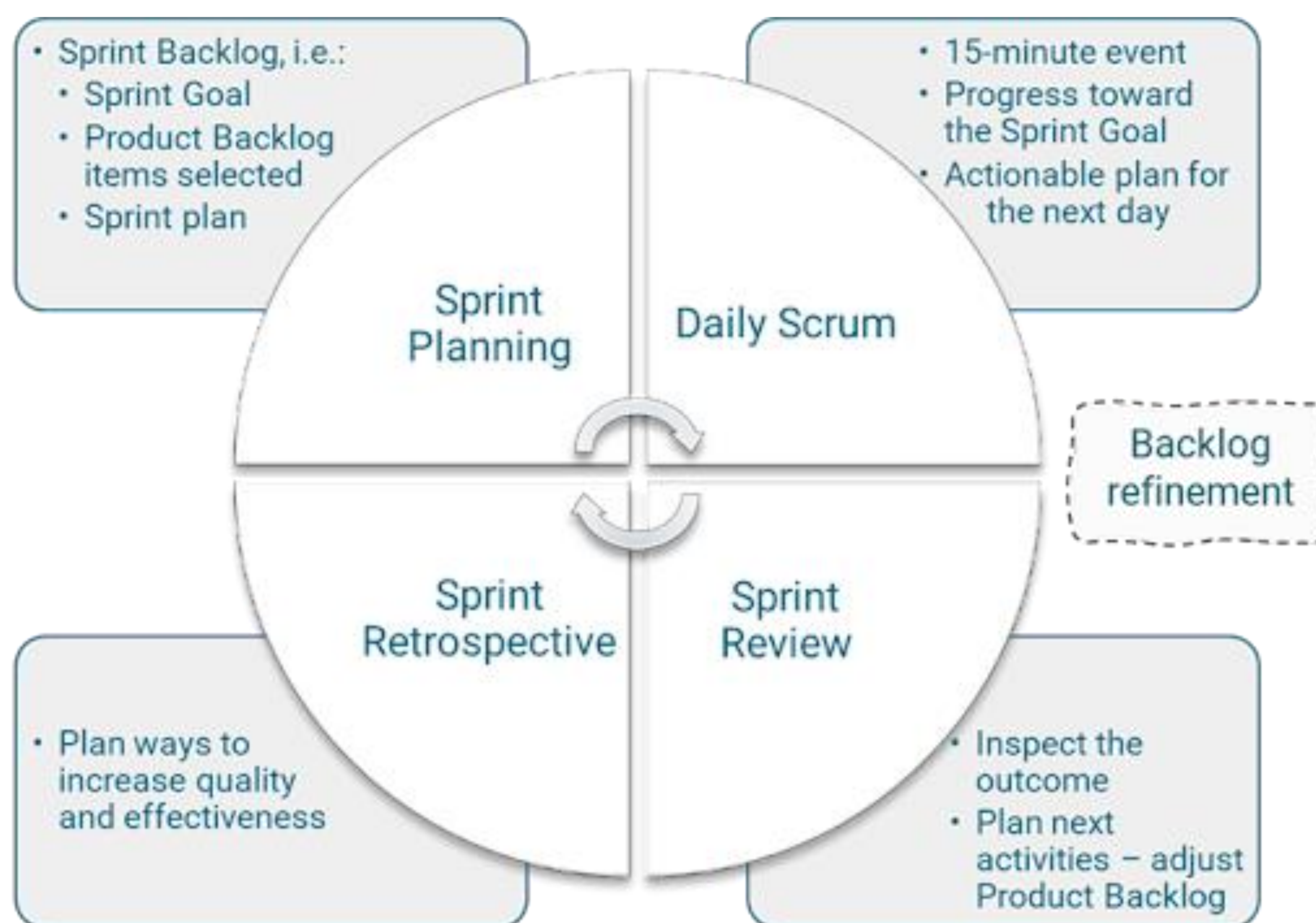


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These four meetings or events should follow the established order in all cases, as each event depends on the successful completion of the previous event to ensure that the teams can inspect and adapt.

Prior to the start of each Sprint, it is necessary to have carried out the Sprint Retrospective of the previous Sprint, as this will allow for proper planning of the next Sprint. Otherwise, the team would not know what improvements could be made to their interactions, processes or tools for the next Sprint.



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Kanban allows creating a visual system for managing workflows with other types of work (e.g., urgent, emergency, etc.). These principles and the general practices of the Kanban Method are designed to lay the foundations for adaptability in an organisation.

This model is developed as follows **[REF-07]**:

- Existing workflows and business risks are visualised. Limit "WIP" (work in progress) flows to reduce work in progress, as limiting parallel work allows for a better and faster response to existing work.
- Work in progress is managed and new workflows are limited. Priority is given to finishing work in progress before starting new workflows.
- Explicit policies are established for existing flows, managing them through existing data and making flows more predictable, defining how work is progressing, what activities need to be performed, etc.
- Feedback loops are defined, which allow, based on learning from existing flows, to improve the development of the next ones.
- Improvements are made in collaboration and experimentation based on the hypotheses made.

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## 5. How to start implementing agile methodologies

But how can these agile methodologies be applied in the context of SMEs in Spain? In a small and medium-sized enterprise, adaptation to change must be rapid, as must the speed at which new problems are solved in order to ensure business survival.

Through change agility, the focus is on the people who will underpin the change needed to evolve organisations and SMEs. It is essential to have agile leadership that will enable adaptation based on the changing needs of the sector, with motivated people. For example, through Lean Startup, adaptation takes place faster in the development of products and services. Moreover, for customers it is done in an adaptive way, generating new initial product conception options, generating efficiency and effectiveness, meeting customer needs at the right time.

The way to operationalise change in products and services is by generating adaptation, which is done through the Scrum framework and the Kanban method through iterations and/or a continuous flow of value, with a series of practices, tools, principles and values that foster organisational cultural change and early, quality customer delivery.



To implement an agile methodology in your SME, follow these steps [REF-08]:

- 1. Identify your business objectives:** Before implementing any methodology, it is necessary to identify the SME's objectives. To do this, it is necessary to have a clear vision of the objectives and to know how the implementation of a new management methodology can contribute to achieving these objectives.
- 2. Analyse the culture of your SME:** The agile methodology is based, among other things, on transparent communication and leadership, where all team members know the objectives and share them. This is why, in order to implement an agile methodology in your SME, it is necessary that the organisational culture is open to implementing this type of methodology, so that the efforts are not isolated, and form part of the basis and structure of the business itself.
- 3. Detect the potential impact on your customers:** Before implementing this type of methodology, it is advisable to ask yourself how it impacts your customers, how it improves the user experience, how it affects quality, etc. There are several key points to address to identify how the implementation of agile methodology affects your SME.
- 4. Determine the resources available in your company:** The people and technologies available are a fundamental aspect to assess whether it is possible to make the most of the implementation of agile methodologies in your SME. Only having them available will allow for a successful implementation.



- 5. Support your company's leaders:** The implementation of a new project management methodology involves a global change, both in project management processes and in customer relations, personnel management, etc. and focuses on the use of technology in a different way. Therefore, it is important to involve all leaders, so that they can support this change and follow up on it.
- 6. Implement agile-based processes:** Implementing an agile methodology implies a change in processes to make them agile, impacting the flows, the people involved, the actions to be carried out and the technologies to be used.
- 7. Develop your day-to-day work based on this methodology:** Start by organising the team's work and scheduling it in different sprints. Then define, together with the team, the content of each sprint: its objectives, tasks, and expected impact. Organise daily meetings that allow the development team to continuously monitor the status of the tasks and their progress, allowing them to see the degree of achievement of the expected impact, as well as to unblock possible problems that may arise, and scope revisions. With all of this, you can observe the possibilities for improvement at all times and adapt your work plan at all times, in order to achieve the expected result.

It is essential to bear in mind that the environment can change at any time, and it is necessary to have the capacity to adapt and be constantly flexible to face unforeseen scenarios that can mean the end of a project for any SME. For this, both the leader and the rest of the employees must have a predisposition to adapt to the situations that will arise and there must be constant and sincere collaboration between the whole team, in which the responsibilities and knowledge of each of the members are respected.



## 6. Benefits of agile methodologies

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Agile methodologies enable effective team management based on transparency, adherence to purpose and the ability to adapt to changes in the environment faster. The benefits of implementing a model with agile methodologies in your SME are the following:

- You will achieve better and faster delivery of products to your customers.
- In changing environments that are not under your company's control, you can leverage it to provide the customer with a competitive advantage, by adopting an agile approach.
- With greater collaboration and communication within your team, in the face of potential obstacles, you can more effectively arrive at solutions. In addition, agile methodologies encourage teams to regularly reflect on their effectiveness, constantly adapting and refining.
- Adopting agility in your business is a way to constantly strive for excellence in products and customer service.

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## 7. Applicable tools

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There are different tools on the market that can support SMEs that want to become more agile organisations. It is a very simple way to improve communication and internal collaboration with all members of the team, avoiding obstacles that end up having an impact on the products delivered to customers.

These tools allow to carry out an agile methodology, through the organisation of tasks of the sprint team, leading collaborative sessions with the whole team, allowing to visualise ideas and key concepts, etc.

**Scrumblr** is a free virtual note board that can be accessed via browser. The great advantage is that it allows to share information with the rest of the team and create content in a more agile and collaborative way. Scrumblr is the ideal tool for brainstorming sessions with a team.

**Trello** is a simple tool that includes boards, lists and different cards, it also has very intuitive functions for which no great knowledge is required. It can also be integrated with other applications such as Google Drive and Dropbox. It is free to create up to 10 boards, otherwise the plan starts at €9.99/month.

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As a collaborative tool, there is also a free and paid version of **MURAL**. This tool allows you to collaboratively create diagrams, lists or illustrations from any point for teams, and is also a great tool for brainstorming.

On the other hand, **MIRO** is a tool similar to MURAL, with a virtual whiteboard that allows video calls and chats integrated into the tool itself, facilitating collaboration from a single place, without the need to make use of other external applications. It has a free version and there are paid options starting at \$8 that incorporate additional functionalities.

**Slack** is a free tool, although it has a paid version from €6.75/month for up to 50 users. It allows file sharing and instant messaging, and also allows integration with different cloud file platforms such as Google Drive, Dropbox, Salesforce, etc.



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## 8. Conclusions

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In many cases, workers in organisations and SMEs are overloaded, carrying out several tasks at the same time, in addition to the possibility of interruption due to constant task changes. This sometimes results in different tasks being started without finishing any of them, extending delivery times and the value provided to the client. As a result of this situation, there are times when those involved do not have a global vision of all the tasks, leading to errors. For this reason, the implementation of agile methodologies is considered convenient, as it is positioned as a tool that allows avoiding many bottlenecks in those SMEs subject to a changing environment, and the need to adapt to constant changes in an efficient and optimal way.

By adopting agile methodologies, an SME can structure itself to carry out its processes more efficiently, avoiding the constant barriers of a traditional organisation and optimising its resources, allowing better synergy between all the teams involved in the development of any product or service in any field. This allows SMEs to respond to change in an organised and prepared way, thus generating value for the customer in a changing environment, especially accentuated in small businesses.

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It all starts with aspiring to be agile, and by following the different guidelines set out throughout this document, an SME can achieve this. By defining values and principles and always adhering to them by all members of a team, an SME will be better organised, create its products in a more agile way, improve its relationship with its customers, and be less likely to fail using trial and error.

**The ability to digitise and thrive as a business must be supported by a paradigm shift (agility) in the service of the company's own purpose.**



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