Valmont Industries Case Study: Lean Business Agility

"It's not just for IT anymore"

Introduction

This case study provides a real-life example of Lean Business Agility in a manufacturing organization.

Valmont's Agile Champion is Andy Carritt, Senior Director of Information Technologies for Global Irrigation at Valmont Industries. Since 2013, Andy has seen first-hand how much value Agile provides the technology teams in IT. He wanted the rest of the organization to start using Agile, so they could benefit from the same process improvements he found to be so valuable to the IT Department. Andy found that Agile provided better requirements for IT and better delivered what the internal and external customers wanted. Lean Business Agility provided a unique opportunity to spread the knowledge and utilize the benefits and value of Agile throughout the organization, not just IT.

According to Andy:

"Agile Transformation was brought in to help us improve our product development process through Lean Product Development and Lean Business Agility. This has been a wild success and is allowing us to completely revamp our process and improve our speed to market. The concepts used that were Agile related have spread like wildfire in our organization and are now used in some form in almost every functional area. I would highly recommend Agile Transformation, Inc. to any business, it's not just for IT anymore."

Background

Valmont Industries began in 1946 and has grown to be an international leader in engineered products and services for infrastructure and water-conserving irrigation equipment for agriculture. Products include: lighting and traffic structures, communication towers, and utility and irrigation equipment. Valmont Industries operates in five primary business segments: Engineered Support Structures, Utility Support Structures, Coatings, Energy and Mining, and Irrigation. Valmont is publicly traded on the NYSE. They focus on two global markets: infrastructure and agriculture, and are present in 23 countries.

Agile Transformation, Inc. is located in Omaha, NE and was founded on the principle of solving real world problems with practical real world solutions that are measurable and provide immediate value. We bring in highly influential change agents that can see transformation journeys through to success. We are the leaders in our industry for offering the most comprehensive set of Agile Transformation services to help you succeed.

Strategy

In May of 2016, Valmont initiated a strategy planning meeting with Agile Transformation to start Lean Business Agility training and coaching as well as Lean Product Development in their Irrigation Division.

Agile Transformation met with Andy Carritt and crafted a customized strategy for execution. The following key strategy points were identified for the engagement:
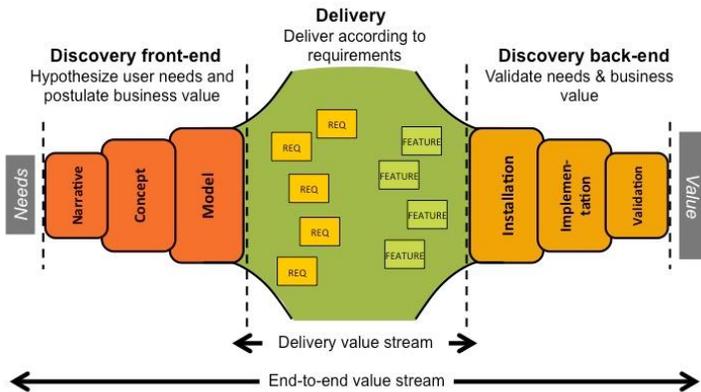
1) Agile training and coaching for the Irrigation Division
2) Lean Business Agility (See diagram below)
   a. Learning & Development Department (Valley University)
   b. Marketing & Product Development
   c. Irrigation Engineering
3) Lean Product Development with Senior Management - training & coaching for the Irrigation Division (See 2nd diagram below)
4) Coaching: It was recommended that a Program Agile Coach be engaged to support the adoption of Lean Business Agility as well as support the Lean Product Development.
5) Training: Provide comprehensive Real World Agile Training for the teams, Product Owners, ScrumMasters, Product Managers, and Senior Leadership.
6) Two months into the Lean Business Agility journey, Valmont added to the scope. More departments were asking to be included in training and coaching due to the success of the Learning & Development and Marketing & Product departments
   a. Supply Chain Management
   b. IT Utility Division – Construction and communication products
      i. Utility Engineering
      ii. Utility Drafting

LEAN BUSINESS AGILITY
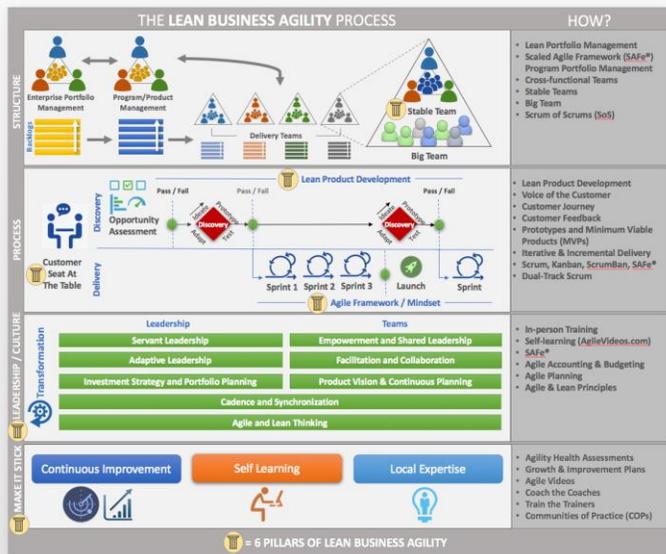
LEAN PRODUCT DEVELOPMENT

Whole systems view

Execution

Execution consisted of providing both training and coaching from Agile Transformation. Just-in-time training was facilitated and followed up immediately with hands on coaching and building Kanban walls for visibility and clarity. Each class was customized for the attendees. For example, if the training was for the Marketing & Product Department, then the class would be customized by providing Marketing and Product Development examples using Lean Business Agility.

According to many of the training evaluations, the customization made it easy for the attendees to learn Agile and use it immediately. They didn't have to listen to an IT example and try to figure out themselves on how to use Agile in a Product lifecycle.

Coaching provided the hands-on experience to work with the Teams to create Kanban walls for visibility, work flow, prioritization, coordination, and impediment resolution.

Key Drivers for Change

Valmont's Key drivers to move towards Lean Business Agility were:

- The need to get products to market faster
- The need to involve internal & external customers earlier in the product development cycle
- Th ability to prototype products quicker and field test sooner
- The ability for core departments to have visibility into new product launches and plan for their work (Marketing, Training, Procurement, etc.)

Challenges

- Everything is priority #1
  - The Business Teams were used to starting everything at once, but never seem to get all the work done. A lot of work was in progress, but not usable resulting in very little value gained from the partial work. With priority direction from Senior Leadership, the business teams focused on their top priorities for the week and got them completed. Then they started the next highest priorities.
- No visibility into Enterprise Product Development and Launches
  - The new irrigation product launch had 13 teams involved enterprise wide, and they used Kanban and Scrum of Scrums to have visibility into each other's work, coordinate work and dependencies, and escalate impediments.
  - Having the work visible (Kanban) made the Business teams very aware of all the work they had in progress. They also could clearly see certain internal customers that they had been waiting on requirements or approvals for a long time and take action to resolve.
- Products took too long to get to market
  - By developing several viable product prototypes early, Valmont received valuable customer feedback earlier and allowed testing sooner. This allowed some prototypes to continue with development and others to be stopped if not viable.

Success Factors

- The desire and interest of the Business was extremely positive. Afterall, they had seen the benefits of Agile within the IT department for years and liked the collaboration they had with their technology solutions.
- Senior Management was supportive of Agile and open to trying Lean Business Agility and Product Development. There were a few sceptics, but they were willing to try it.
- Having an Agile Coach who was familiar with Kanban and could put it to use in the business areas was a key success factor.

Summary

In five short months, Valmont executed the Lean Business Agility strategy by having Agile Transformation facilitate customized training and coaching to improve their Product Development processes and Lean Business Agility. Each success in each department spread throughout the organization quickly. Speed of market improved. Customer feedback increased and was received sooner on the prototypes. The Business has visibility into the new product development lifecycle and plans their work to meet aggressive deadlines and coordinate effectively.