Since Agile is very people focussed, there is a further need to understand how team size affects individual behaviour and productivity within an Agile team. This study takes into consideration to some extent a few psychological factors that can affect team collaboration such as working memory, optimal experience and recommended team size based on social behaviours. This gives rise to another challenge: This paper analyses an Agile project management methodology, pilot it in practice with real life projects and aims at identifying the people factors to be considered for an Agile team to be effective. This implies that people factors are often not considered when managing Agile teams and they may not be performing at their optimal level. In spite of the growing popularity of Agile Management (Agile Manifesto, 2011) the rate at which software projects are failing is still alarming. Furthermore, according to Scott W. Ambler (2010a), the success rates for Agile projects are 60% are successful, 28% are challenged, and 12% are failures. The motivation for this paper is to provide an overview of the people factors that are often ignored when using agile for setting-up of software development teams. Although some Agile methodologies such as Scrum do have a recommended team size, it is a widely believed that Agile is a concept of one size fits all and is therefore scalable. In a research performed by Ancona and Caldwell's (1992), the results indicated that team size may have a direct impact on group performance and communication. Agile Management is very people focus whereas Software Project Management is a rather technical discipline. Project Managers moving from traditional to Agile Methods often spend more time managing projects rather than managing the people working on the projects.