

Confirmation: Unleashing Unrealized Growth with Scrum@Scale

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In this client story, we'll explore how Scrum Inc. helped Confirmation, the world's leading provider of secure audit confirmation services, unleash its growth potential by adopting Scrum@Scale.

Background

Bankers, auditors, lawyers, and creditors often need to confirm financial and other sensitive data. Historically, they sent paper requests via "snail mail" and then waited for a response. In 2000, however, Confirmation revolutionized this process and introduced a platform that offers fast, easy, online validation of information.

Confirmation leads the industry today, processing more than \$1 trillion in confirmations each year. Its platform is used by more than 16,000 audit firms, 4,000 banks and departments, and 5,000 law firms in 160 countries. In 2018, this 9-time Inc. 5000 honoree had revenues of \$36.5 million and has enjoyed 24% year-over-year growth in sales.

The future should have looked bright for Confirmation, but the President and Founder, Brian Fox recognized that the company's products weren't modernizing at the same pace as other software offerings on the market. The firm's development processes were encumbered by operational and cultural issues. While the team had many talented people, they simply weren't using the right development processes. To maintain market share, sales growth, and customer satisfaction, Confirmation had to release a high quality, user-friendly product. Unfortunately, that wasn't the reality.

While on a flight, Fox listened to an audio book – Scrum: The Art of Doing Twice the Work in Half the Time. By the time he was finished, he knew that he needed to contact the authors, Jeff Sutherland and J.J. Sutherland at Scrum Inc. for help. Scrum and agile methods would be a dramatically different way of working for Confirmation's development team, but it was the best way for the company to continue its growth trajectory.

Go See: The Challenges Facing Confirmation

Scrum Inc. began its engagement with Confirmation by visiting the company's Tennessee headquarters and the two development sites in Florida. The team found that Confirmation employees in all locations were optimistic about Scrum and its benefits. Everyone had read the Sutherland's book and they saw how the Scrum methodology could help them work more effectively.

At the two initial Go See meetings, the Scrum Inc. team spoke with employees at all levels to gain insight into the challenges facing the organization. Four major opportunity areas emerged from these conversations:

- **Lack of Transparency.** Successful product development relies on collaboration between product owners, business analysts, development, and QA. Yet, communication between these stakeholder groups was strained at best and non-existent in many cases. The product owners were located in Tennessee, while the rest of the groups worked in Florida. In addition, a former head of development had strictly forbidden communication between the business analysts and developers. Business analysts emailed specs to the development team and no further dialogue occurred. One employee noted, "You plan something and have no idea if it will get done. You can't promise a customer when it will be delivered and even after it is, you can't see if it met your goals or not." The customer service team found out what features had been released when customers called in and said, "This is on my screen."

- **Prioritization.** The poor communication between groups led to a lack of prioritization. The development team struggled to work on all the features in the queue, which resulted in few reaching completion and poor quality results. One developer explained, “Everything is number one priority.”

- **Estimation and Delivery.** The company’s waterfall approach to development in combination with the legacy code made estimation impossible. Over time, as the company had prospered, code had grown organically. It hadn’t been designed for easy maintenance and modifications. In one instance, changing a single character on a form took three weeks. Since the product wasn’t based on an object-oriented architecture, it was difficult to maintain stability as new features were added. Delivery was a real challenge, since all testing was done manually and code wasn’t continuously deployed.

- **Improved User Experience.** Given the disorganized nature of product development at Confirmation, the team had never focused on refreshing the product’s user interface. A common reaction was, “Our product is Windows 98.” To delight new and existing customers, the company knew it had to revamp the user experience for both PCs and mobile devices.

Adopting Scrum: Moving from Enthusiasm to Readiness

After the Go See meetings and a Leadership Workshop, the Scrum Inc. team began work with the business analysts and the development, QA, IT, and operations teams in Florida. The transformation to Scrum@Scale was a three-phase approach:

- 1. Training.** Over three days, the teams participated in Certified Scrum Master and Product Owner training. They learned how Scrum Masters create a backlog, prioritize it, and manage burndown charts. The group also discovered how Product Owners assess business value, prioritize features, projects and portfolios, and return real revenue with the product backlog.

- 2. Team Launch and Backlog Development.** Over three days, Scrum Inc. helped reorganize the development, QA, and business analyst teams into cross functional teams. The teams elected Scrum Masters and then built a backlog and wrote stories for their first sprint.

- 3. Coaching.** As the Confirmation teams embarked on their initial one-week sprints, Scrum Inc. coaches helped every step of the way. This coaching was key to the company’s successful adoption of Scrum, since they quickly discovered that enthusiasm is not the same as readiness.

To adopt new ways of working, Confirmation needed help managing the cultural changes. Although the camaraderie within the old functional teams was strong, trust between groups was low. The Scrum Inc. coaches emphasized the need to focus on the “now” and working together more effectively, rather than bringing up past conflicts and pointing fingers. Since the development teams were split across two office locations in Florida, the groups needed new approaches to improve communication. Scrum Inc. encouraged them to use video chats when releasing code into production, rather than relying on email for questions and problem resolution.

Since the traditional organizational hierarchy was deeply ingrained in Confirmation’s culture, transitioning to Scrum also generated some anxiety as old reporting structures were augmented. Employees now participated in cross-functional Scrum teams, but the vertical teams for reporting purposes remained intact. The Scrum Inc. team facilitated discussions within the company to clarify roles and maintain the momentum.

Results: Increased Velocity, Quality, and Employee Satisfaction

With Scrum adoption well underway for product development, Confirmation is seeing clear benefits. Eight teams are now using the Scrum methodology. These include:

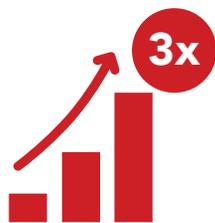
- Two Development teams focused on product redesign, enhancing the user interface, and moving to an object-oriented architecture
- Four Development teams focused on the legacy product
- The Security team
- The IT Operations team

The company has seen meaningful progress in several areas:

• **Increased team velocity.** Teams are now cross-functional and include product owners, development, and QA. This has led to greater transparency among stakeholders about priorities. In addition, teams work together over multiple releases, rather than gathering for one project and then disbanding. This has resulted in increased cohesion and stronger working relationships. Suresh Babu, Confirmation's Chief Information Officer, noted, "Working collaboratively as one team, we can achieve more. People now work from a prioritized list. They are focused and generate higher quality output." Since adopting Scrum, Confirmation has seen consistent increases in velocity. The team focused on the product redesign, for example, has tripled its velocity sprint over sprint. Other teams have doubled their velocity.

• **Higher product quality.** Prior to implementing Scrum, the legacy product had an open backlog of 100 bugs. After adopting Scrum, the team working on the legacy code reduced this backlog to 17. "We work together collaboratively with the product owners. Each morning, teams discuss bugs and product changes. Within three to four sprints, we got focused on open issues. Removing the backlog of bugs was a big win," Babu observed.

• **Greater employee satisfaction.** When Confirmation used the waterfall approach to product development, the development team members felt like they were under pressure throughout the year to meet launch dates. Yet, the company had little visibility into what the team was working on. According to Babu, "Scrum has dramatically increased transparency in the organization and now the development teams feel that they are heard. The company understands what we're working on and we deliver what we promise in terms of functionality. With Scrum, our new motto is, 'We do what we say.' It has made the business happy and development team stress levels are much lower."



The Product Redesign Team tripled its velocity sprint over sprint



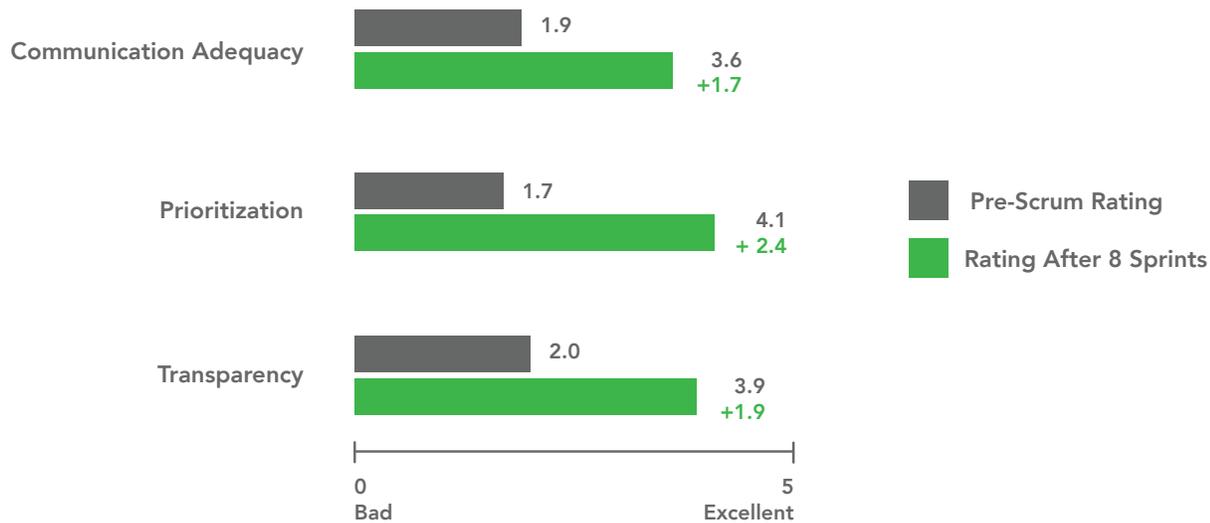
Multiple teams doubled their velocity

Sidebar: The Impact of Scrum on Communication, Prioritization, and Transparency

Before Confirmation embarked on its Scrum transformation, Scrum Inc. identified three major issues facing the organization: communication adequacy, prioritization, and transparency. Confirmation team members participated in a self-assessment on these three dimensions before adopting Scrum and after participating in approximately eight sprints. Across the board, team perceptions of communication adequacy, prioritization, and transparency improved.

Confirmation Self-Assessment Results

Team members rated themselves on a scale of 0 to 5, where 0 is bad and 5 is excellent.



- **Stronger self-assessments.** Each quarter, Confirmation’s management team provides the board with a letter grade on the company’s performance. This grade incorporates a variety of development-related metrics including product delivery dates, customer feedback, feedback from internal departments, and the number of bugs identified during testing and post-release. In the quarter prior to engaging Scrum Inc., Confirmation gave itself a “C” grade. In the quarter after adopting Scrum, their grade improved to an “A.”

- **Delivering more work with fewer resources.** As Confirmation adopted Scrum, 13 people from the development team transitioned to other opportunities. These individuals preferred work cultures focused on individual contributions, rather than the team-intensive work environment that is essential to Scrum. It’s important to recognize that the enemy of Scrum isn’t waterfall, but rather “bad Scrum.” Bad Scrum can occur when people feel forced into it. Voluntary participation produces better results for any endeavor, including Scrum adoption. The remaining team members at Confirmation are well aligned with the new organization culture. Not only have personal relationships and team spirit become stronger, the company is accomplishing its product development and delivery goals with essentially 1,040 fewer person hours on each two-week sprint.

Looking ahead, Confirmation is eager to roll Scrum out to the Marketing, Sales, and Customer Service teams. Plans are already underway to extend the transformation to the rest of the company.

At a Glance: Confirmation and Scrum at Scale

- Eight teams adopted the Scrum methodology, including six Development teams and the Security and IT Operations teams.
- Development teams now release features in two-week sprints focused on a top priority goal, rather than large releases spanning months.
- The product redesign team has tripled its velocity sprint over sprint. Other teams have doubled their velocity.
- After adopting Scrum, the legacy product open backlog was reduced from 100 bugs to 17.
- The team has experienced improvements across the board in communication, prioritization, and transparency.
- The management team's grade for company performance improved from a "C" prior to Scrum to an "A" in the quarter after adopting Scrum.
- Marketing, Sales, and Customer Service plan to adopt Scrum.