Hotwire.com
Waterfall to Agile

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Recap of the summer of 2011

Upside	Downside
- Business was improving - Gaining momentum on recruiting - Groups work really well together – supportive - Great skill sets & hotwire product & travel/internet industry knowledge - Everyone cares deeply about the business & its success	- Business environment = uncertain - Not working on the right things - People were less engaged - Retention was difficult - Slow - Lack of Impact - Heavy Process – Project Based - Risk Averse - Lack of Innovation or Experimentation - Teams Disengaged

Global Sourcing Initiative

- **In 2006 Luxoft was selected as SWE outsourcing vendor**

- **By 2008 executed on project-based Waterfall model**

- **In August 2011 Hotwire ODC with Luxoft was about 50 people, closely resembling local SF set up**

  - New Projects Software Development

  - Release routine (automated and manual regression, performance testing, build preparations)

  - Quality Management

  - Architecture

- **Have grown to 60+ people to date**

‹LUXOFT

ENGINEERING BUSINESS PERFORMANCE

Goal for 2012

Dramatically improve the quality and quantity of the product we deliver to our customers

2011 – Forward Hotwire SDLC Process

- **AGILE**
  - This was our first, significant effort to **fundamentally** change Product Development Process in 10 years
    - Focus on business value
    - Shorter delivery cycles
    - Accelerate ROI
    - Improved visibility into product and progress
    - Reduce cost of project
    - Faster test new ideas
    - Continuous evaluation of the project
    - Reduce project risk

Road to Agile

- **2008 -** jointly with Luxoft team, experimented with iterative development process (within the Waterfall framework), mostly successfully

- **2009/2010 -** locally, in SF, experimented on two large projects with Agile. Produced mixed results.

- **2010 –** assigned first, interactive (agile like) front end project to Luxoft team. Produced positive results in terms of time to market, quality, customer value.

- **2011 –** established first Product Line, entirely outside of SF office – HW Product in Geneva, Software Development in Kiev. Proved to be successful.

- Learned from other successful teams within Luxoft who ran Agile in the distributed teams set up.

- **Fall 2011 –** Initiated company – wide transition to Agile

Facts we knew about Transition

- Would not be Easy
- Required investment in training
- Required mind shift
- Expected Initial drop in Productivity
- Could create confusion
- We acknowledged not everyone would adopt and survive the change

Our Approach.

- **We took this transition extremely seriously**
  - The direction to change came from the TOP
  - Company President had done a number of sessions with teams in SF and Kiev
  - Significant Infrastructure and $$ Investment was being made
    - Initial sacrifice to Productivity and Profit Margin was expected
    - Significant amount of $$ was being spent on Consulting Services.
    - The best experts in the industry (*Marty Cagan, Jeff Patton) was* hired to conduct seminars for SF Teams
- **The change was designed to take place for the entire company, including Engineering, Product, IT, Finance, Marketing, HR….**
  - Hired a Consulting Firm ***BigVisible* Solutions**
    - Specialize in helping companies to move from Waterfall to Agile
    - Embedded Coaches in SF for up to 1 year
    - Luxoft assigned coaches traveled to SF to observe training provided by BigVisible
    - Worked with each team one-by-one
  - Luxoft assigned coaches to play similar training role in Kiev

The Customer

New (to Hotwire) Processes – Focus on a Customer

Engage With Our Customers

- **Customer Discovery**
  - Discover a market of customers with a problem they need solved
- **Product Discovery**
  - Discover the minimum viable product that solves the customer's problem
  - Identify a solution that is valuable, usable, and feasible
  - As fast as possible
  - As small as possible (minimum viable product)
  - With evidence it will succeed

Successes: Discovery

- **Established Listening Labs** - Launched November 18, 2011; labs every Friday
  - Now has over 6,000 participants!
- **UserTesting.com**
  - Completed 5 number of tests from Jan 2012
- **Field Tests**
  - Starbucks (Billing)
  - Westfield Mall (Hotel Consumer)
  - SFO Airport (Air)
- **Voice of the Agent Program**
  - Ability for agents to enter & vote on ideas regarding feedback for products, site, tools
  - Full launch to 500+ agents in May 2012
  - 332 ideas submitted to date w/some already implemented!
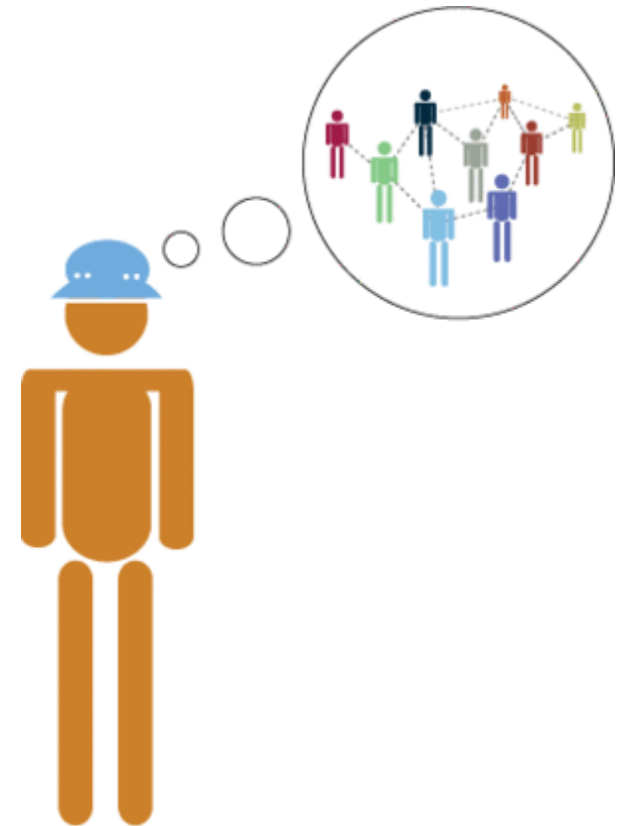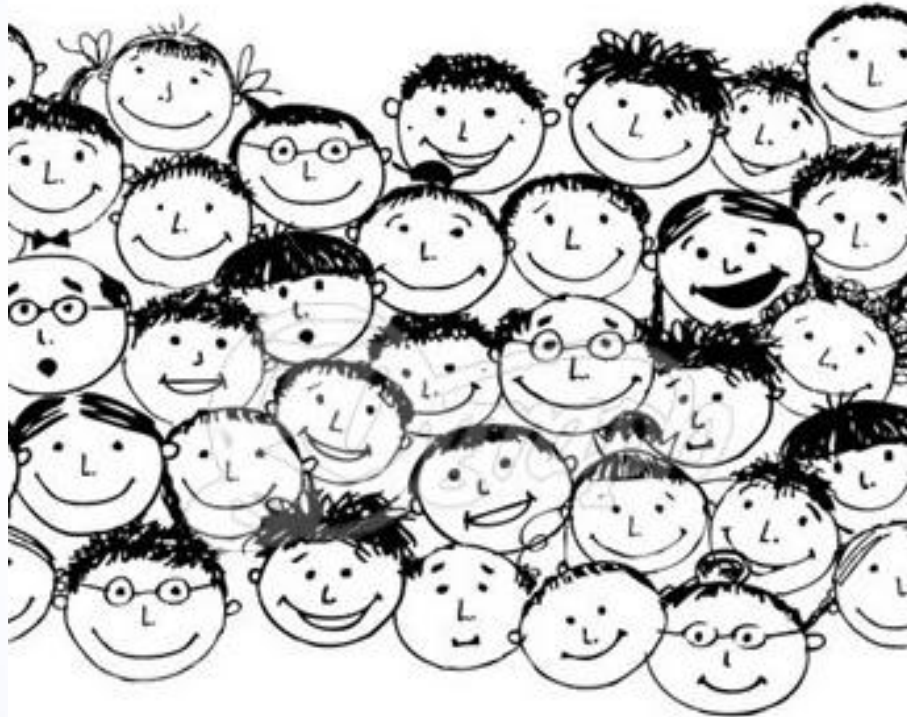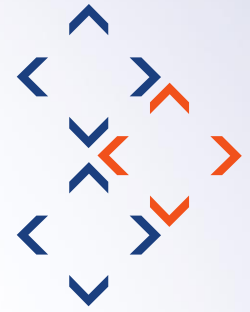
People

Recent Successes

- **Established Continuous Training**
  - BigVisible coaches on site & extended to end of year
  - Luxoft Coaches in Kiev
  - Jeff Patton sessions in SF
- **Established Community of Practice: Engineering, Product, Scrum Masters**
- **Established Transformation Team to address cultural change issues weekly**
  - How to make our culture less risk averse
  - Why we have a permission based culture
  - How we as a company can get in the way of the teams
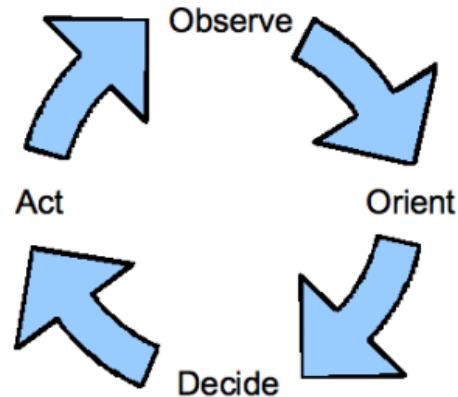 - Why some teams struggle and others succeed

Process

Process
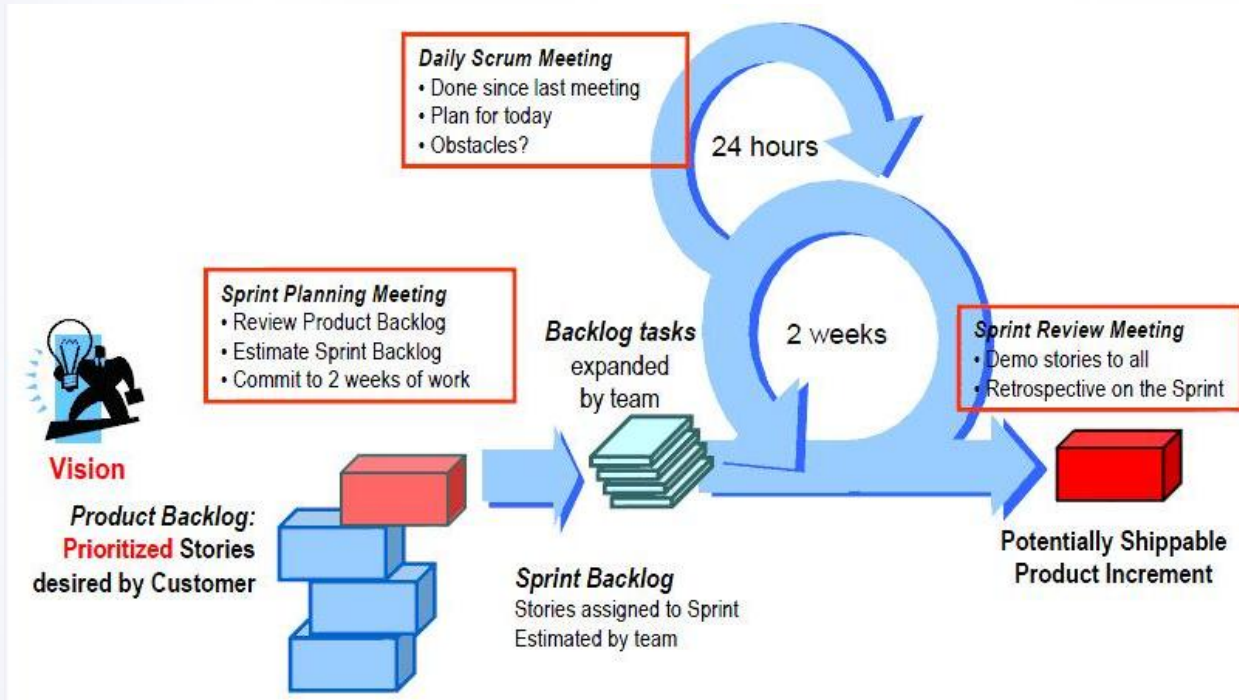
1. Build smaller chunks of functionality incrementally (MVP)
2. Test Early, Test Often
3. Entrance/Exit/Phase Acceptance Criteria and Code Branching
4. OODA Loops/Scientific Approach to Testing

Paradigm Shift

New Product management approach

- **Focus on <u>experimentation</u> – note hypotheses**
- **Validate idea at low cost before committing**
  - Learn how much investment it's worth
  - If zero… You've "failed fast"
  - "Pixel-perfect" wastes time and resources
  - "Don't fall in love" – be prepared to pivot
- **Learning has business value**
- **Experimentation = freedom to be bold**

Remote teams

Remote teams transformation

Challenges:	Addressed by:
10 hours time difference - Process synchronization between the teams - Working on one large, single application	- Introduction of new roles such as Proxy Product Owner and Scrum Masters - Luxoft Agile Practice coaches involvement - Tight cooperation on coaches level - Common Communities of Practice