Hotwire.com
Waterfall to Agile

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## Recap of the summer of 2011

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

THE DIGITAL REVOLUTION

The 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

Daily Scrum Meeting
- Done since last meeting
- Plan for today
- Obstacles?

Sprint Planning Meeting
- Review Product Backlog
- Estimate Sprint Backlog
- Commit to 2 weeks of work

Backlog tasks expanded by team
2 weeks

Sprint Review Meeting
- Demo stories to all
- Retrospective on the Sprint

Potentially Shippable Product Increment

Vision

Product Backlog: Prioritized Stories desired by Customer

Sprint Backlog
Stories assigned to Sprint
Estimated by team
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 experimentation** – 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

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