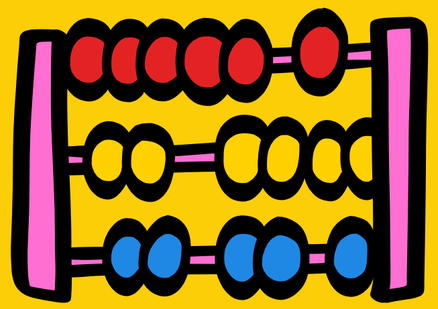
ESTIMATION



IS A

WASTE OF TIME

AGILE STATE OF MIND

outsystems

MARIA CHEC


AGILE
STATE OF
MIND
SUMMER
STORY
Image created by Gemini

AGILE STATE OF MIND

THE REALITY

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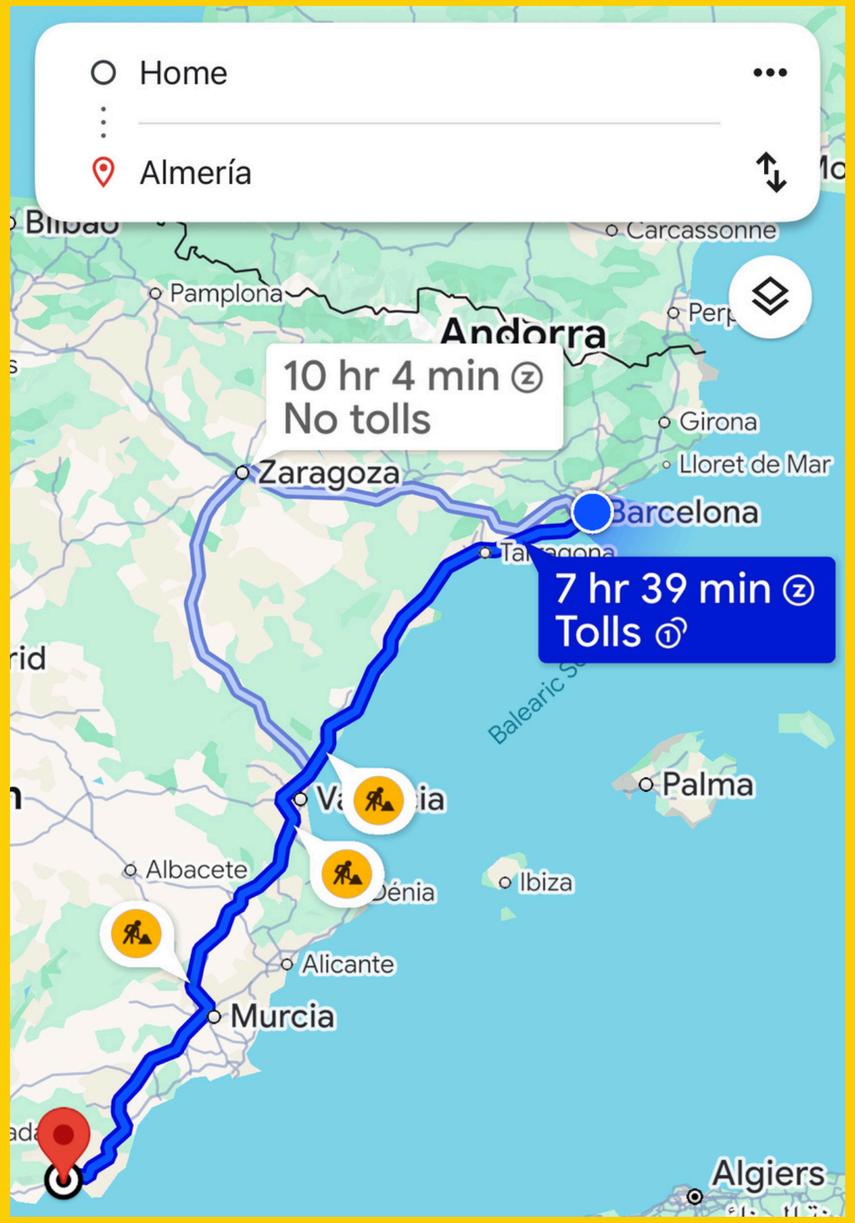
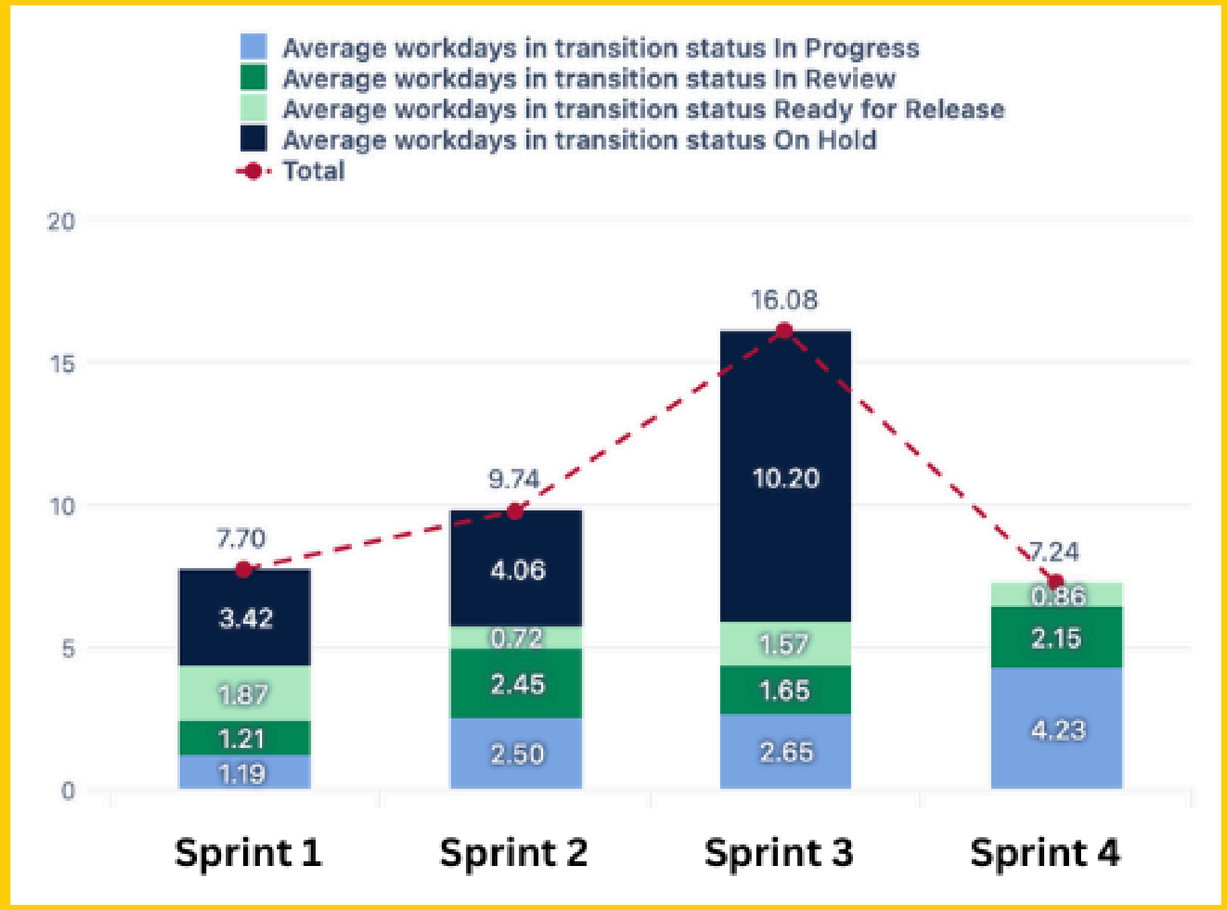


IDEAL ETA

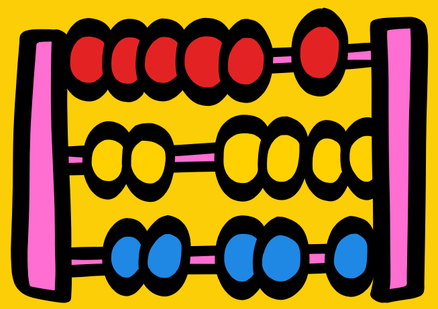
AGILE STATE OF MIND

AGILE STATE OF MIND

REAL ETA



ESTIMATION



IS A

WASTE OF TIME

AGILE STATE OF MIND

outsystems

MARIA CHEC

MARIA CHEC

Principal Technical Program Manager

Professional Kanban Trainer

Content Creator at Agile State of Mind

mariachec.substack.com

AGILE STATE OF MIND

Nobody wants to give bad estimates.

AGILE STATE OF MIND

THE PROBLEM

Estimates are wrong.
Deadlines are missed.
Trust is undermined.
Energy is wasted.
We keep hoping ***next time it'll be better***.

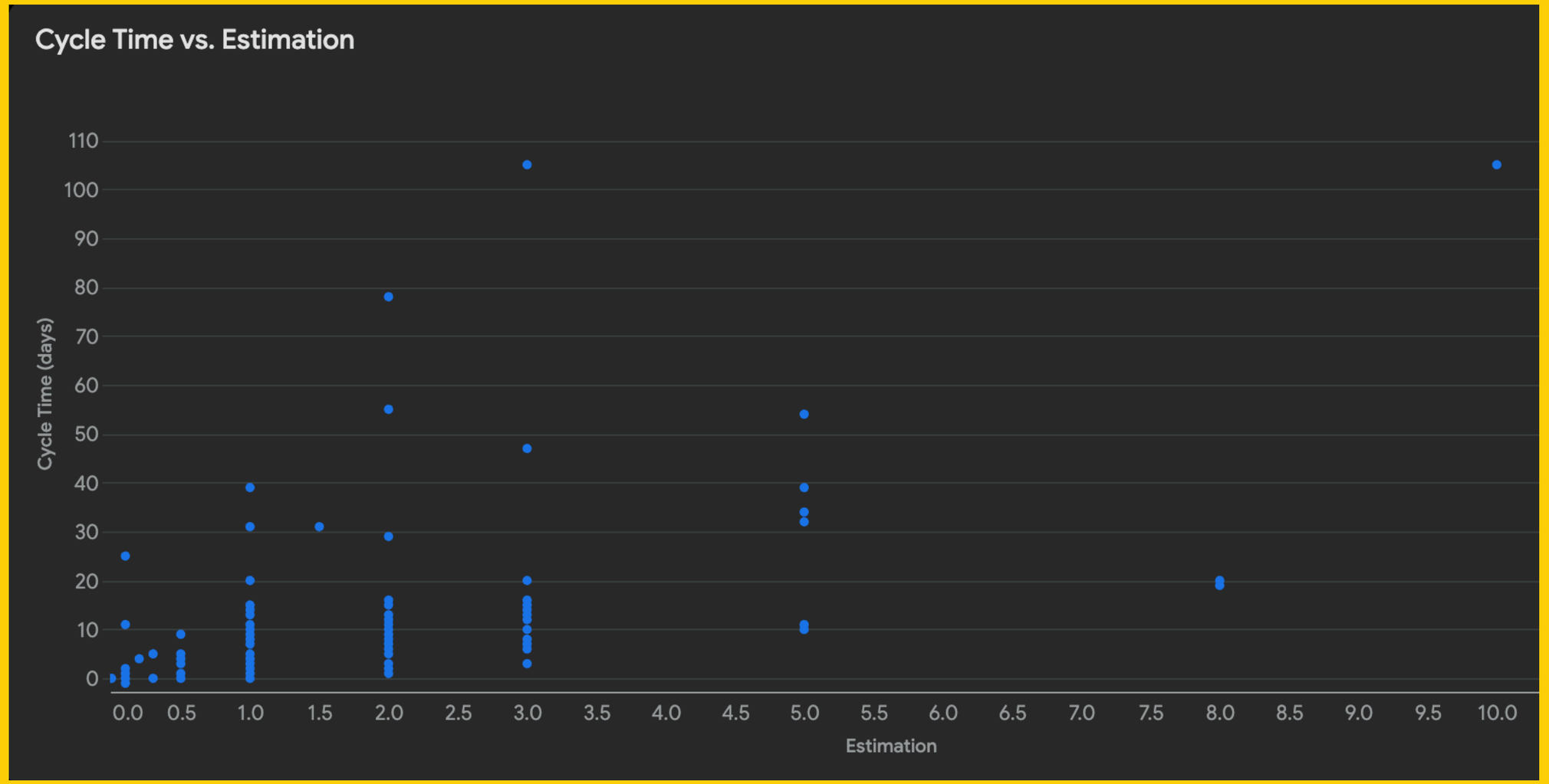
AGILE STATE OF MIND

How do your estimates relate to

TIME?

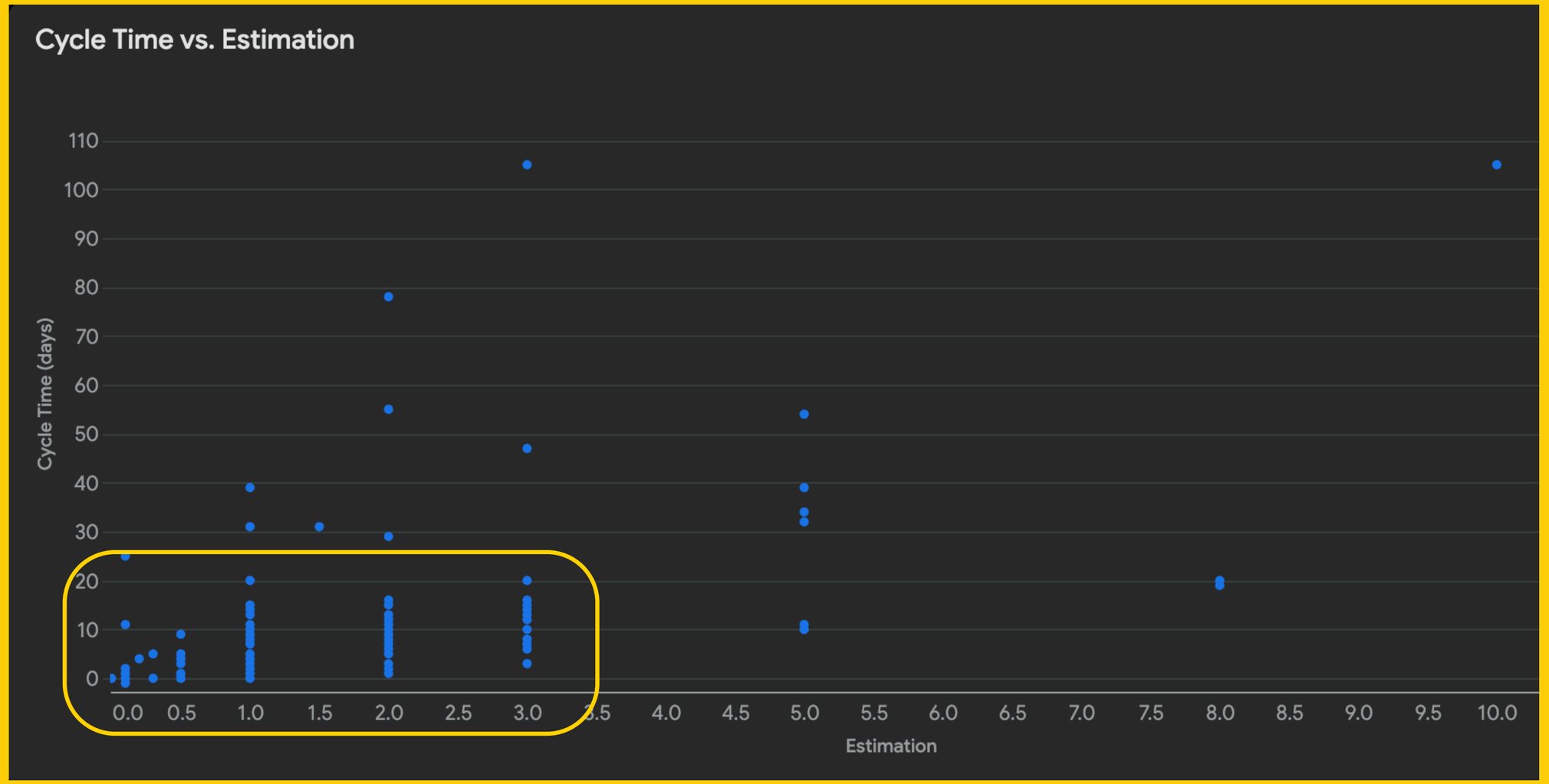
STORY POINTS VS CYCLE TIME

AGILE STATE OF MIND



STORY POINTS VS CYCLE TIME

AGILE STATE OF MIND



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AGILE STATE OF MIND

Now that we established, that...

ESTIMATION IS A WASTE OF TIME

AGILE STATE OF MIND

LET'S SEE HOW TO FIX IT

DETERMINISTIC THINKING

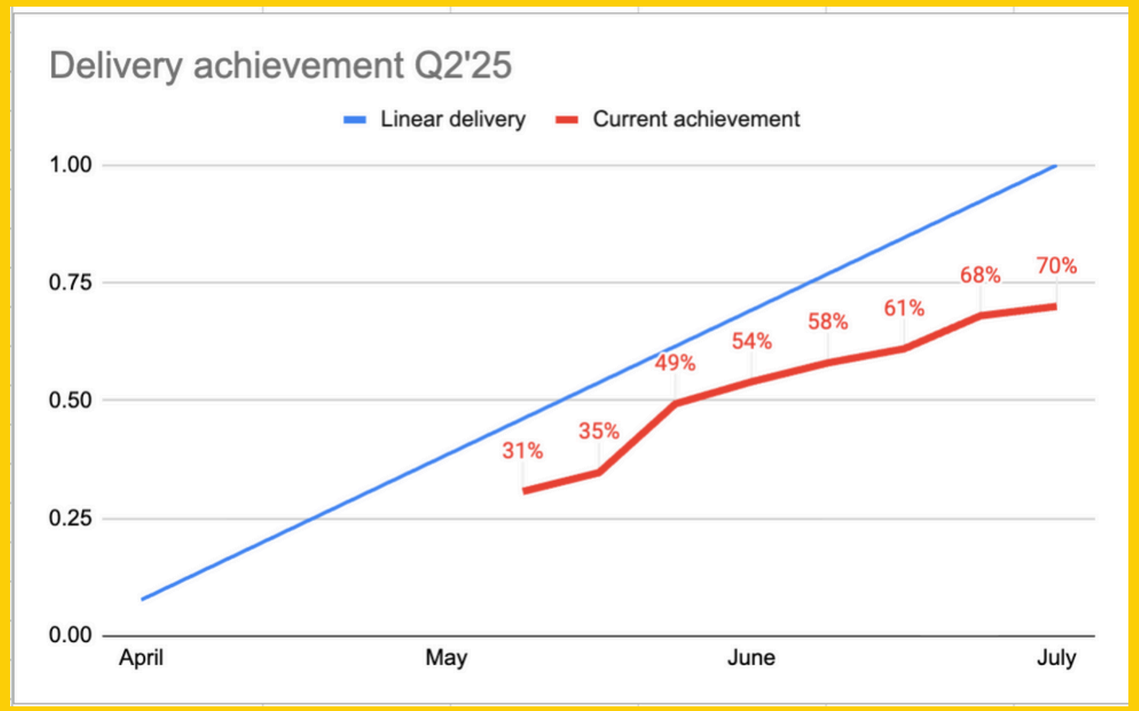
- Assumes fixed, precise outcomes.
- Math equations: 2+2 always equals 4.
- Believes work can be perfectly scheduled and predicted.
- No friction forces.

PROBABILISTIC THINKING

- Recognizes a range of possible outcomes e.g. our daily commute varies.
- Traffic, weather, and unexpected events create natural variability
- Accounts for friction.

AGILE STATE OF MIND

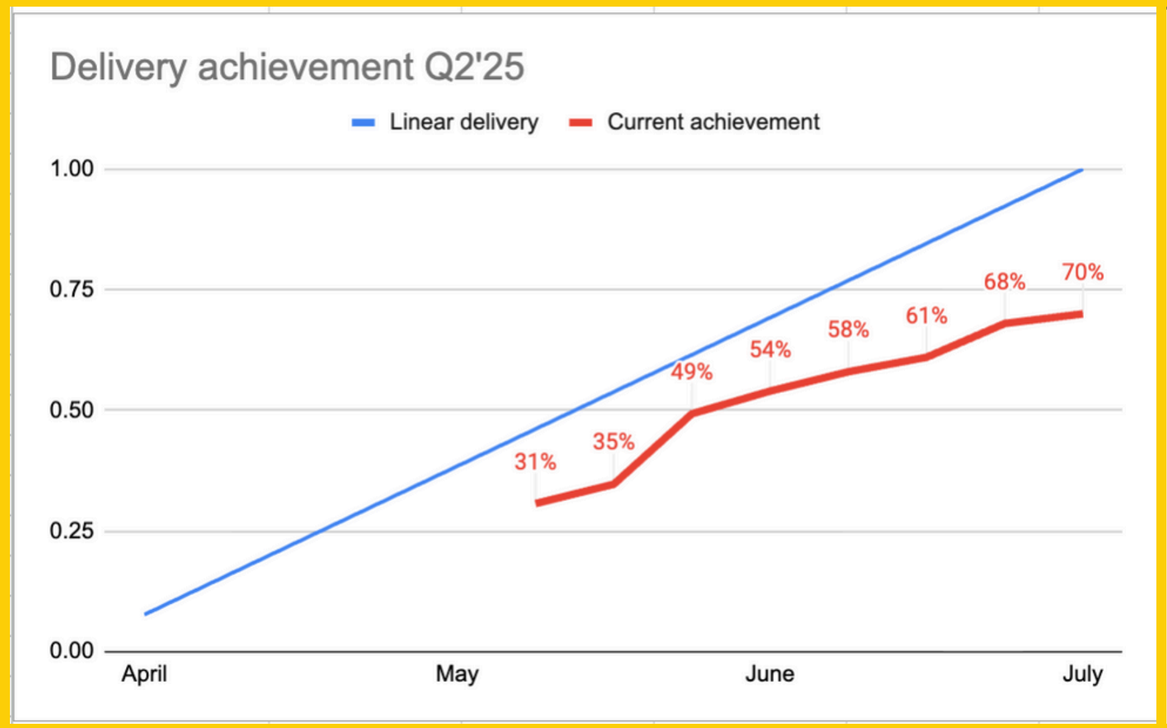
CHANGING MINDSET

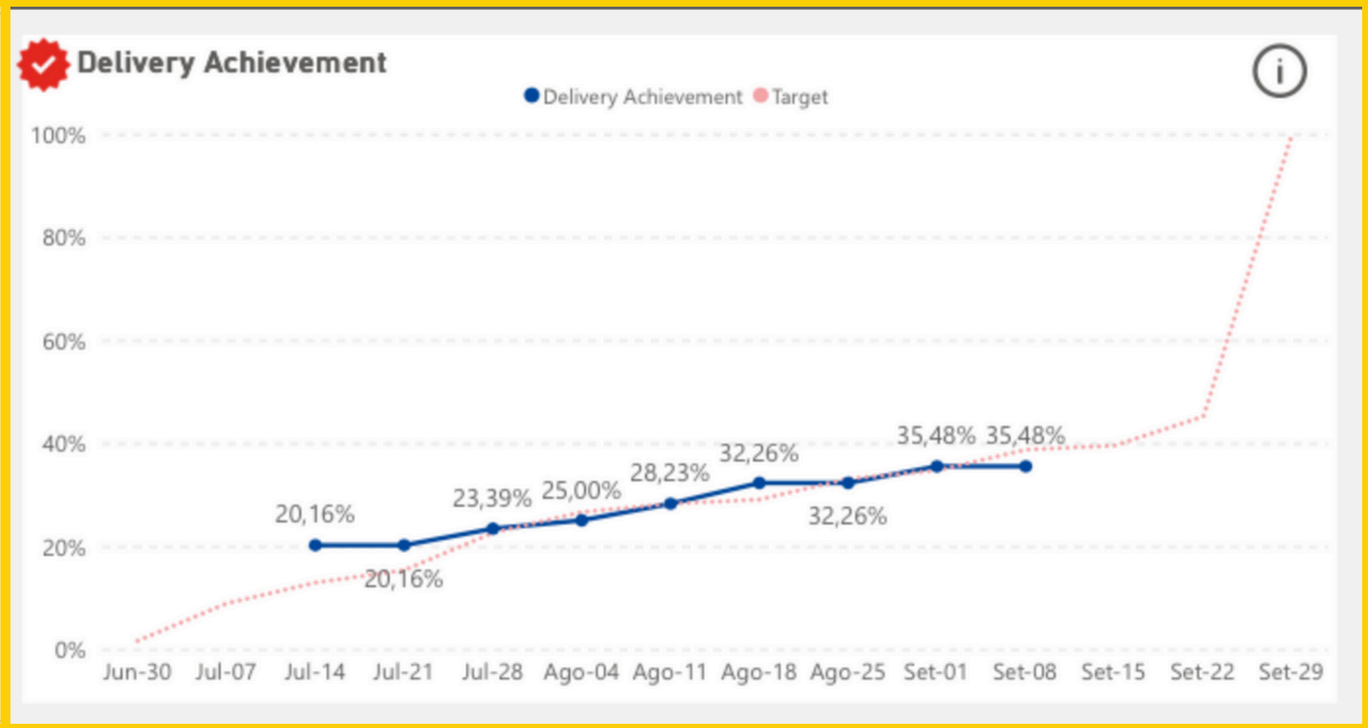


“Plans based on average assumptions fail on average.”

The Flaw of Averages by Dr. Sam Savage

CHANGING MINDSET





THE ALTERNATIVES

1. **Flow Metrics**
2. **Right-Sizing**
3. **Clear Planning Moments**
4. **Monte Carlo Simulation**

1. FLOW METRICS

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CYCLE TIME

WORK IN PROGRESS

THROUGHPUT

WORK ITEM AGE

2. RIGHT-SIZING

“It is better to be roughly right than precisely wrong.”

2. RIGHT-SIZING

Slicing for the smallest unit of potential value, using:

- Service Level Expectation SLE
- Sprint Duration

3. THREE LEVEL PLANNING

12-MONTH
LATER

- Intentions
- High-level ballparks
- Design Directions
- Time-boxed exercise

QUARTERLY
NEXT

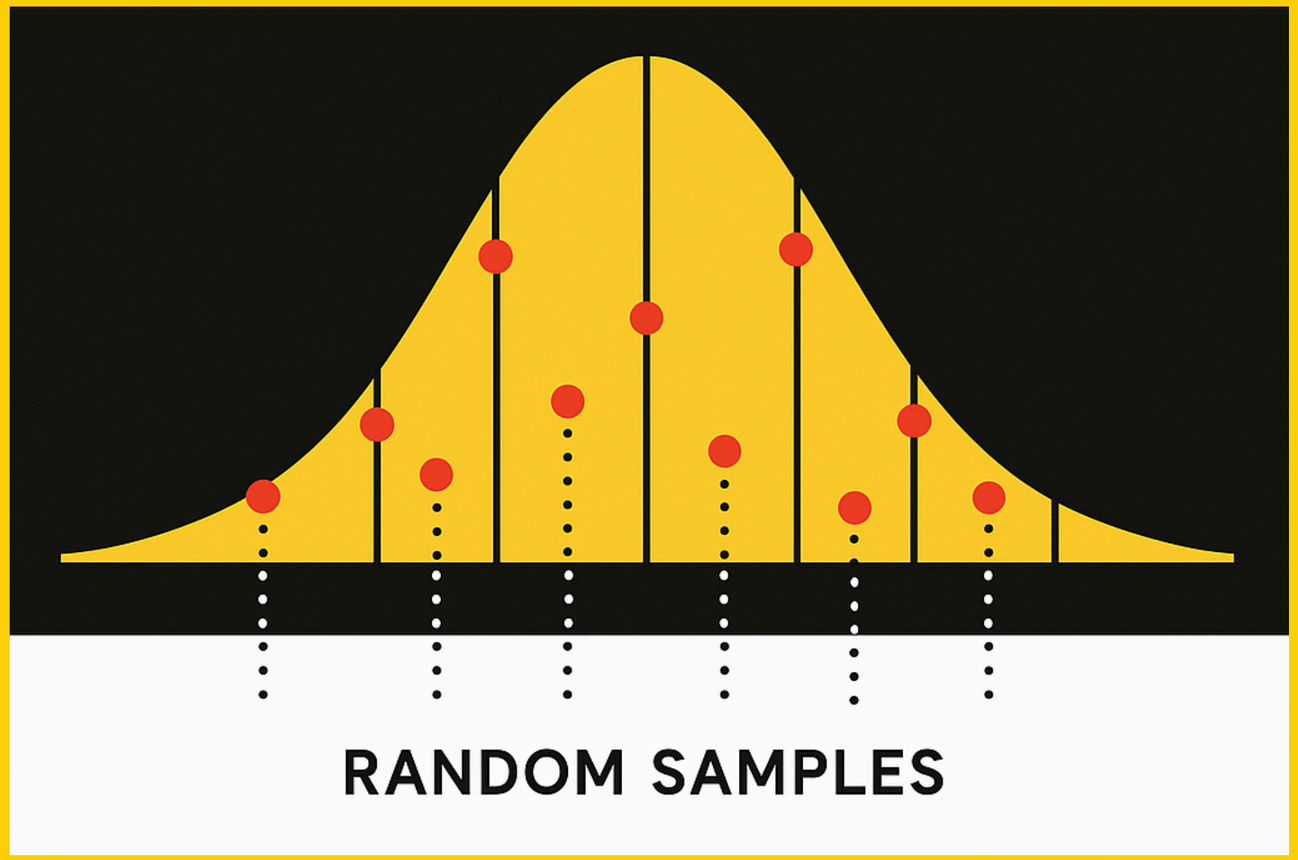
- Forecasts
- Ballparks on Epic level
- High-Level Design
- End of quarter

SPRINT
NOW

- Commitments
- Forecasts based on teams’ backlog items
- Low-Level Design
- Team-level refinement

MONTE CARLO SIMULATION

4. MONTE CARLO SIMULATION



4. MONTE CARLO SIMULATION

Past Dates	Throughput
7/8/2024	1
7/9/2024	0
7/10/2024	0
7/11/2024	0
7/12/2024	5
7/13/2024	3
7/14/2024	5
7/15/2024	2
7/16/2024	5
7/17/2024	1
7/18/2024	3
7/19/2024	6
7/20/2024	4
7/21/2024	0
7/22/2024	0
7/23/2024	8
7/24/2024	1
7/25/2024	2
7/26/2024	0
7/27/2024	3

Figure 4.1: Historical Throughput

Past Dates	Throughput		Future Dates	Throughput
7/8/2024	1		7/28/2024	4
7/9/2024	0		7/29/2024	0
7/10/2024	0		7/30/2024	1
7/11/2024	0		7/31/2024	5
7/12/2024	5		8/1/2024	1
7/13/2024	3		8/2/2024	5
7/14/2024	5		8/3/2024	0
7/15/2024	2		8/4/2024	1
7/16/2024	5		8/5/2024	0
7/17/2024	1		8/6/2024	1
7/18/2024	3		8/7/2024	1
7/19/2024	6		8/8/2024	5
7/20/2024	4		8/9/2024	0
7/21/2024	0		8/10/2024	1
7/22/2024	0		8/11/2024	3
7/23/2024	8		8/12/2024	5
7/24/2024	1		8/13/2024	1
7/25/2024	2		8/14/2024	5
7/26/2024	0		8/15/2024	2
7/27/2024	3		8/16/2024	0
			8/17/2024	4
			8/18/2024	5
			8/19/2024	3
			8/20/2024	3
			8/21/2024	1
			8/22/2024	0
			8/23/2024	3
			8/24/2024	1
			8/25/2024	0
			8/26/2024	0
			Sum	**61**

Figure 4.4: First Full Run of Our Model

The Flow Forecasting Pocket Guide

4. MONTE CARLO SIMULATION

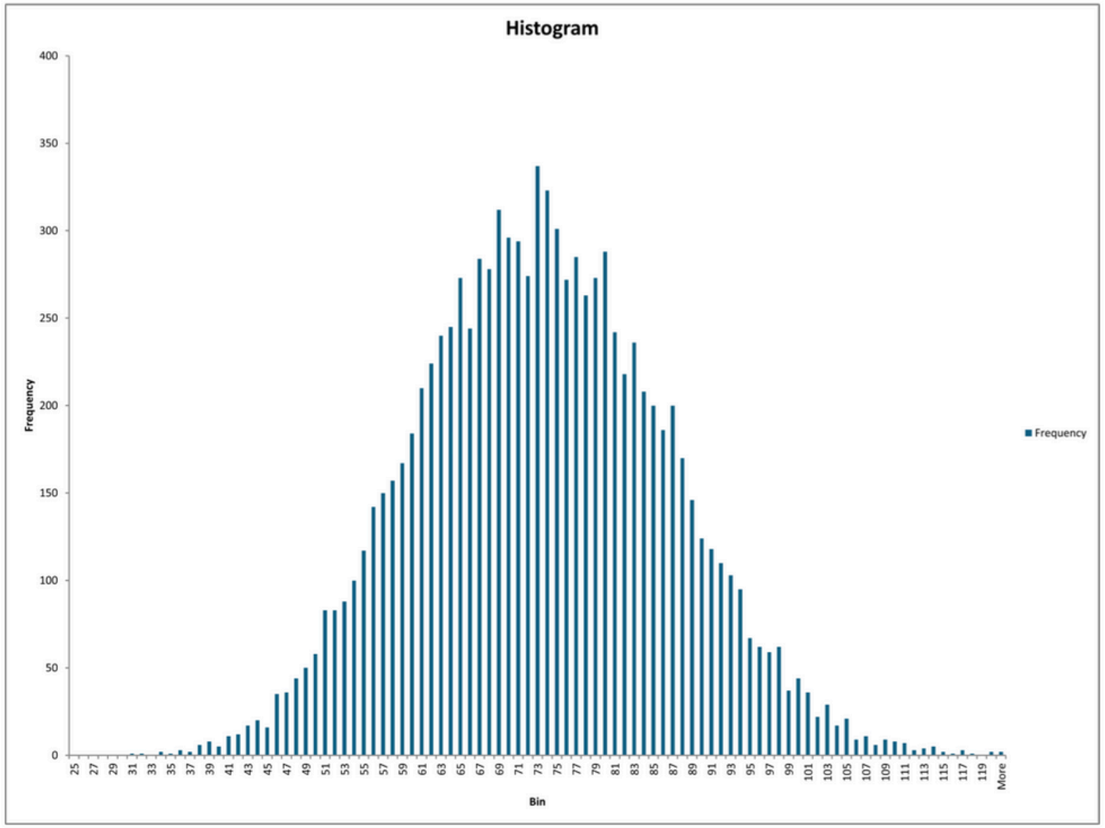


Figure 5.1: 10,000 Run MCS

4. MONTE CARLO SIMULATION

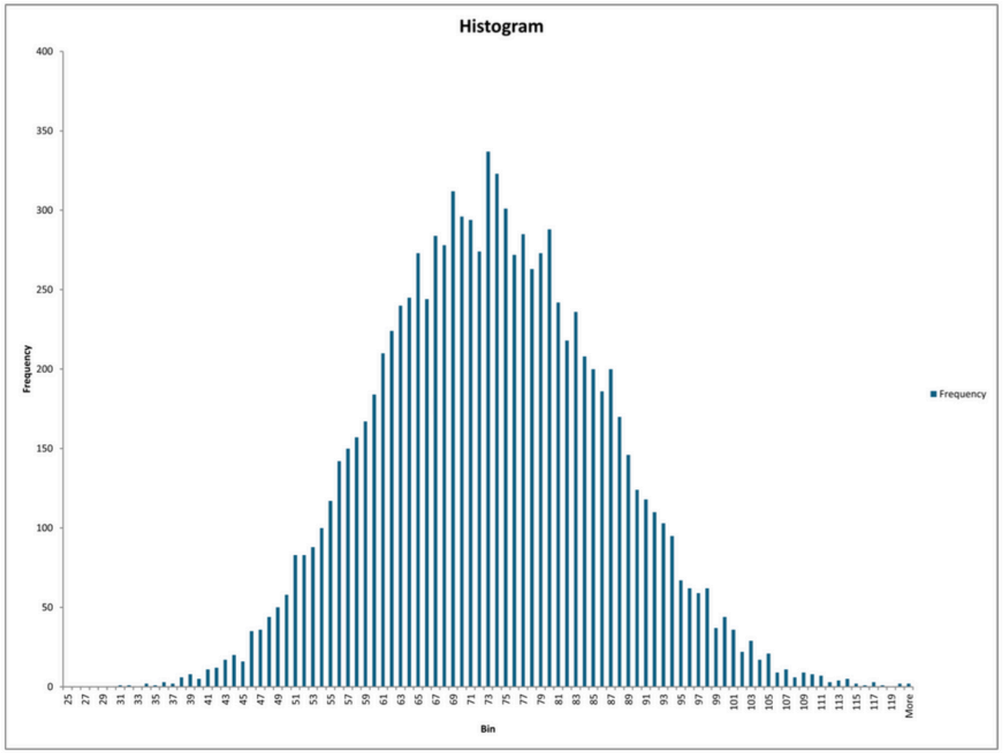


Figure 5.1: 10,000 Run MCS

"There's a 50% chance we'll finish in 6 weeks, and an 85% chance we'll finish in 8 weeks or less."

4. MONTE CARLO SIMULATION

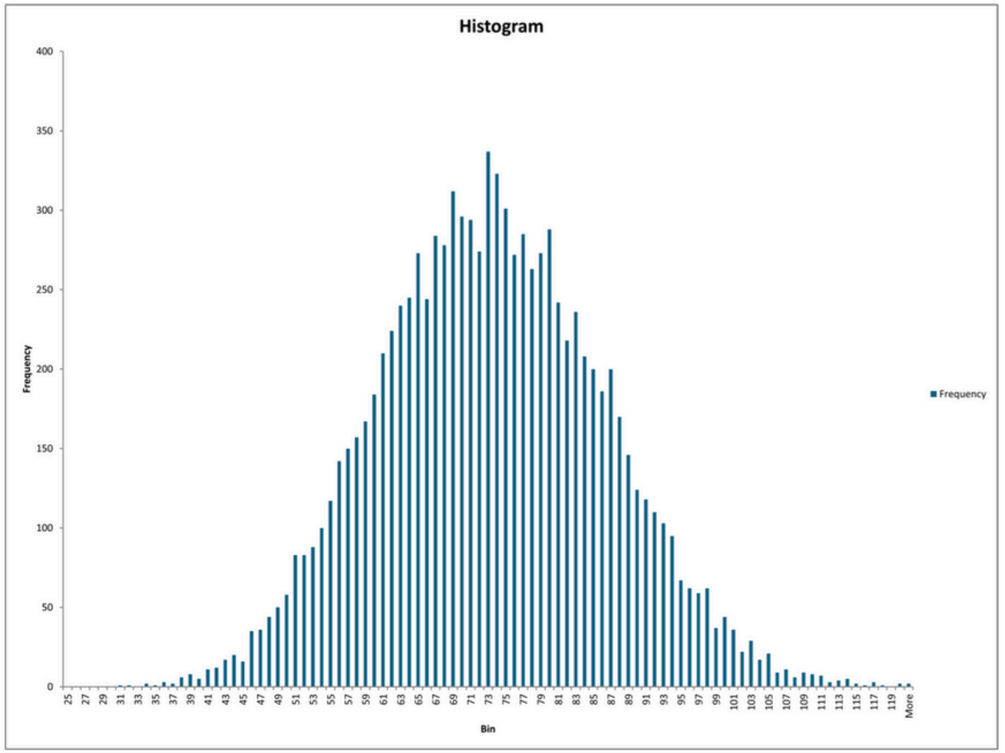
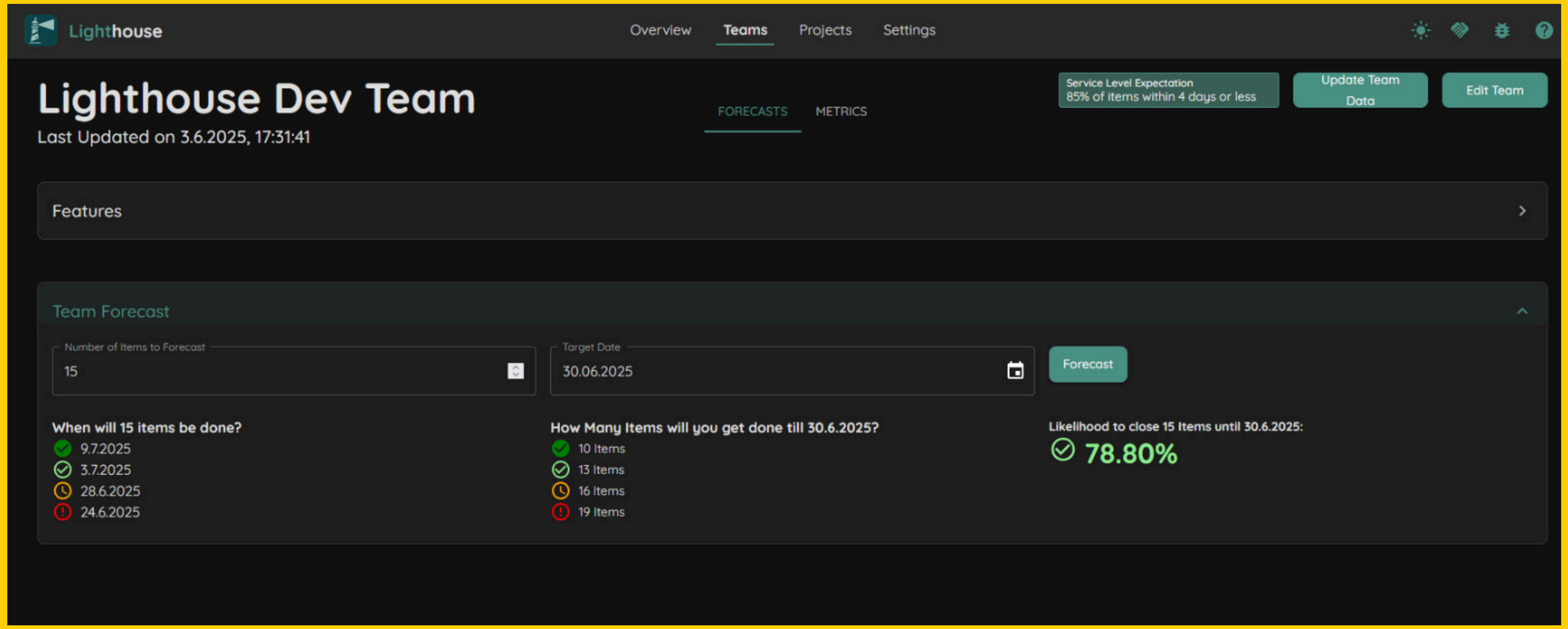


Figure 5.1: 10,000 Run MCS

"There's a 50% chance we'll finish in 6 weeks, and an 85% chance we'll finish in 8 weeks or less."

This changes the conversation with the stakeholders!

LIGHTHOUSE TOOL



LIGHTHOUSE TOOL

Work Items in Progress:	5	
Blocked:	0	Goal: 0
Features being Worked On:	2	Goal: 3

Cycle Time Percentiles — SLE: 75% @ 15 days

95th	4 days
85th	3 days
70th	2 days
50th	1 day

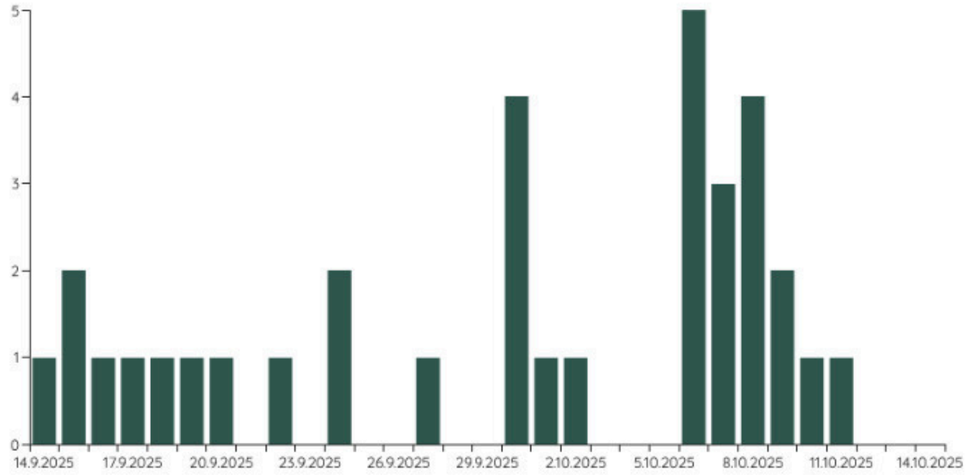
Started vs. Closed Work Items — Starting More

Started:	**36** items (total)	**1.2** items (per day)
Closed:	**34** items (total)	**1.1** items (per day)

Work Items Completed

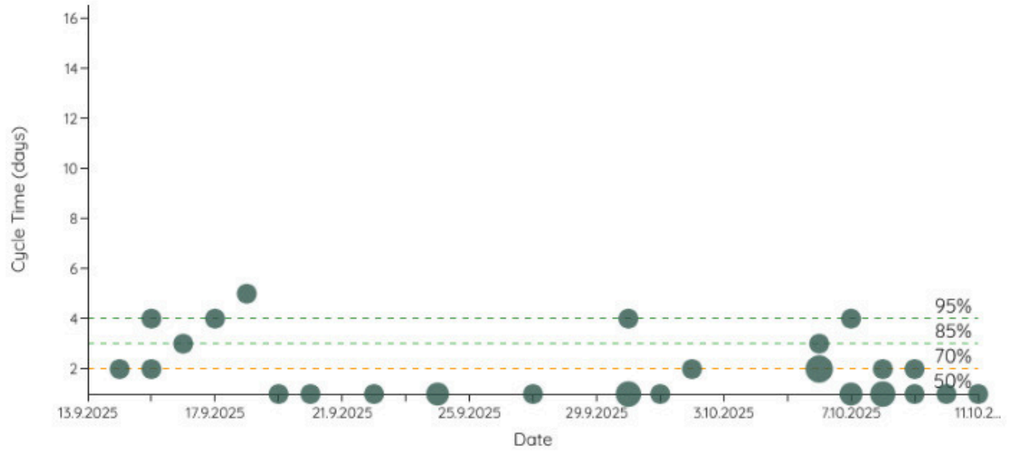
Total: 34 Work Items

Predictability Score: 67.6%



Cycle Time

50% 70% 85% 95% Service Level Expectation



AGILE STATE OF MIND

THE PUSHBACK

“We estimate effort, not time.”

“We were asked to provide smaller estimates.”
(This can’t take that long!)

Stages of Grief

TAKEAWAYS

Stop thinking deterministically, start thinking probabilistically!

TAKEAWAYS

Stop thinking deterministically, start thinking probabilistically!

Have the computer do the heavy lifting for you.

TAKEAWAYS

Stop thinking deterministically, start thinking probabilistically!

Have the computer do the heavy lifting for you.

Change the conversation with the stakeholders.

TAKEAWAYS

Stop thinking deterministically, start thinking probabilistically!

Have the computer do the heavy lifting for you.

Change the conversation with the stakeholders.

And remember the four alternatives to traditional estimation:

- Flow Metrics
- Right-sizing
- Planning moments
- Monte Carlo Simulation

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FEEDBACK

Give feedback to Maria

Scan this QR code

Or go to

https://talk.ac/agilestateofmind

and enter this code when prompted

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THANK YOU!

Scan this QR code

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youtube.com/@AgileStateofMind