Traditional or agile alone won’t cut it: why you need a hybrid approach

Why your organization can’t be limited to a single-threaded approach to delivering work in the modern world of digital transformation
Managing projects before Agile

Running an organization used to be simpler—at least when it came to choosing investments you should make. All your mandatory investments— in things like infrastructure and operations—kept things moving and were typically no-brainers. Then you had your discretionary investments—projects. Departments came up with a list of discretionary projects they wanted to deliver, and the ones deemed the best for the business were approved for delivery.

Of course, that’s when things got harder and trickier. No matter how much care and attention went into the project approval and prioritization process, teams struggled to deliver the projects properly. There were shortcomings such as delays, cost overruns, failures, and gaps in delivering everything that was approved.

Better outcomes with Agile management

Then along came the Agile methodology—an approach designed to address all those shortcomings by completely reimagining how those discretionary investments would be delivered. Instead of all the bureaucracy and overhead that came with traditional project management methods, including waterfall, Agile management favored getting on with the work and collaborating with the customer to improve the solution throughout the development process.

And it worked. Over the last 20 years, Agile has become a major approach to delivering work, often in less time and with better outcomes than traditional approaches. It wasn’t always the right way to deliver all work, but for many organizations, the combination of waterfall and Agile provided management tactics that worked for most investments.
Hybrid management to suit the variety of circumstances

But now there's a new problem. The world of work is changing so quickly—with organizations continuously having to adjust to shifting customer demands, emerging technologies, and every new competitive pressure. And even Agile and traditional approaches when combined can't keep up with the rapid pace of change.

That's why organizations are embracing a hybrid approach to project management. Hybrid is the best of both worlds: structure, formality, and documentation for some circumstances; and flexibility, adaptability and speed for other circumstances. Hybrid allows experienced project managers to combine elements of traditional and Agile methods to create a custom approach to deliver work that is optimal for every situation.

Is hybrid some niche approach that most organizations can simply ignore? Not at all. According to one recent survey, 60% of project managers are using it, more than either Agile or traditional methods by themselves. Why has hybrid become so popular, so quickly? Simply because the fundamental challenges that existed with project management when Agile first appeared, still exist today. Over the last decade, the Project Management Institute's Pulse of the Profession reports have consistently shown that 10-12% of every dollar is wasted. That's a lot of money being invested that generates absolutely no value.
Stubbornly single-threaded at leadership level

At the front line or execution level, where work is delivered, your teams are multi-threaded. They are likely delivering work using waterfall, Agile, and hybrid approaches, with effective tools and techniques to determine the best approach for each situation. Additionally, they are probably leveraging software solutions that support only the approach used for that work delivery.

However, at the leadership level, project management challenges are pervasive. Most organizations remain stubbornly single-threaded in traditional techniques. Planning is still done much as it was 20 years ago with departments proposing initiatives and selling their business cases. Cost and benefit projections rarely drive accountability or even tracking. Efforts to make planning more adaptive generally mean conducting the same process every quarter instead of every year.

Executive decision-making hampered by minimal insight

PMOs are finding themselves caught in the middle. With approaches and software focused almost exclusively on traditional delivery techniques, they’re still tasked with effectively providing combined reporting on waterfall, Agile, and hybrid work. What’s even worse is that they’re expected to ensure that investment management, governance, resource management, and decision-making are optimized without much insight into most of what is happening.

This leaves executives with only part of the information they need to make decisions and no awareness even that they lack data to gain insights. They’re making key strategic decisions based on an incomplete, out-of-date, inconsistent, and frequently inaccurate view of what’s happening in the business. And it falls on the project delivery teams to interpret those ill-informed decisions and figure out how adjust their work.
Top-down, hybrid management

To succeed today, you must fundamentally change how you drive organizational strategy. Executive leadership must direct the process of funding and prioritizing work based on strategic imperatives, not current pain points reported by department heads. Additionally, there must be:

- a direct connection between strategies, goals, plans, and work delivery
- flexibility to adjust and adapt to shifting circumstances, new opportunities, and emerging technologies
- a focus on consistently delivering innovative solutions to clients and internal operations teams as effectively and efficiently as possible
Agile methods and the right management software

Two significant changes are required in organizations to support hybrid management:

- **Embracing more Agile methods of planning and decision making.** You must move past a single-threaded, traditionally focused leadership model, whether you formally adopt Scaled Agile Framework (SAFe) or similarly scaled Agile practices; you commit to creating an environment supportive of enterprise agility; or you simply want to truly plan in a more adaptive manner,

- **Leveraging an integrated software platform that supports end-to-end planning and delivery in all work methods.** You need a single solution integrated with all the tools that support your work teams in all methods. Capabilities should include: rapid planning and replanning through roadmaps; effective investment management and control through project portfolio management; centralized tracking of all work in all methods through collaboration, resource management, time tracking, financial controls, or performance reporting.
Keeping pace with organizational transformation

With these changes in place, your organization can support current project management practices like hybrid, as well as deliver other emerging work methods. According to Gartner 85% of businesses favor a product-based delivery method for their applications, and that can happen only when there’s a tight integration between planning, decision-making, and delivery. Additionally, the COVID-19 pandemic has accelerated digital transformation dramatically with IDC forecasting that 65% of global GDP will be digitized by 2022. You can expect to support that transformation only if you’re able to report on Agile and traditional work in meaningful ways.

The bottom line

Success for today’s organizations seems more elusive than ever. Threats to your ability to consistently perform are constantly increasing, new and emerging technologies disrupt the environment you operate in, and customer satisfaction windows get shorter every quarter. To give your organization the best possible chance of success, you must be able to deliver work as efficiently as possible while evolving to embrace emerging project management methods.

Hybrid management is rapidly becoming the most effective way of delivering that work, allowing you to combine traditional and Agile practices to best accommodate the varied circumstances that teams are facing. But unless you can apply the hybrid approach from the top of the organization down to the front line, you will never be able to optimize the performance of those teams—or your business.
Further insight on how you can realize the full value of hybrid work management with Strategic Portfolio Management (SPM) from ServiceNow.

Learn how to apply five techniques to optimize your hybrid delivery model

Learn how to embrace a hybrid approach and make it a reality

Learn how to apply a hybrid approach from top to bottom

At ServiceNow, our SPM solutions can help you embrace hybrid work methods so you can achieve greater agility and support your digital transformation goals. Go here for more information about SPM and how to manage both traditional and Agile delivery.

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