

# Agile Contracting Challenges

## Proposals and Marketing

- Non-agile competition
- Sales and marketing don't understand agile
- Purchasing office review of proposal
- Unrealistic budgets/schedules

## Risk

- Financial risks for both clients and contractors
- Exposure risk for clients

## Change Management

- Fixed scope contracts while welcoming change
- Contract negotiations and change requests
- Fixed delivery date for specified functionality

## Conflicting Client Practices

- Non-agile client reporting requirements
- Required joint development teams
- Invoicing requirements

## Client Involvement

- Client not able to handle their responsibility
- Client organization can't handle the pace of agile
- Delayed acceptance feedback loops
- Lack of attendance at reviews/demos
- Low user testing
- Stand-ups without client
- Product owner involvement
- Lack of client focus
- Product owner not representative of stakeholders

## Contractor Responsibility

- Distributed teams
- Inconsistent iterations
- Faking agile
- Getting the client involved

## Project Closeout

- Out of budget
- The definition of done...done.
- Poor transition planning



# Agile Contracting **Strategies**

## **Proposals and Marketing**

- Hit the waterfall problem upfront in proposals
- Train sales and marketing in agile
- Introduce agile on smaller pilot projects
- Educate in your proposals
- Use the agile engagement roadmap
- Cite agile statistics

## **Risk**

- Propose a shared risk model and demonstrate the benefits of this to the client

## **Change Management**

- Focus on bigger boxes, looser scope contracts
- Opt for flexible scope over T&M when you can
- Define scope boundaries with product vision, product roadmaps, and release plans
- Understand and use your velocity to provide either scope or schedule estimates
- Build in slack with full disclosure

## **Conflicting Client Practices**

- Build agile education for clients into your contracts
- Clearly define the overhead for non-agile reporting requirements

## **Client Involvement**

- Clearly define client roles and responsibilities in your contract
- Identify the product owner role in the contract

## **Project Closeout**

- Provide a clear definition of done in your contract
- Determine and provide the cost of knowledge and tech transfer in your contract

