



AGILE 2024 DALLAS, TEXAS

#AGILE2024

John Tanner @ 

A Better Approach to Agile Metrics

Where Performance Meets Humanity

#Agile2024



About Me

In 2022, I founded a consulting firm that specializes in enabling organizations for AI by leveraging Lean-Agile practices and principles, empowered by data insights.

I have spoken at AgileXXX twice before, in 2018 and 2019 –
– both times the topic was metrics.

I have deployed human-centric, Agile measurement strategies at the **White House Communications Agency**, **Air Force Intelligence**, **Freddie Mac**, and many other Federal Agencies and Fortune 500 firms.

The GQM Approach – Agile2018
Metrics for Good – Agile2019

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What we are going to discuss today.



1

Why we measure anything at all.

Explore why we measure things by examining two views: the traditional approach and the agile approach.

2

Why our OKRs are not okay.

Discussing the pitfalls of OKRs, their impact on team dynamics, and alternatives for setting meaningful goals.

3

Why you should always question your goals.

A brief introduction to the Goal-Question-Metric (GQM) framework and the importance of continuously evaluating and aligning goals with strategy.

4

How to AIM your measures.

Debuting Adverse Impact Mapping (AIM) and how it helps identify and mitigate potential negative consequences of measures gone wrong.

5

Cool story, bro. So now what?

Practical steps for implementing new measurement strategies to drive continuous improvement and strategic innovation.

Why we measure anything at all.

Why we measure anything at all. Two views.



Traditional View: Standards and Accountability

In the traditional view, measurements are about control and accountability. They focus on hitting targets and ensuring compliance. This approach provides clear expectations and maintains order for consistent operations.



Agile View: Learning and Improvement

In the agile view, measurements are for continuous learning and improvement. We focus on outcomes, feedback loops, and adaptability. This keeps us flexible and always learning, so we are always improving.

Benefits of the traditional view.



Sets clear expectations

Clearly defined metrics help establish what is expected from each team member, ensuring everyone knows their roles and responsibilities.

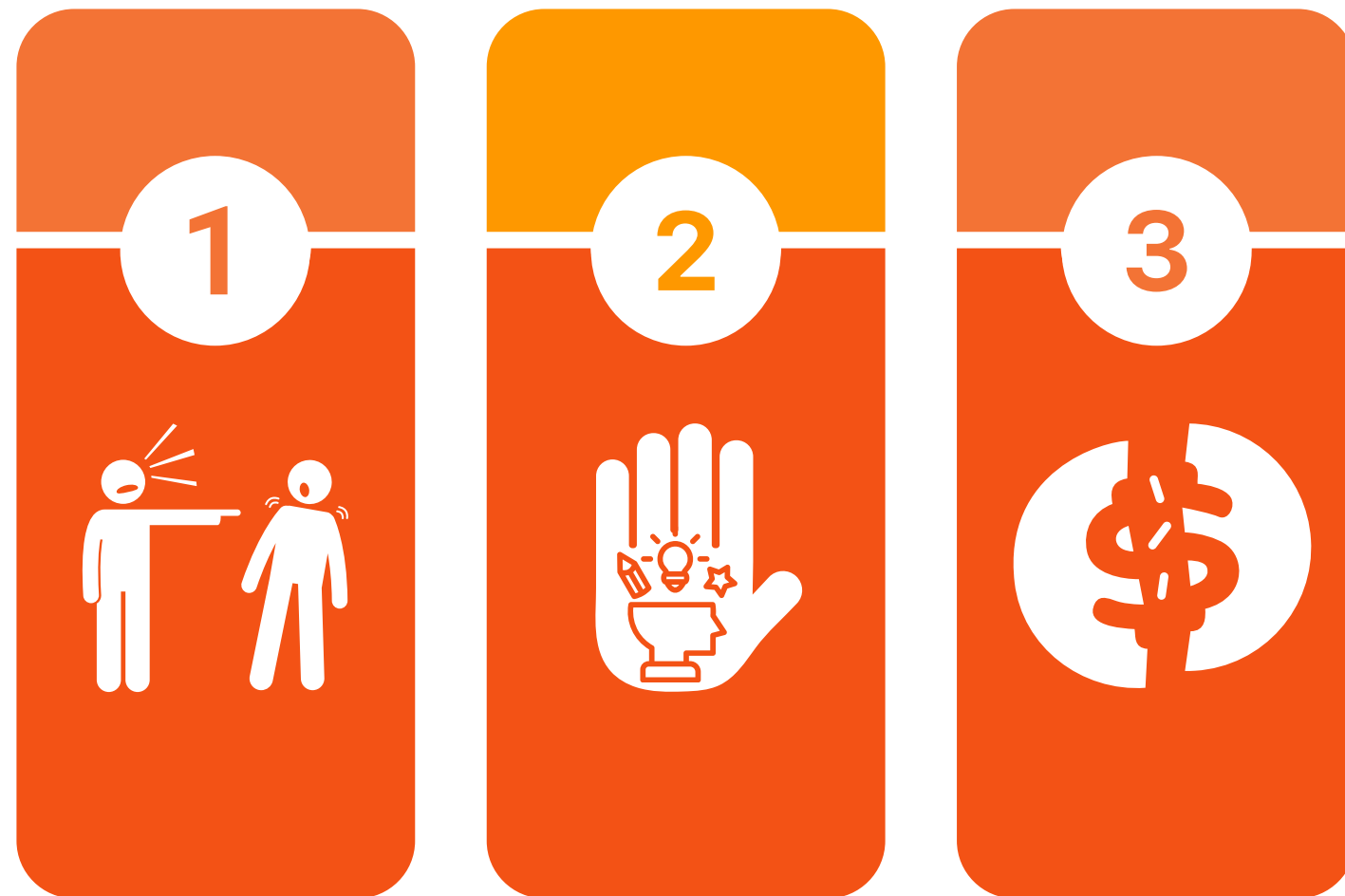
Easy to track defined progress

Using specific metrics allows for straightforward tracking of progress against goals, making it easier to identify areas of success and those needing improvement.

Provides a sense of security and order

Having structured measurements in place can foster the feeling of a stable environment where teams can rely on consistent criteria for performance and compliance.

Limitations of the traditional view.



Can create a culture of mistrust

Rigid measurements can foster a culture of micromanagement and mistrust, where people feel constantly monitored and pressured, leading to low morale and disengagement.

Stifles creativity and innovation

Overemphasis on strict targets and compliance can stifle creativity and innovation. People may avoid taking risks or exploring new ideas for fear of missing predefined metrics.

Focuses on outputs over outcomes

Traditional metrics often prioritize outputs over outcomes, which can lead to a focus on quantity rather than quality. This type of misalignment can result in efforts that do not truly add value to the organization or its customers.

Benefits of the agile view.



Promotes a culture of learning

Agile measurements foster an environment where continuous learning and improvement are prioritized, empowering teams to experiment and grow.

Encourages responsiveness to change

Agile metrics support adaptability, allowing teams to respond quickly to changes and new information, ensuring they remain relevant and effective.

Focuses on delivering value

Agile emphasizes delivering real value to customers, using metrics that reflect true outcomes and customer satisfaction rather than just producing work outputs.

Limitations of the agile view.



Can be perceived as less structured

Agile metrics can sometimes seem ambiguous, leading to uncertainty about expectations and what counts as meaningful progress.

Requires a cultural shift

Adopting agile measurements demands a significant change in mindset and culture, which can be difficult for some organizations to achieve. Remember, culture emerges, it isn't enforced.

Dependence on team maturity

The effectiveness of agile metrics heavily relies on the team's maturity and their commitment to agile principles, which can vary widely.

So which way is right?



Consulting answer

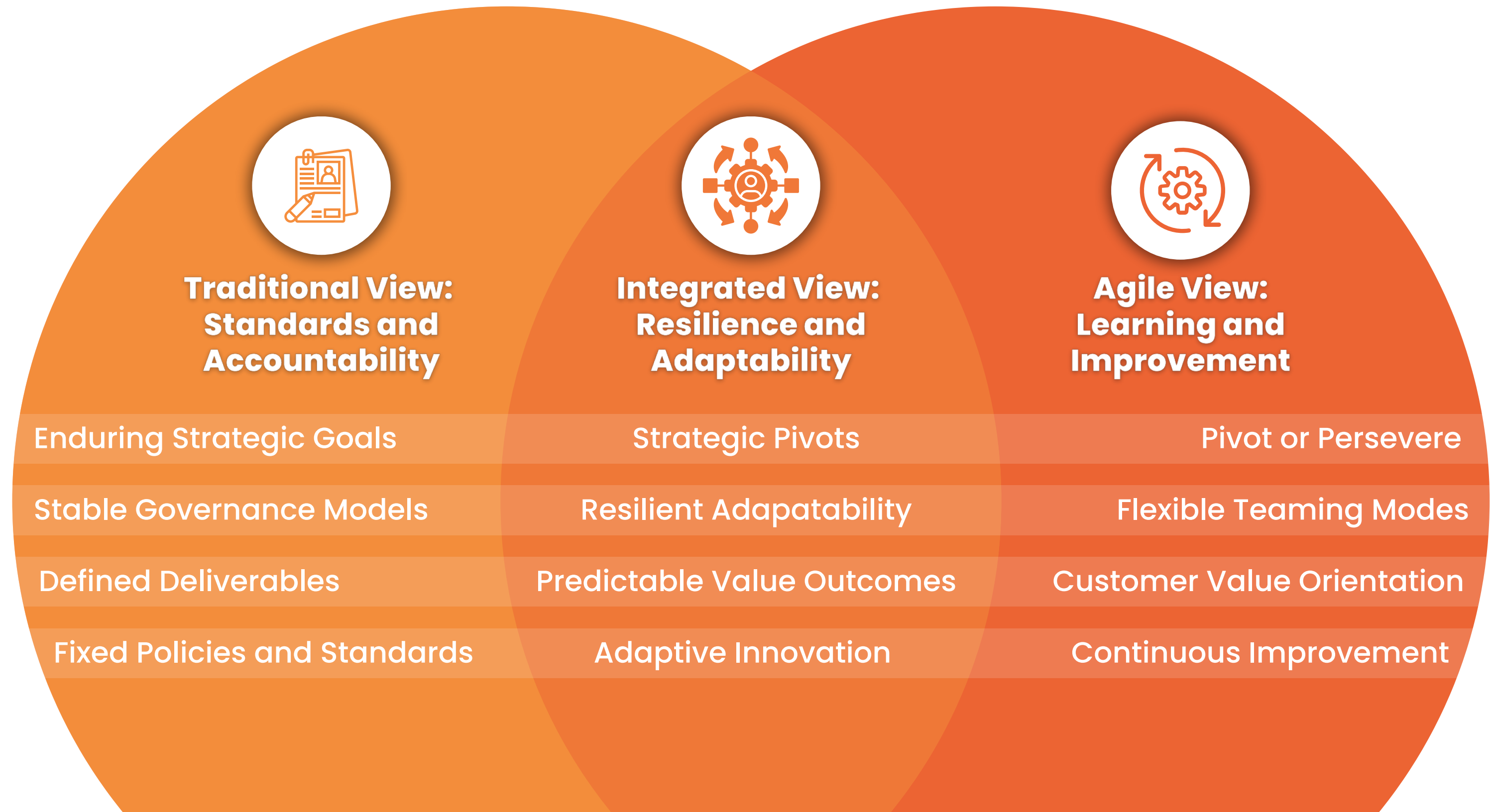
“It depends.”

Human answer

“Why not both?”



Combining the views.



Why our OKRs are not okay.

Why our OKRs are not okay.



Simplicity over strategy

Our OKRs often prioritize simplicity, leading to a lack of strategic depth and comprehensive planning. This can result in setting superficial goals that don't align with long-term strategic objectives just to check the box.

Aspirational but not actionable

Our OKRs tend to be aspirational, with lofty goals that are not always broken down into actionable steps. This creates a gap between what we aspire to achieve and the practical actions needed to get there. We then try to mitigate this by tightly coupling our aspirations with our work items and hoping for the best.

Continuous with no improvement

Our OKRs are often implemented without proper feedback loops and iterative improvements built in, making them more of a big company checklist than a strategic north star. This prevents us from evolving and adapting to new challenges and opportunities in the moment, focusing us instead on knocking out the items on the list.

What is even happening?

Actual OKRs I've actually witnessed.

Simplicity over strategy

Objective: Complete all committed work

- Key Result 1: Complete 50% of committed work.
- Key Result 2: Complete 80% of committed work.
- Key Result 3: Complete 100% of committed work.

Aspirational but not actionable

Objective: Become a global leader in innovation

- Key Result 1: Be the best innovator on the planet.
- Key Result 2: Innovate every day in all we do.
- Key Result 3: Achieve world recognition as the top industry innovator.

Continuous with no improvement

Objective: Monitor all customer satisfaction levels

- Key Result 1: Measure customer satisfaction for Q1
- Key Result 2: Measure customer satisfaction for Q2
- Key Result 3: Measure customer satisfaction for Q3
- Key Result 4: Measure customer satisfaction for Q4

Then there's this one

Objective: Elevate our workplace

- Key Result 1: Daily awareness.
- Key Result 2: Team-time tea.
- Key Result 3: Lunch and love Fridays.

OKRs drive behaviors. Good and bad.

Simplicity leads to complacency

Just finish the work? That's never enough. Simple OKRs may lead to achieving the bare minimum without pushing for innovation or significant improvements. Set challenging, inspiring OKRs that drive your team to strive for excellence and surpass their limits. **OKRs were never meant to be hit 100% of the time.**

Aspirations require action

Dreams are wonderful, but making them real is what truly counts. Setting ambitious OKRs is just the start; you need clear, actionable steps and consistent effort to bring those dreams to life. When you focus on how you'll achieve your objectives, you see that **OKRs are designed to drive behaviors** towards meaningful outcomes for the organization.

Big changes need space to integrate

OKRs are meant to shape our purpose, not monitor our performance. Embrace bold changes and provide room for experimentation and adaptation. Focus on transformational goals that drive long-term growth and innovation. **You must give time and space for organizational, behavioral, and aspirational changes to settle in and integrate into your way of working.**



**Why you should always question
your goals.**

Why you should always question your goals. The GQM approach.



Goal

The GQM approach underscores the necessity of continually questioning and refining your goals to ensure they remain aligned with your strategic objectives. It begins with defining a Goal. This means setting clear objectives that align with your core mission, providing a solid foundation for all of your efforts.



Question

Next, you move to the Question phase where you formulate targeted questions that will help you determine whether you are on track to meet your goals. These questions should be specific and directly address the critical aspects of your objectives, enabling a precise evaluation of your progress.



Metric

Finally, in the Metric phase, you identify the metrics that will provide concrete answers to your questions. These metrics must be relevant, reliable, and actionable. The defined metrics should directly answer the targeted questions relating to your goals, offering insights into the progress toward achieving your goals.

GQM in action. Let's start small.

Define your Goals

Define clear, specific goals that align with organizational priorities and focus on strategically relevant, measurable, and meaningful outcomes.



Teams can plan, coordinate, and deliver predictably enough to meet a release level commitment.

Formulate Questions

Develop targeted questions that provide clarity into how we should evaluate progress toward the goals, and when we will know our goals have been met.



Does the team deliver the committed functionality each sprint?

Identify Metrics

Select metrics that will provide meaningful insights and answer the questions, making sure they are quantifiable, relevant, and feasible to collect.



Story Point Completion %
(SPs Complete / SPs Committed)

This obviously isn't enough. But maybe not for the reason you think.



Teams can plan, coordinate, and deliver predictably enough to meet a release level commitment.



Does the team deliver the committed functionality each sprint?



Story Point Completion %
(SPs Complete / SPs Committed)

How to AIM your measures.

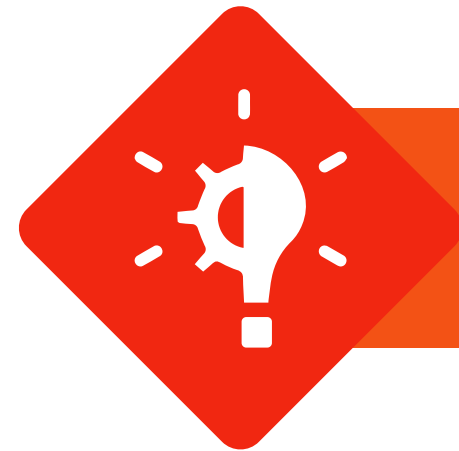
This is the human-centric part.

Businesses are people.

Our current measurement approaches fail to account for the human impact, leading to unintended negative consequences such as harm to employee well-being, broken relationships with vendors and customers, and a loss of moral compass for the organization. The lack of a human-centric approach hinders our ability to drive meaningful and sustainable change ethically, conscientiously, and with integrity.



We AIM to do better.



What adverse impact means.

At the most basic level, adverse impact is an unintended negative consequence resulting from a specific practice or measure, leading to unforeseen and often harmful outcomes.

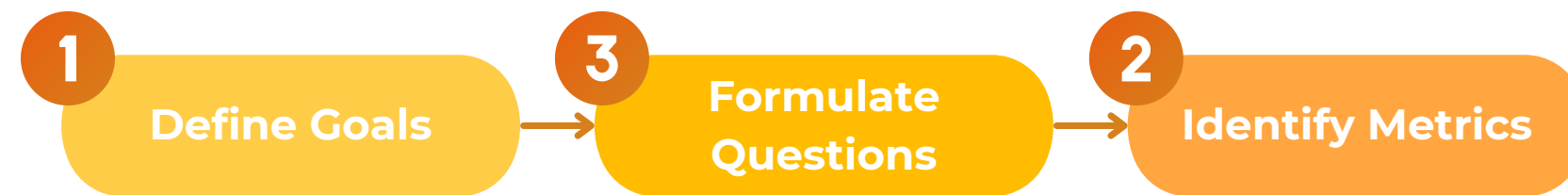


How we address it with AIM.

Adverse Impact Mapping (AIM) is a reflective method to identify and resolve the potential effects of unintended adverse impact introduced by business measurement practices. AIM's purpose is creating a fair, inclusive, and ethically sound view of organizational measures.

How AIM works.

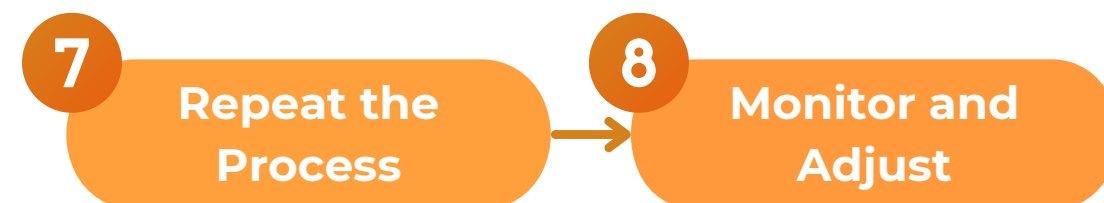
Whether planning strategic OKRs or defining performance metrics, we always start by defining our **Goals**, formulating supporting **Questions**, and identifying the right **Metrics** to answer them.



After we have a good view of our measures, it's time to assess **Adverse Impact**, **Develop Recommendations**, and **Implement Resolutions**.



Once our resolutions are in place, we **Repeat the Process** for each measure, and **Monitor and Adjust** as necessary.



That work results in a nifty little Adverse Impact Map.

In the next few slides we are going work through how this map gets filled out. This is a minimal interaction exercise and should focus more on discussing the concepts than getting the right answers.

Participation is entirely up to you! If you don't feel like engaging, that's okay! Just sit back and relax for a bit.





Take a few minutes and talk to one or two people around you. What adverse impacts do you think we might introduce?

Let's AIM this measure.

Adverse Impact Mapping is when we chart possible unintended consequences caused by implementing one or more measures. Let's think about the measure from our GQM example.

Things to focus on:

- How will this measure change our behaviors?
- How will this measure challenge our integrity?
- How will this measure harm our people?

Goal



Teams can plan, coordinate, and deliver predictably enough to meet a release level commitment.

Question



Does the team deliver the committed functionality each sprint?

Metric



Story Point Completion %
(SPs Complete / SPs Committed)

What did you discover?

Metric



Story Point Completion %
(SPs Complete / SPs Committed)

Adverse Impact Mapping (AIM) is reflective in that it allows us to mirror our GQM steps to gain deeper insights into how our metrics might impact our behaviors and our people.

Adverse Impact



How will this measure change our behaviors?

The measure may lead teams to prioritize completing points over delivering value.

How will this measure challenge our integrity?

Because teams set their own points, the measure may result in teams gaming the system or altering estimates to ensure higher completion rates.

How will this measure harm our people?

Excessive focus on story point completion may lead to stress, as people feel pressured to meet arbitrary point targets at the expense of their own mental well-being.



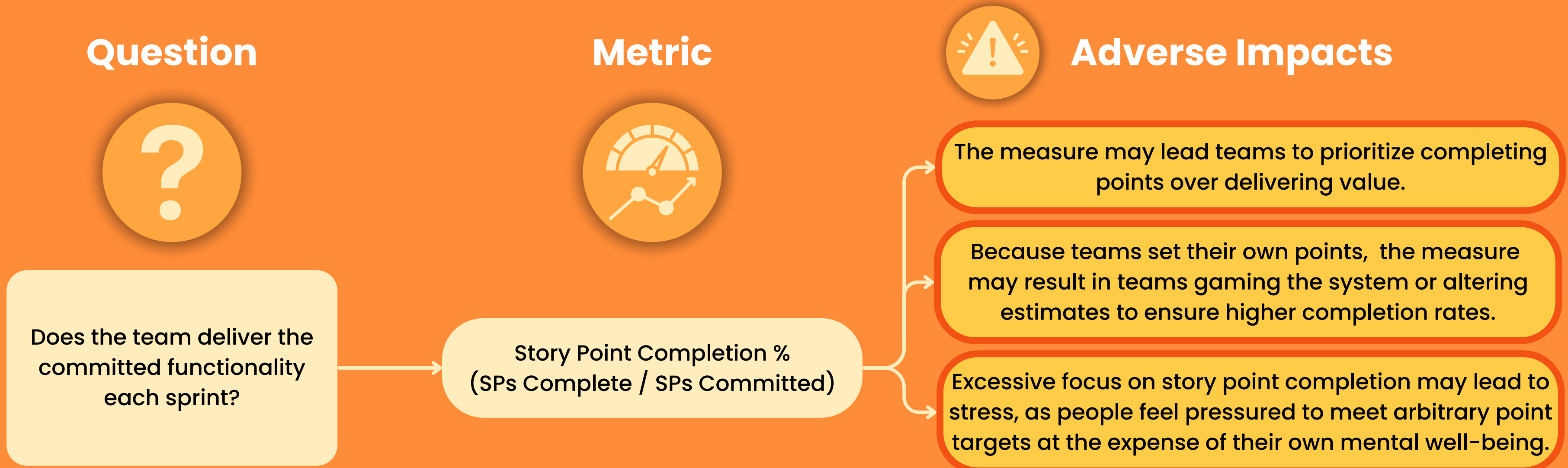
Take a few minutes and consider recommendations that might resolve the adverse impacts of the measure.

Let's Recommend some Changes

Adverse impacts should be addressed within the structure of the Goal-Question-Metric and Adverse Impact Mapping model, not outside of it. This ensures that resolutions are directly aligned with the overall measurement approach.

Things to focus on:

- Should we eliminate the measure?
- Can we replace the measure with something better?
- How will we still answer the driving question?





Take a few minutes and consider recommendations to resolve the adverse impacts of the measure.

Let's Recommend some Changes

Adverse impacts should be addressed within the structure of the Goal-Question-Metric and Adverse Impact Mapping model, not outside of it. This ensures that resolutions are directly aligned with the overall measurement approach.

Things to focus on:

- Should we eliminate the measure?
- Can we replace the measure with something better?
- How will we still answer the driving question?



Adverse Impacts

The measure may lead teams to prioritize completing points over delivering value.

Because teams set their own points, the measure may result in teams gaming the system or altering estimates to ensure higher completion rates.

Excessive focus on story point completion may lead to stress, as people feel pressured to meet arbitrary point targets at the expense of their own mental well-being.



Recommendations

We should add some value-based measures. Do we need to update our questions?

I don't think we can do anything about this. Let's remove the measure and replace it with throughput.

This could be a problem with throughput as well. We should add some metrics that promote employee satisfaction and well-being alongside performance.

GQM in action. Revised.

Define your Goals



Teams can plan, coordinate, and execute predictably enough to meet a release level commitment to **delivering business value outcomes**

Formulate Questions



Does the team deliver the expected **business value** each iteration?

Is team delivery **predictable** enough to plan each release?

Identify Metrics



Value Delivery Ratio
(Total Value of Planned Work Items / Total Value of Delivered Work Items)

Committed Throughput Ratio
(Count of Committed Work Items / Count of Delivered Work Items)

Throughput Variance
(Avg. of Last 6 Iterations Throughput / Last Iteration Throughput)

Let's add some targets.

Define your Goals



Teams can plan, coordinate, and execute predictably enough to meet a release level commitment to **delivering business value outcomes**

Formulate Questions



Does the team deliver the expected **business value** each iteration?

Is team delivery **predictable** enough to plan each release?

Identify Metrics



Value Delivery Ratio
(Total Value of Planned Work Items / Total Value of Delivered Work Items)

Target:
80-120%

Committed Throughput Ratio
(Count of Committed Work Items / Count of Delivered Work Items)

Target:
80-120%

Throughput Variance
(Avg. of Last 6 Iterations Throughput / Last Iteration Throughput)

Target:
90-110%

Now, let's look at the impact again.

Define your Goals

Adverse Impact

Recommendation



Value Delivery Ratio
(Total Value of Planned Work Items /
Total Value of Delivered Work Items)

Target:
80-120%

What if we pivot and our view on value changes? We might push forward delivering the wrong thing.

No change. This is the exact reason we measure value delivered. It can be planned or unplanned value.

Committed Throughput Ratio
(Count of Committed Work Items /
Count of Delivered Work Items)

Target:
80-120%

If we focus too much on sprint commitments and not enough on agility, we could lock in to producing less valuable things to hit numbers.

No change. We address this with the value measurements. Let's revisit after a few iterations to see if our hypothesis holds.

Throughput Variance
(Avg. of Last 6 Iterations Throughput /
Last Iteration Throughput)

Target:
90-110%

Teams may focus too much on staying within variance and not enough on doing the right thing.

We should adjust the target band to give teams less incentive to focus on the numbers.

Hold up. Something's missing. Shout it out.



Teams can plan, coordinate, and execute predictably enough to meet a release level commitment to **delivering business value outcomes**

Does the team deliver the expected **business value** each iteration?

Value Delivery Ratio
(Total Value of Planned Work Items / Total Value of Delivered Work Items)

Is team delivery **predictable** enough to plan each release?

Committed Throughput Ratio
(Count of Committed Work Items / Count of Delivered Work Items)

Throughput Variance
(Avg. of Last 6 Iterations Throughput / Last Iteration Throughput)

Don't forget the people.



Teams **are well supported** in coordinating, and executing predictably enough to meet a release level commitment to **delivering business value outcomes**

Does the team deliver the expected **business value** each iteration?

Value Delivery Ratio
(Total Value of Planned Work Items / Total Value of Delivered Work Items)

Is team delivery **predictable** enough to plan each release?

Committed Throughput Ratio
(Count of Committed Work Items / Count of Delivered Work Items)

Throughput Variance
(Avg. of Last 6 Iterations Throughput / Last Iteration Throughput)

Is the team **supported and encouraged** enough to feel safe?

Team Morale & Wellbeing
(Regular Anonymous Survey Results & Support Check-Ins)

This, too, is not enough.

Wait. Weren't we talking about OKRs?

Define your Goals



Define your Objectives

Formulate Questions



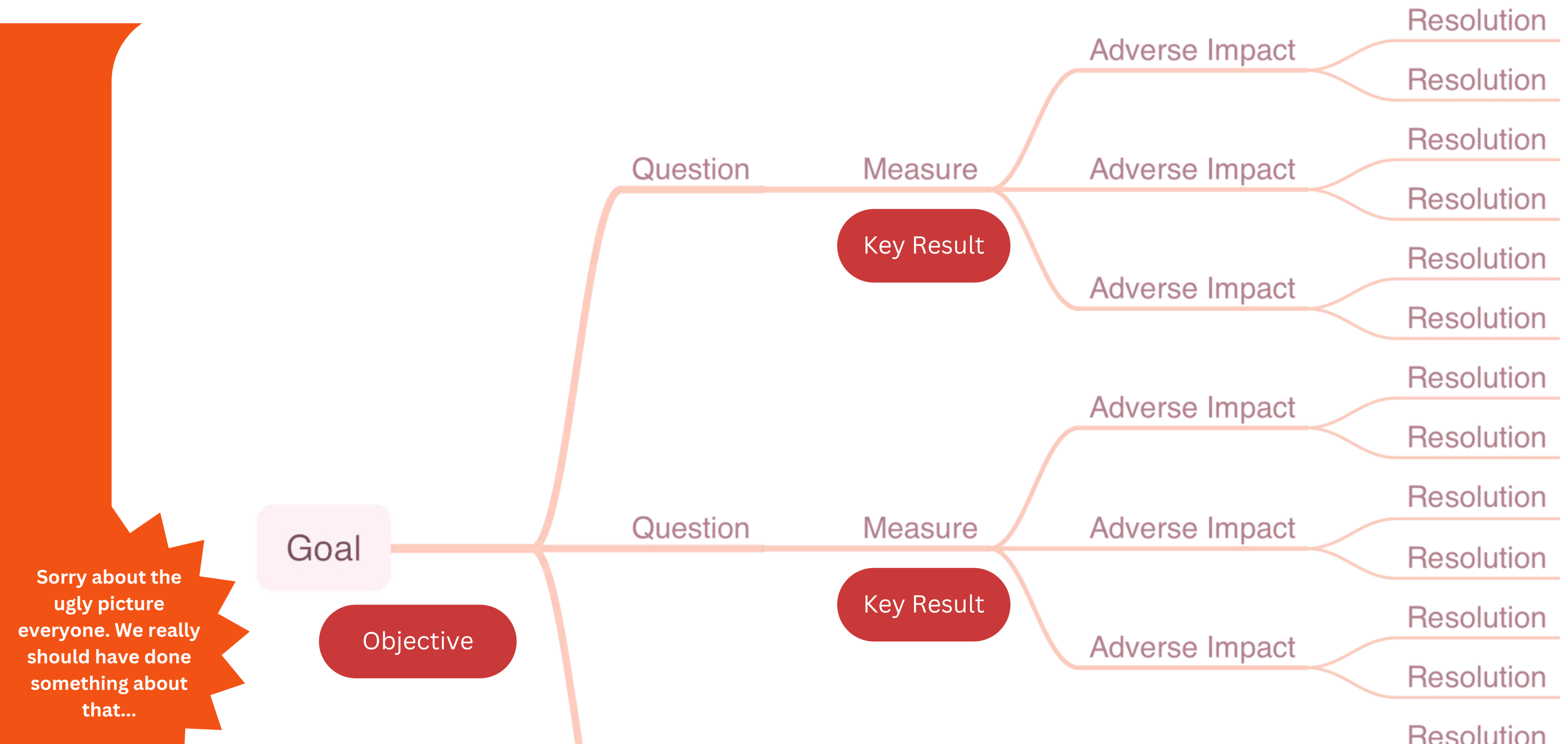
Formulate Questions

Identify Metrics



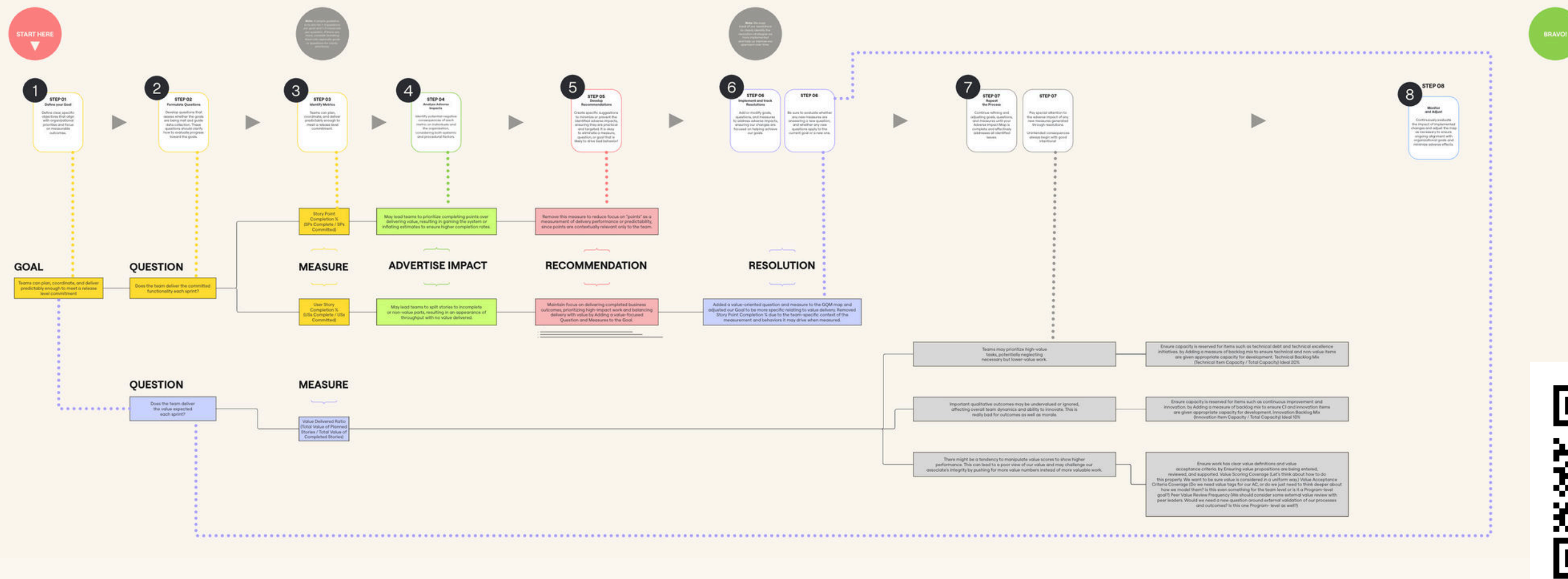
Identify Key Results

AIM your OKRs the same way.



Ugly picture fixed. Go check out the Miroverse.

GQM with Adverse Impact Mapping by John Tanner



billy

Cool story bro. So now what?

Getting started with AIM.

First, figure out where you want to start. Are your performance measures problematic, or are your OKRs off track? Don't change both at once. Pick a place that matters and remember to give space for change.



Study behaviors

Understand the actions that drive your team's performance. Analyze what successful teams are doing and how their behaviors contribute to achieving goals. This will help you identify best practices and areas for improvement.

Study outcomes

Focus on the results your team is delivering. Look beyond the numbers to understand the quality and impact of these outcomes. This will provide insights into how well your team is meeting its objectives and where adjustments are needed.

Hear your humans

Listen to your team members. Gather feedback on their experiences, challenges, and suggestions. This will create an open environment where people feel valued and engaged, leading to better performance and satisfaction.

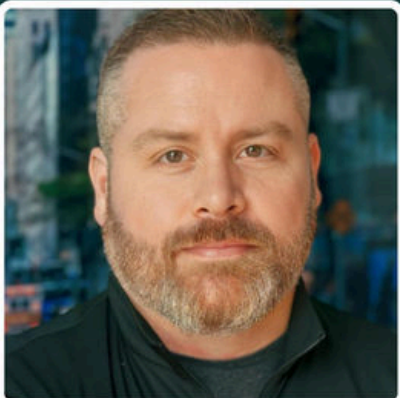
Never stop improving

Continuously seek ways to enhance processes and outcomes. Encourage a culture of constant learning and adaptation. This mindset will drive ongoing progress and innovation, ensuring your team stays competitive and effective.

More AIM stuff.

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John's TAN hub.



https://bit.ly/tan-john



Thank You!

Any questions?



Please come meet team (and maybe a robot dog?) in the C4G booth!

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