

# Organizational Agility Maturity Model (OAMM)

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## Measuring and Benchmarking Organizational Agility

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### Abstract

Agile project management has taken off and expanded since the *Agile Manifesto* was issued in 2001 from being a niche software development project management framework to a broader project management framework applicable in a broad swath of industries and applications. However, while Agile continues to grow in popularity and use, many organizations discovered that there is more to successfully using the Agile framework than receiving training on the Agile framework and project management tools. The greatest challenge facing organizations is understanding what it means to be an agile organization, i.e. one that is able to rapidly change direction and adapt to real-time feedback from projects and customers, measuring organizational agility, defining where the organization's agility needs to be, and creating a roadmap to get there. Unfortunately, since the Agile framework is still maturing, there is currently no industry standard, such as an equivalent to the Capability Maturity Model Integration (CMMI), which would provide a repeatable set of agility benchmarks.

Capitol Management Consulting Services, Inc. (CMCS) has developed the following Organizational Agility Maturity Model (OAMM) to provide a measure of the level of organizational agility and comparable standards for organizations. The focus of this white paper will be to define organizational agility and standards for levels of organizational agility.

### What is Agile and How Do Organizations Become Agile

Throughout its life as a formal field of study, project management followed a rigid and linear approach. Work was broken into a series of tasks to be completed in a set order with controlled amounts of concurrent work being done, with minimal room for adjustment once started. However, the availability of automated tools, computing power, and technology solutions continues to change the way work is done. Projects are constrained to finish quickly, with failure being an acceptable result, as long as something is learned and the next attempt evolves from those lessons. Organizations accept the idea of controlled trial and error and evolving ideas. Organizations are more agile as a result of these changes.

Born from the world of software development at the start of the century with the creation of *The Agile Manifesto* (<http://agilemanifesto.org/principles.html>), Agile project management was created to:

- provide software developers with the ability to work more cooperatively with their business counterparts to shorten development cycles,
- allow for mistakes to be made and corrected quickly, and
- allow for greater flexibility to address user needs.

The resulting Agile framework led to an increase in productivity and customer satisfaction while lowering overall costs. Management teams from other parts of the organization took note and began exploring ways to implement these same principles in their divisions.

Before long, divisions across the organization were receiving training in the Agile methodology and kicking off their first Agile projects. Unbeknownst to anyone, there was an underlying problem: Agile project frameworks fail to reach their full potential in organizations lacking agility. The *Agile Manifesto* and almost all Agile frameworks operate under the assumption that organizations are inherently agile, meaning that they are able to rapidly change direction and adapt to real-time feedback from projects and customers. Unfortunately, in the real world most medium to large organizations simply are not agile, as defined by the assumptions in the *Agile Manifesto*. These most fundamental of these assumptions are that organizations are:

- Able to change organizational direction with minimal effort or impact;
- Operating in an environment with minimal operational oversight and/or regulation;
- Working with minimal budgetary oversight and/or controls.

Most medium to large organizations are complex machines with many independent moving parts and changes to any individual component can have far reaching impacts within the organization.

However, this does not mean that Agile frameworks only succeed in small organizations, nor does it preclude medium to large organizations from using Agile. But before an organization can utilize these frameworks, it is important to understand both:

- How agile is the organization currently?
- How agile does the organization intend on becoming?

Without understanding the organization's current organizational agility, it is impossible to make a decision as to whether the organization needs to become more agile or simply adjust some of its business processes and/or policies. At the same time, simply stating a desire to become more agile does not help either because without a definition of what that means organizations can waste countless resources attempting to make a change that is never realized.

Unfortunately, at this time there is no cross industry standard or agility model like Carnegie Mellon University's Capability Maturity Model Integration (CMMI) which provides these standards. In order to address this vacancy in the broader market and assist our client's transition into more agile operating models, Capitol Management Consulting Services, Inc. (CMCS) developed its Organizational Agility Maturity Model (OAMM). This model provides a cross industry benchmark of agility for organizations as they use or prepare to use the Agile framework.

### How Capitol Management Consulting Services Developed OAMM

CMCS developed OAMM as a result of experiencing firsthand the challenges of implementing Agile project management frameworks in medium to large organizations across a broad swath of industries. By studying the successes and lessons learned from each organization's implementation of an Agile project management framework, CMCS was able to identify and link these characteristics back to the *Agile Manifesto* and define organizational agility. After defining these factors, CMCS studied medium and large organizations who are agile and are not. The organizations selected include not only CMCS's customers, but also other companies whose journeys have been documented, studied, and shared. By studying firms across the spectrum of organizational agility, CMCS was able to define levels of mastery for each of the organizational agility key factors based on real life examples. The result is a top down approach to defining organizational agility using best practices from the fields of organizational change management, project management, data-based decision making, and kaizen/continuous improvement. Much like Carnegie Mellon University's CMMI assessment, OAMM has the flexibility to be used across multiple industries and organizations of any size. However, unlike CMMI, it has a much more fluid set of definitions allowing for a more nuanced view of organizational agility.

### Organizational Agility Maturity Model (OAMM) - An Overview

The Organizational Agility Maturity Model (OAMM) is founded in the Japanese martial art of Aikido's concept of *shuhari*, which outlines the stages of learning to mastery. Translated from Japanese, *shuhari* translates to "to keep, to fall, to break away", with the three phases being identified as *Shu*, *Ha*, and *Ri*. The concept of *shuhari* is best summarized by Aikido master teacher Endo Seishiro<sup>1</sup>, who says,

"It is known that, when we learn or train in something, we pass through the stages of *shu*, *ha*, and *ri*. In *shu*, we repeat the forms and discipline ourselves so that our bodies absorb the forms that our forebears created. We remain faithful to these forms with no deviation. Next, in the stage of *ha*, once we have disciplined ourselves to acquire the forms and movements, we make innovations. In this process the forms may be broken and discarded. Finally, in *ri*, we completely depart from the forms, open the door to creative technique, and arrive in a place where we act in accordance with what our heart/mind desires, unhindered while not overstepping laws."

Taken in the context of defining organizational agility, the concept of *shuhari* is combined with the twelve principles of the *Agile Manifesto* to determine an organization's level of agile maturity. The result is a flexible framework which allows organizations to take credit for those agile practices they are already implementing, while being able to specifically identify where they have room to improve. At the same time, it allows organizations to be honest with regards to natural limitations on how agile they can be based on their size, industry, and other factors. The goal is not to force a one size fits all solution on all organizations

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<sup>1</sup> [An Interview with Endô Seishirô Shihan Archived](#) 2011-06-10 at the [Wayback Machine](#) Aiki News, Dou, No. 144 (2005). translated by Daniel Nishina and Akiya Hideo

across all industries. Rather, it is to create an assessment of an organization’s current agility and the ability to define pragmatic targets to focus organizational change management efforts around.

To understand how OAMM works, let’s take the twelve principles of the *Agile Manifesto* and look at them in a border context without the IT/software development focus. Doing so will provide a framework for the definition of organizational agility which can then be measured using *shuhari*.

**Table 1 - Agile Manifesto and Organizational Agility Linkages**

Principle #	Agile Manifesto Definition	Organizational Agility Criterion
1	Our highest priority is to satisfy the customer through early and continuous delivery of valuable software.	Focus on the customer
2	Welcome changing requirements, even late in development. Agile processes harness change for the customer's competitive advantage.	Openness to change/Flexibility
3	Deliver working software frequently, from a couple of weeks to a couple of months, with a preference to the shorter timescale.	Target delivery
4	Business people and developers must work together daily throughout the project.	Holistic teams
5	Build projects around motivated individuals. Give them the environment and support they need, and trust them to get the job done.	Supporting the individual
6	The most efficient and effective method of conveying information to and within a development team is face-to-face conversation.	Open communication
7	Working software is the primary measure of progress.	Clearly defined metrics for progress
8	Agile processes promote sustainable development. The sponsors, developers, and users should be able to maintain a constant pace indefinitely.	Pacing work and delivery
9	Continuous attention to technical excellence and good design enhances agility.	Quality assurance
10	Simplicity--the art of maximizing the amount of work not done--is essential.	Simplicity
11	The best architectures, requirements, and designs emerge from self-organizing teams.	Self-organization/management
12	At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behavior accordingly.	Retrospection & Evolution

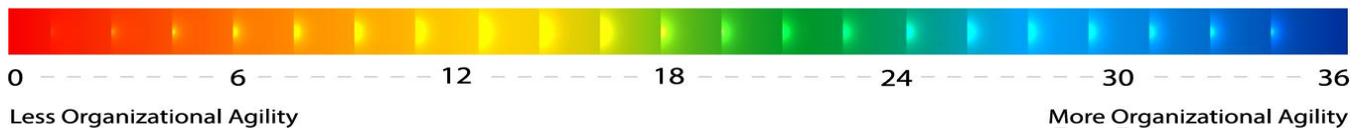
Table 1 - Agile Manifesto and Organizational Agility Linkages defines the linkages between each principle of the Agile Manifesto and how it relates to defining organizational agility. In other words, an organization defines its agility based on twelve unique criteria. These twelve criteria are then each defined within the principles of *shuhari* to determine organizational maturity.

Using the definitions in Table 2 - , organizations can measure where they stand. For each criterion in the *shu* phase the organization is awarded 1 point. Criterion in the *ha* phase award 2 points and the *ri* phase awards 3 points. If the organization does not meet the minimum definition in the *shu* phase, it is awarded no points. The points are all tallied and a score between 0 and 36 is assigned. This value is called the OAMM Score. The OAMM Score and the breakdown of how the organization scored for each criterion provides a snapshot of both overall organizational agility and insight into opportunities to improve organizational agility. Additionally, there is an opportunity for organizations to benchmark themselves against others in their industry by collecting and publishing OAMM Scores and breakdowns.

Table 2 - OAMM

Organizational Agility Criterion	Shu	Ha	Ri
<b>Focus on the customer</b>	The customer becomes the focus of the organization	The satisfaction of the customer becomes the focus of the organization	The feedback from the customer becomes the focus of the organization
<b>Openness to change/Flexibility</b>	Change may be accepted, but is not welcomed by the organization	Change is accepted by the organization	Change is sought by the organization
<b>Product delivery</b>	Product is delivered regularly	Product is delivered frequently	Product is delivered continuously
<b>Holistic teams</b>	Cross functional teams are established	Cross functional teams normalize	Cross functional teams are performing
<b>Value of the individual</b>	The correct individuals are brought to the organization	Each individual is motivated by the organization	Each individual is trusted by the organization
<b>Open communication</b>	Open and honest communication between team members	Open and honest communication across the organization	Open and honest communication with the customer(s)
<b>Clearly defined metrics for progress</b>	Metrics are able to be tied back to tactical goals	Metrics are able to tie back to strategic goals	Metrics are able to be tied back to the organization's vision
<b>Pacing work and delivery</b>	The pace of work and delivery is measured	The pace of work and delivery is consistent	The pace of work and delivery is optimized
<b>Quality assurance</b>	Quality metrics are established and measured	Quality metrics are met and maintained	Quality metrics are optimized and maintained
<b>Simplicity</b>	Business processes are standardized	Business processes are measured and analyzed	Business processes are optimized and updated, as appropriate
<b>Self-organization/Management</b>	Individual team members self-organize to form a team	Individual teams self-organize to support each other	Teams self-organize to support organizational goals
<b>Retrospection &amp; Evolution</b>	Teams conduct individual retrospectives and make adjustments to improve	The self-organized teams conduct retrospectives with one another and make adjustments to improve	The organization conducts retrospectives on itself and make adjustments to improve

While the OAMM Score is important, it should be considered in terms of a standing on a spectrum. Figure 1 - OAMM Score Spectrum below illustrates this relative agility. Unlike with other maturity frameworks, the goal of OAMM is not to push every organization towards becoming completely agile. The fact of the matter is that there is no single answer to how agile an organization should be. The ideal level of organizational agility will vary from industry to industry and organization to organization and depend on a variety of factors including, but not limited to, the size of the organization, organizational goals, regulatory constraints, and even the industry.



**Figure 1 - OAMM Score Spectrum**

However, what an OAMM score and breakdown provides an organization is the ability to understand their current organizational agility, think about where they would like to be relative to that, and have a framework to provide a target and path to increase, decrease, or maintain their organizational agility.

To illustrate how the OAMM Score and breakdown can be applied, imagine a Federal aerospace component manufacturing firm is interested in implementing an Agile project management framework (referred to as Company X). In an effort to determine how successful they will be implementing a “textbook” Agile project management framework, they work with CMCS to determine their OAMM Score and Breakdown. The result of their (imaginary) OAMM assessment is provided below:

**Table 3 - Sample OAMM Score**

Organizational Agility Criterion	Score
Focus on the customer	1
Openness to change/Flexibility	1
Product delivery	0
Holistic teams	2
Value of the individual	2
Open communication	1
Clearly defined metrics for progress	1
Pacing work and delivery	2
Quality assurance	3
Simplicity	2
Self-organization/ Management	0
Retrospection & Evolution	1
<b>OAMM Score</b>	<b>16</b>

An OAMM Score of 16 implies if an Agile project management framework were implemented today, Company X could expect some challenges, but make it work. While Company X's OAMM Score is towards the middle of the overall spectrum, the breakdown shows they are doing very well in some areas (Quality Assurance), but in others (Openness to Change/Flexibility). However, given the nature of their client base (most likely the Federal government and/or other Federal contractors), nature of work, and industry, they will likely face limitations when it comes to improving their organizational agility by improving their "Simplicity" or "Product Delivery". After all, given the highly regulated nature of aerospace component manufacturing and the expense associated with delivering new prototype products quickly or existing products continuously, updates may likely not be practical or possible. Improving factors like Retrospection & Evolution and Open Communication are much more reasonable to deliver and can have an immediate impact on the effectiveness and feasibility of an Agile project management framework.

### Conclusion

By its very nature, the Agile framework does not lend itself to working well with rigid rules around maturity. The underlying theme of the *Agile Manifesto*, from which it was spawned, is to encourage flexibility within a controlled framework to whatever level best supports the needs of the team. As such, there is minimal value in creating a rigid maturity model which encourages all organizations to continue increasing their organizational agility. However, it is important for organizations to have a means of measuring their organizational agility and having a way to set measurable targets around how agile they would like their organization to be.

CMCS's Organizational Agility Maturity Model (OAMM) provides organizations with a top down approach to becoming agile. By being able to measure organizational agility within the *Agile Manifesto*, OAMM provides both an overall picture and breakdown of how agile an organization is operating. This allows organizations to have the flexibility to operate in a manner which best serves their needs while also providing a framework to support organizational change management efforts. OAMM provides a flexible and scalable solution that can be tailored to be as strict or loose as needed while still providing organizations with the tools they need, regardless of their size or industry. Most importantly OAMM provides organizations with the ability to understand their organizational agility, determine their likelihood to succeed using an Agile project management framework, and create structured plans around how they can increase their organizational agility.

An organization that understands both its overall agility, and how it is agile, can better predict how effectively it will be able to manage Agile projects. The OAMM Score provides organizations who are determining whether or not to begin implementing an Agile project management framework with metrics to support their decision-making. While a low OAMM Score would not necessarily preclude them from implementing an Agile project management framework, it will provide them with targets they can use to improve their organizational agility and in turn better implement an Agile framework. On the other hand, if an organization has already implemented an Agile framework, calculating an OAMM Score can provide context around whether or not their organizational agility is impacting effectiveness and to what degree. At the same time, the OAMM Score breakdown will provide organizations with the ability to research target characteristics of their organizational agility and prioritize change efforts to maximize the return on investment of their Agile projects. While OAMM is not a turn-key solution to implementing Agile project management frameworks, it provides organizations with the ability measure and benchmark themselves and position them for success.

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