

# Leaning of Scrum

The McKesson ADM Business  
Development Story

## MCKESSON

Stable, Deep Rooted Tradition

- 175 year old Healthcare Corporation
- More than 100 billion dollars in revenue
- Fortune 20 company for many years

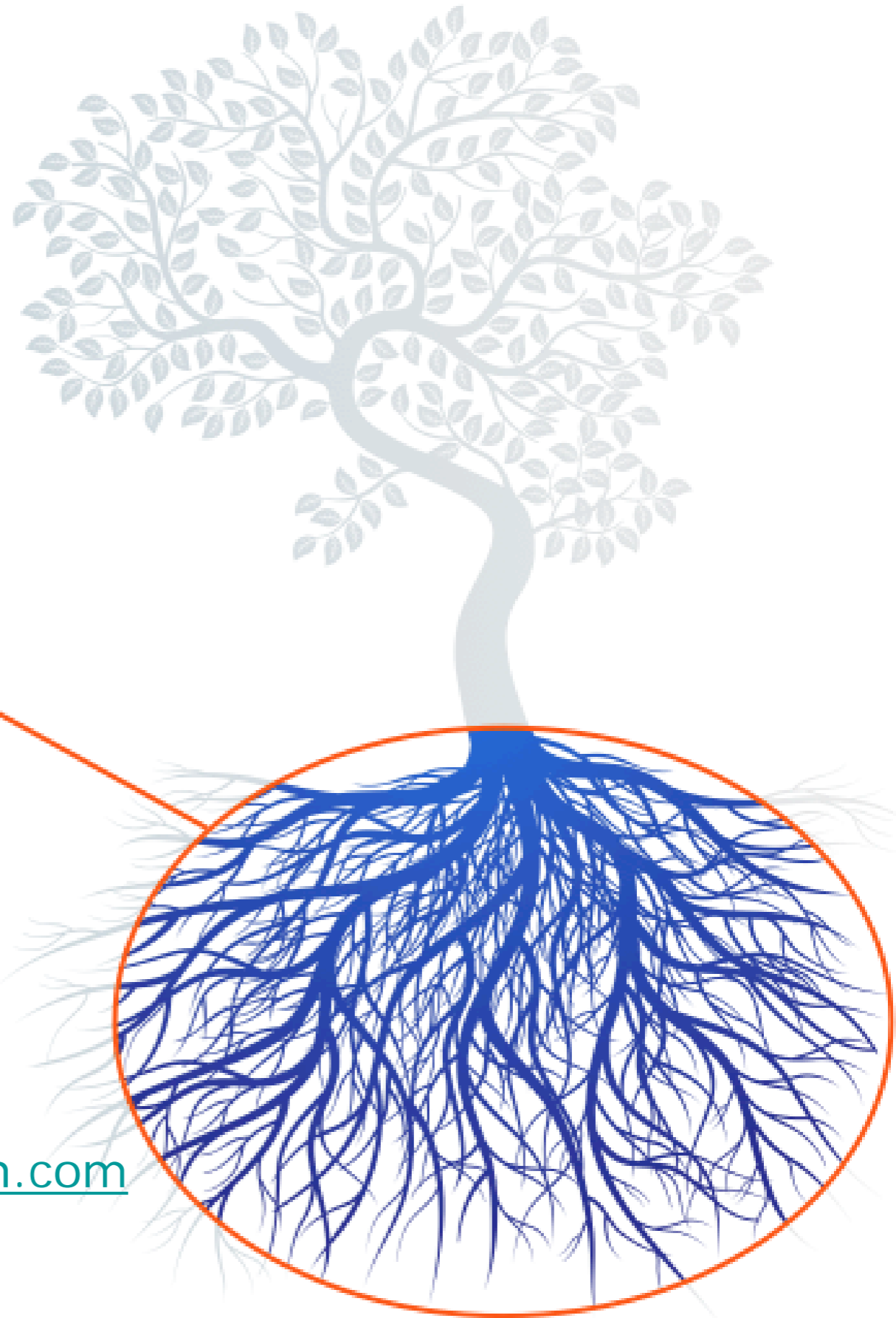
Speaker



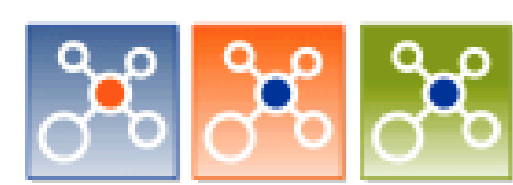
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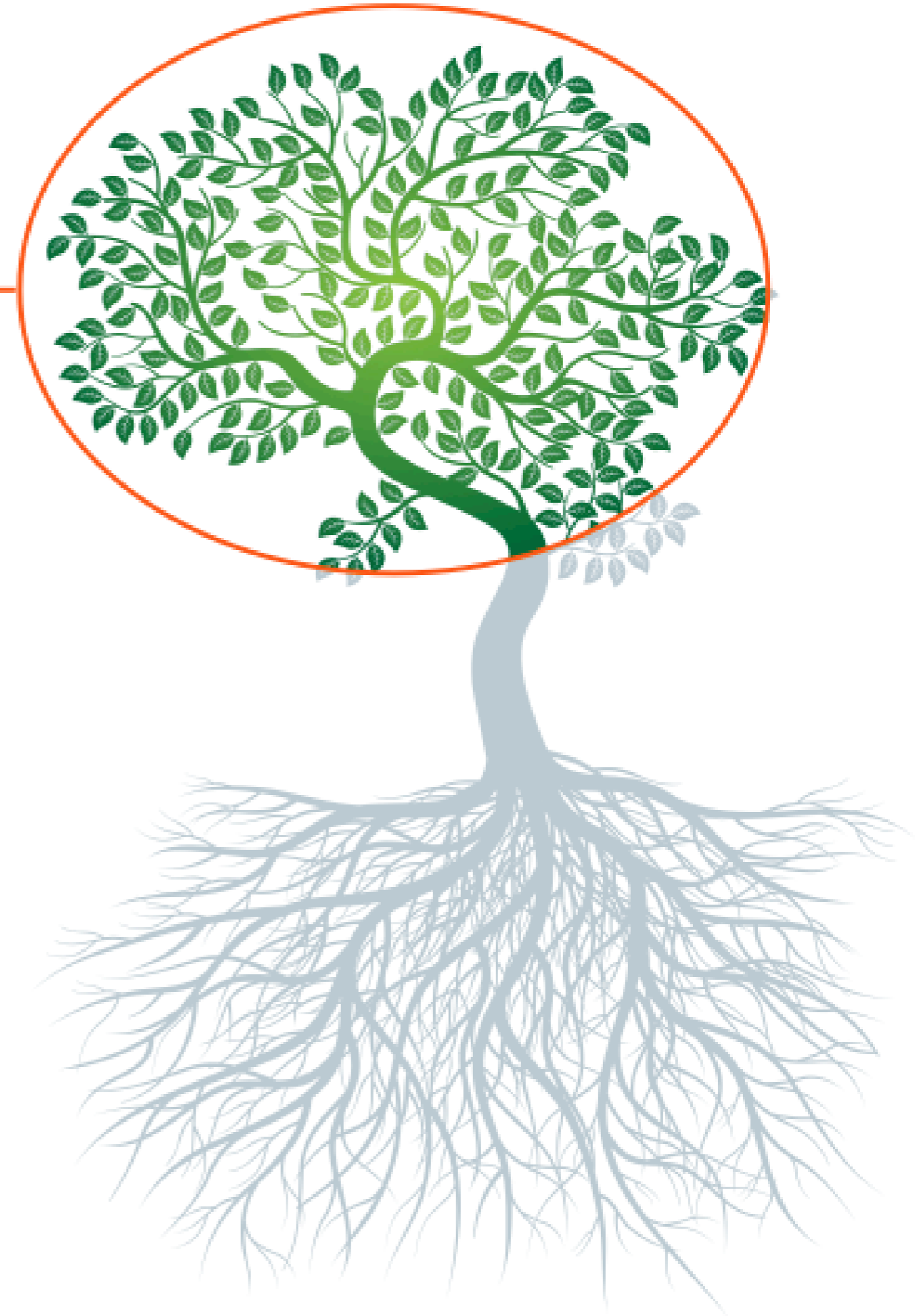


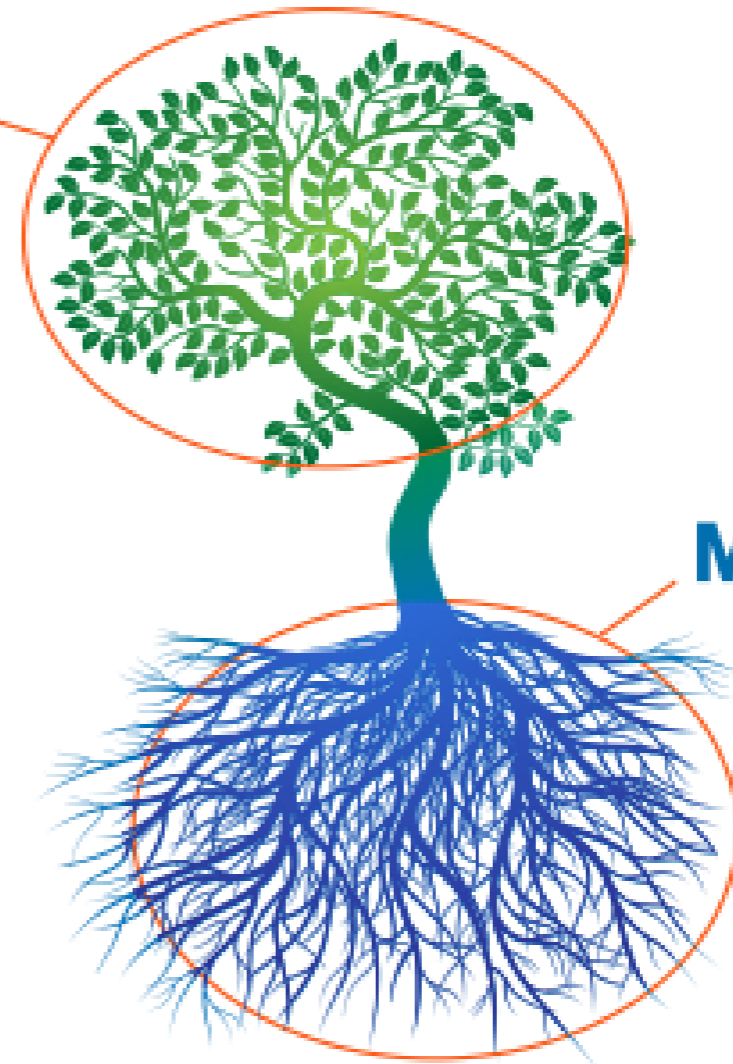
# ADM



Vibrant, New Growth

- Innovative, emergent business
- Agile, adaptable development
- Aggressive time lines





### McKesson Tradition Transitions

McKesson Tradition	ADM Way
Annual Budget	Incremental Funding
Phase and Gate	Emergent Markets
Software Cap	Iterative Delivery
Silo Staffing	Cross Functional Teams
Annual Delivery	Monthly
Detailed Planning	Just in Time Planning
Highly Utilized Staff	Whole System Optimizations

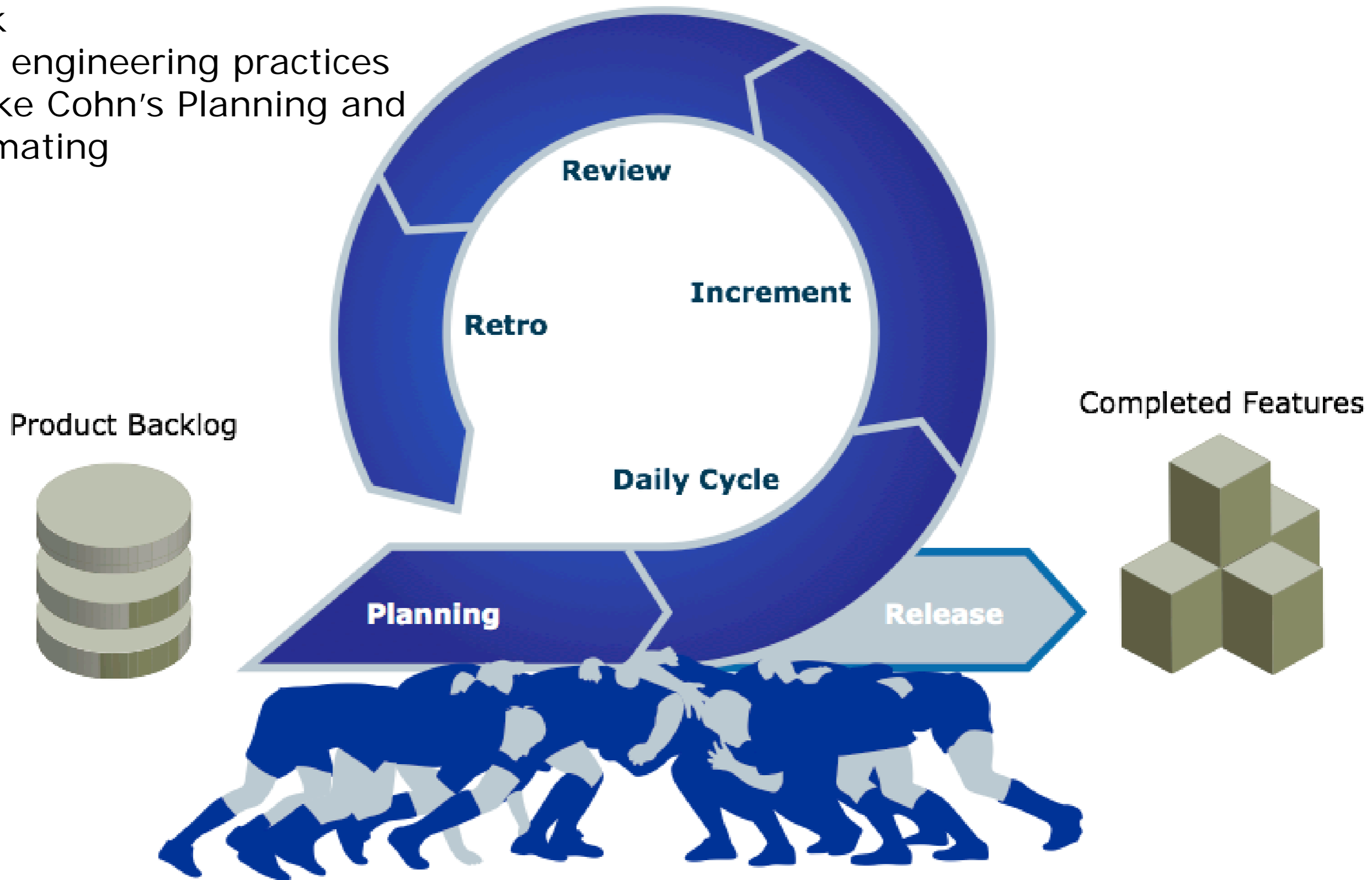
### ADM Way based on McKesson Principles

ADM Guidance	McKesson Principle
Respect for People	R – Respect, C – Customer, I – Integrity
Commitment to Quality	E – Excellence
Delivery of Value	C – Customer, I - Integrity
Deliver Fast	A – Accountability
Transparency	A – Accountability, R – Respect

We knew we wanted to adhere to McKesson Culture and Principles, but break with McKesson traditions.

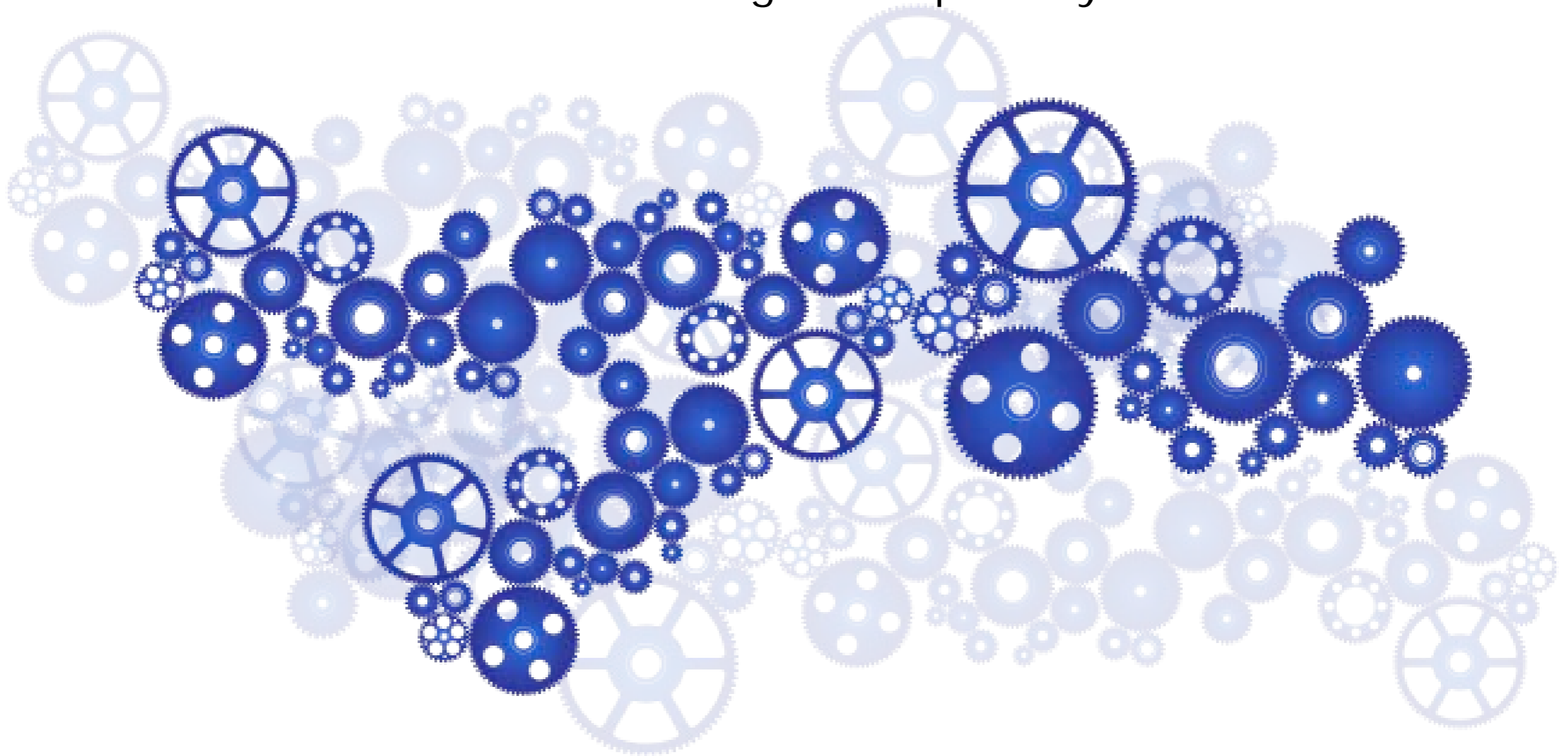
## SCRUM by the book

- Implemented SCRUM by the book
- XP engineering practices
- Mike Cohn's Planning and Estimating



## Unanticipated Complications

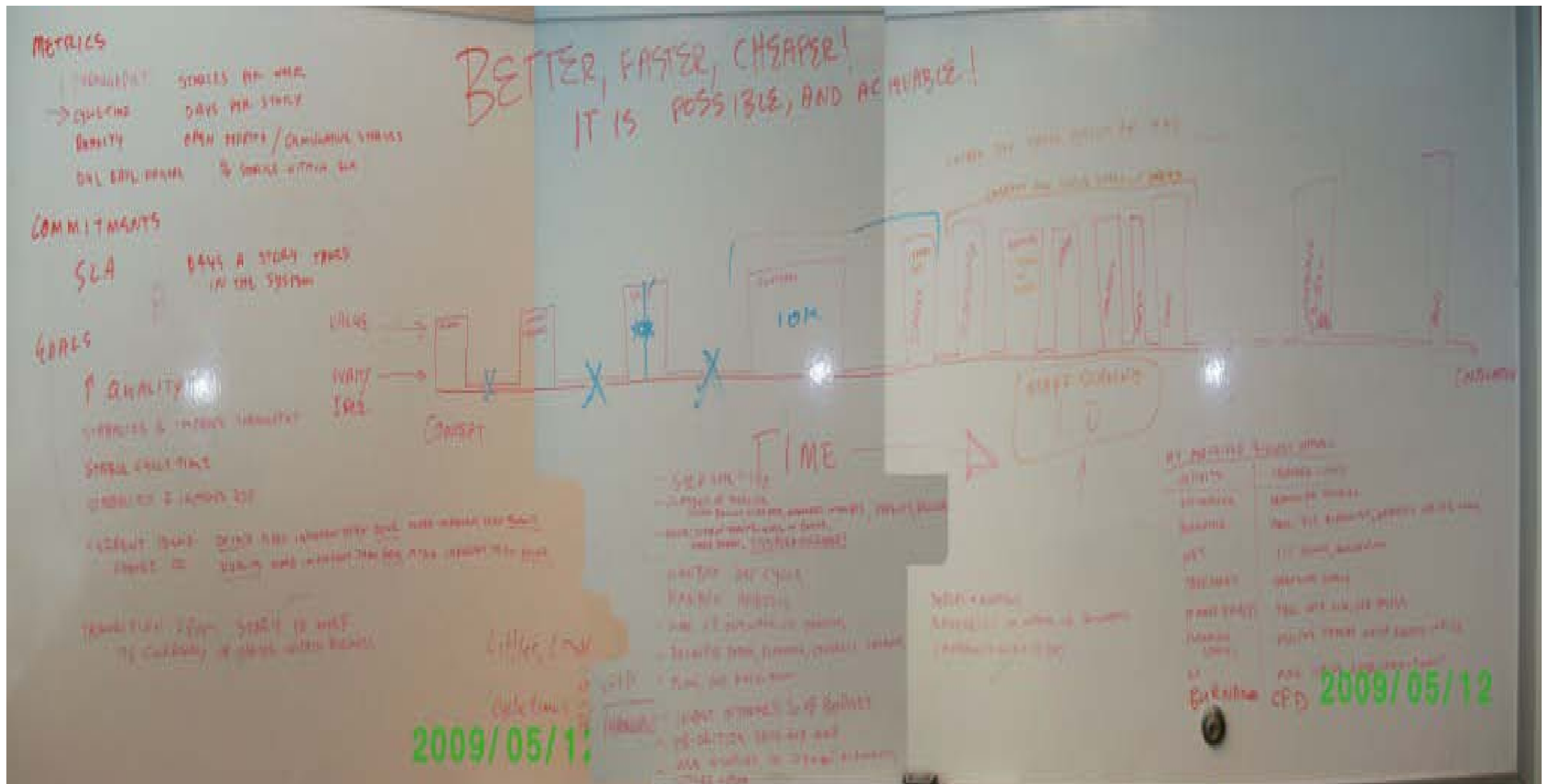
- Delivery of value was not getting any better, and our quality was suffering
- We had fallen into a slightly better than average hero-based system
- We had no real visibility to our cycle times
- Rules based on SCRUM were causing lots of partially finished work



**We were not getting the results we wanted, but WHY?**

## We Questioned Everything

- What was good about our process
- What steps did it take to deliver
- What was the scope that we could manage
- What could we commit to
- What did we want to make better

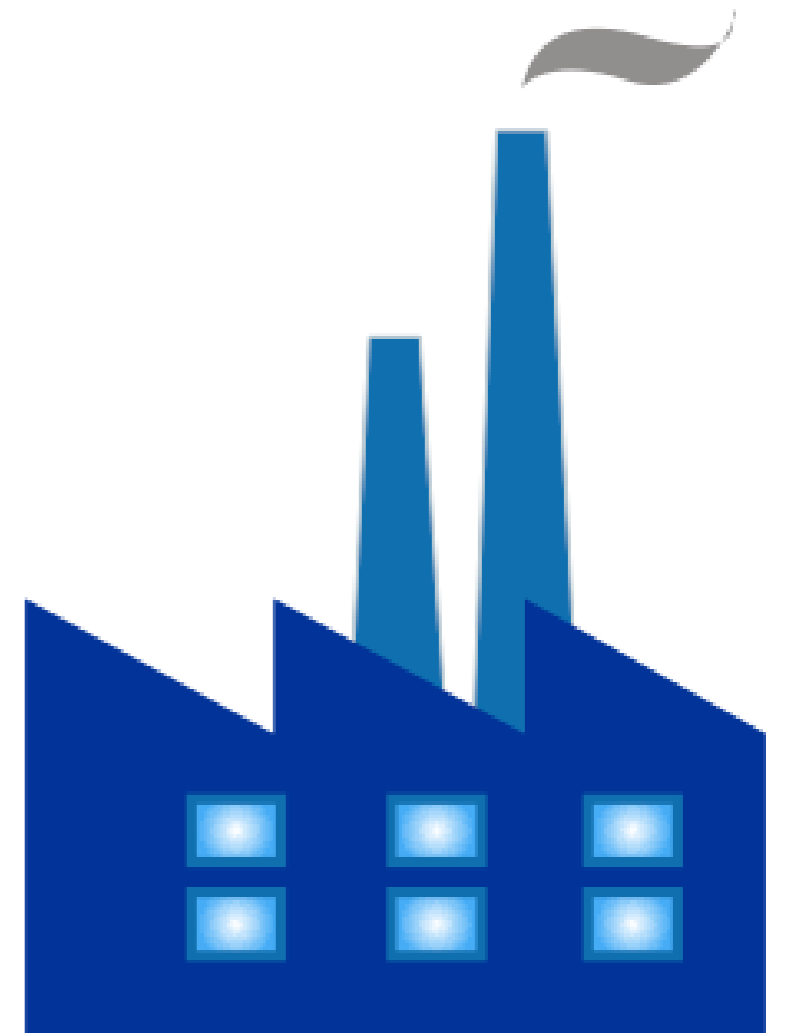


## Design Factory

- The economics of our requirements should impact our decision making
- Software engineering is design work of a highly variable nature

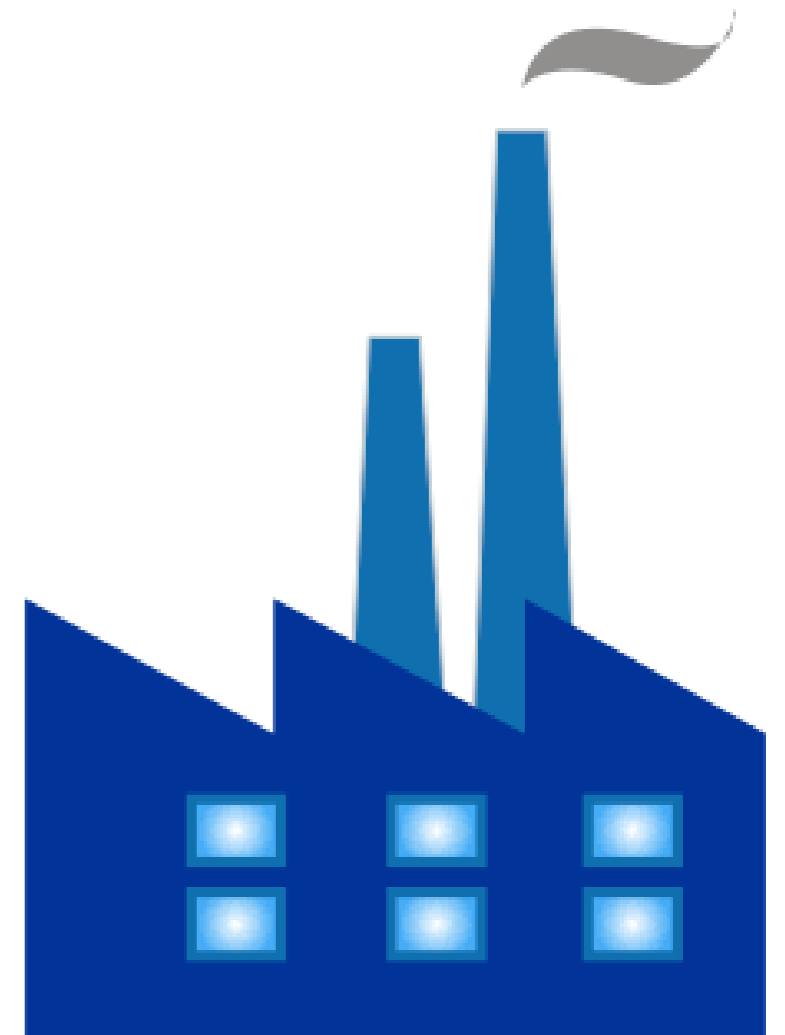
## Basics

- People, quality, value
- Repeatable build of quality products by skilled team members
- Value trumps flow trumps waste



## Enablers

- Focus on quality products
- Culture of continuous improvement
- Commitment to customer value
- Question everything mentality
- Software architecture emergence follows business emergence
- High trust culture





# Continuous Improvements

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## Unchanged

- Engineering
- Requirements
- Deployment
- Daily
- Retrospective

## Changed

- Plan using historical throughput
- Commitment to SLA's
- Whole team roadmap meeting
- Cadence push trunk to production
- Sprint backlog is just in time
- Never reset board
- Whole business high ceremony demonstration
- Process guide
- Engineering director
- Product champion

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## Added

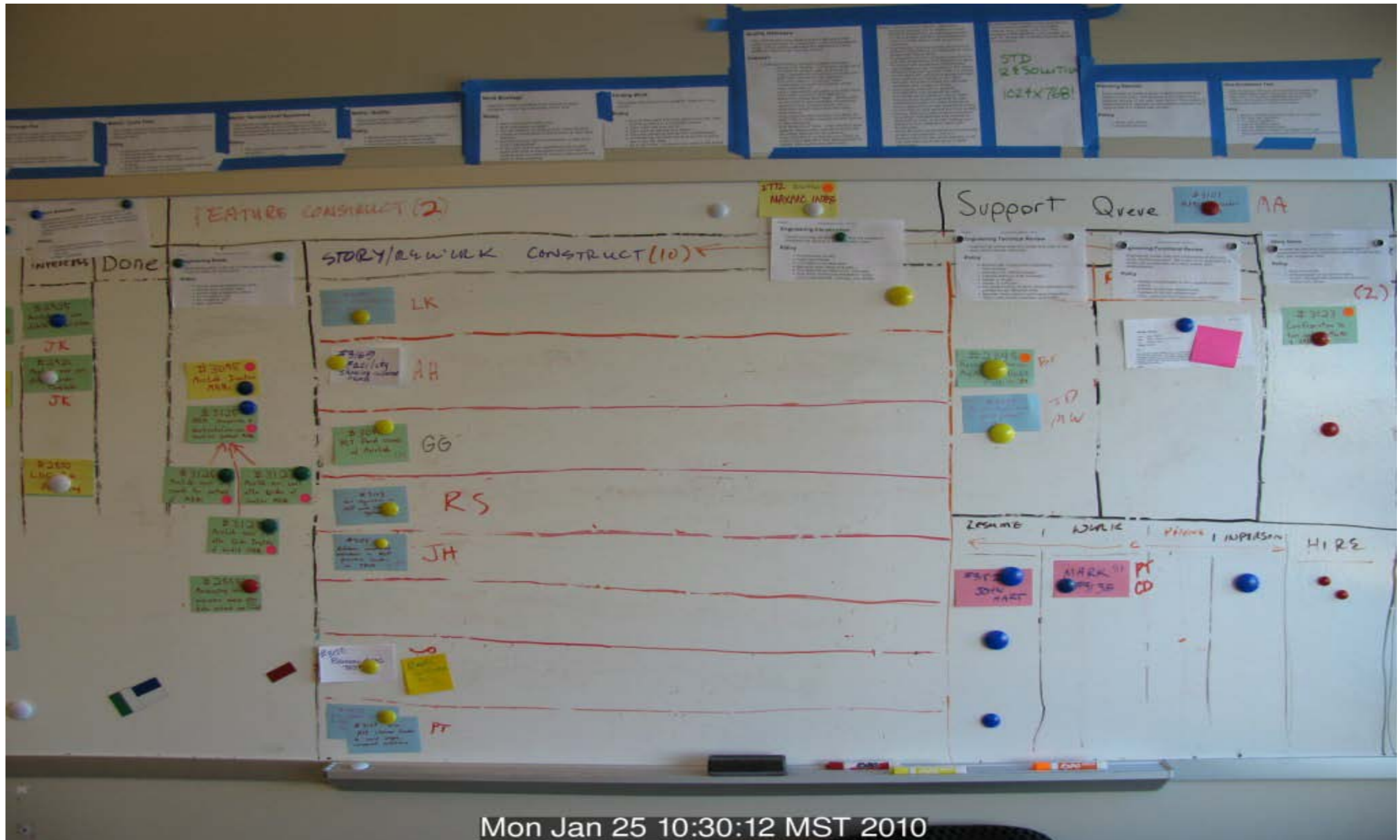
- Metrics
  - Cycle time
  - Throughput
  - Open Defects
  - Defects Opened
  - Defects Closed
  - Defect Aging
- Economic Valuations of Requirements
- Rigorous Process
- Process documentation visibility
- Pull work model
- Flow of work

## Challenges

- Product management
- Staffing
- Whole system scoping

## Kanban Board

- Process documentation on board
- Magnets represent WIP limits
- Board uses expand/collapse pattern
- Conwip for engineering stations



## Acknowledgements



David J. Anderson



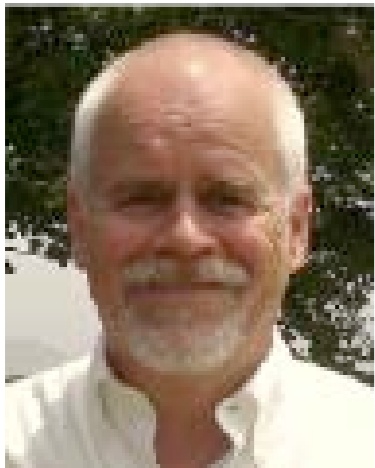
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