

CASE STUDY

Phillips 66: The \$7 Million Turnaround

How closing a 24-hour feedback loop and unifying a distributed team across Houston and Chennai delivered a \$10M transformation on time — after being one year behind schedule.

THE PATIENT — A \$10M Transformation in Crisis

\$7M	1 Year	24+ hrs	358 pts
Total project investment	Behind schedule	Feedback loop lag between sites	Story points across 150 backlog items

The Human Moment — Before the Data

"I remember the first time I sat in on a Chennai-Houston handover call. Twelve people on the call. Six in Houston, six in Chennai. For forty-five minutes, they read status reports to each other. No decisions. No unblocking. Just reporting. When I asked the Houston lead after the call — 'Is this how you normally work?' — he just laughed. Not a happy laugh. He said: 'Welcome to our daily life.' That laugh told me everything about what structural design had done to those people's sense of agency."

"We were paying \$10 million to watch emails sit in inboxes."

The Design Flaws

Distributed Teams	Oklahoma and Chennai teams working in near-complete isolation. Handovers were sequential — a game of telephone across a 12-hour time difference.
Feedback Loop Lag	Questions, decisions, and defect discoveries waited 24+ hours for a response. In 2026, a 24-hour wait is a structural barrier to flow — not a timezone problem. It is a design decision.
Waterfall Legacy	Agile vocabulary had been adopted but waterfall habits remained: large batches, sequential handoffs, testing at the end, rework spirals.
Zombie Daily Scrum	The Daily Scrum wasn't a sync. It was a series of status reports to a PO who wasn't even there. Zombie Scrum — created by design, not by choice.
Unrefined Backlog	358 story points across 150 items with no outcome framing. Features, not strategic bets. Nobody could say which items actually mattered.

4 Anchors Diagnostic

Psychological Safety	LOW — Engineers in Chennai felt unable to raise concerns to Houston without fear of being blamed for delays.
Trust	LOW — 12-hour handover gaps created unpredictability. Team members couldn't rely on each other across the timezone divide.
Shared Vision	UNCLEAR — No unified Sprint Goal across both locations. Houston and Chennai effectively ran parallel projects with different definitions of success.
Equal Voice	BROKEN — Chennai voices systematically under-represented in design decisions. Handover notes substituted for collaboration.

THE ARCHITECTURAL REPAIR — What Actually Changed

The team didn't need a new Agile framework. They needed to be designed as a unified team — not two parallel queues operating on opposite sides of the world. Every structural fix targeted one of the 4 Anchors.

Unified Team	Chennai and Houston formally unified into a single Scrum team with one backlog, one Sprint Goal, and one Definition of Done. The mental model of 'two sites' was retired.
24-Hour Rule	A hard 24-hour rule established for any question requiring a decision. Escalation path defined, PO availability committed, blocking items surfaced daily.
50% Scope Cut	Backlog reduced from 358 story points to a focused set of high-value outcomes. Scope cut was the lever that made focus possible.
Outcome Goals	Sprint Goals reframed around business outcomes — 'Enable deposit confirmation for mobile users' — not feature delivery.
Overlap Window	Daily 1-hour live overlap window between Houston and Chennai for real-time collaboration. Real decisions replaced asynchronous queues.
Defect Triage	Test-and-fix loops moved within-sprint. Defects addressed within 24 hours of discovery — 75% faster than previous practice.

THE RESULTS — \$10M Transformation Delivered On Time

250% Increase in productivity	75% Faster defect turnaround	50% Scope reduction (right-sized)	On Time Project delivered as promised
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THE LESSON — Design Is Not Geography

Distributed teams do not fail because of distance. They fail because of design decisions that treat distance as an excuse for sequential handoffs, unclear ownership, and 24-hour feedback lag. The 4 Anchors apply regardless of timezone. Psychological Safety, Trust, Shared Vision, and Equal Voice are structural design outcomes that any team can build, anywhere in the world, if the design is intentional.

The Distributed Team Design Checklist

One backlog?	Single backlog, single Sprint Goal, single Definition of Done. No site-specific work queues.
Feedback loop closed?	All decisions answered within 24 hours. Escalation path defined and trusted by both sites.
Live overlap window?	Daily real-time collaboration window scheduled and protected — not status reporting.
Equal Voice enforced?	Remote site voices carry equal weight in Sprint Planning and all design decisions.
Outcome-based goals?	Sprint Goals frame business outcomes, not feature lists. Both sites aligned on the 'why.'