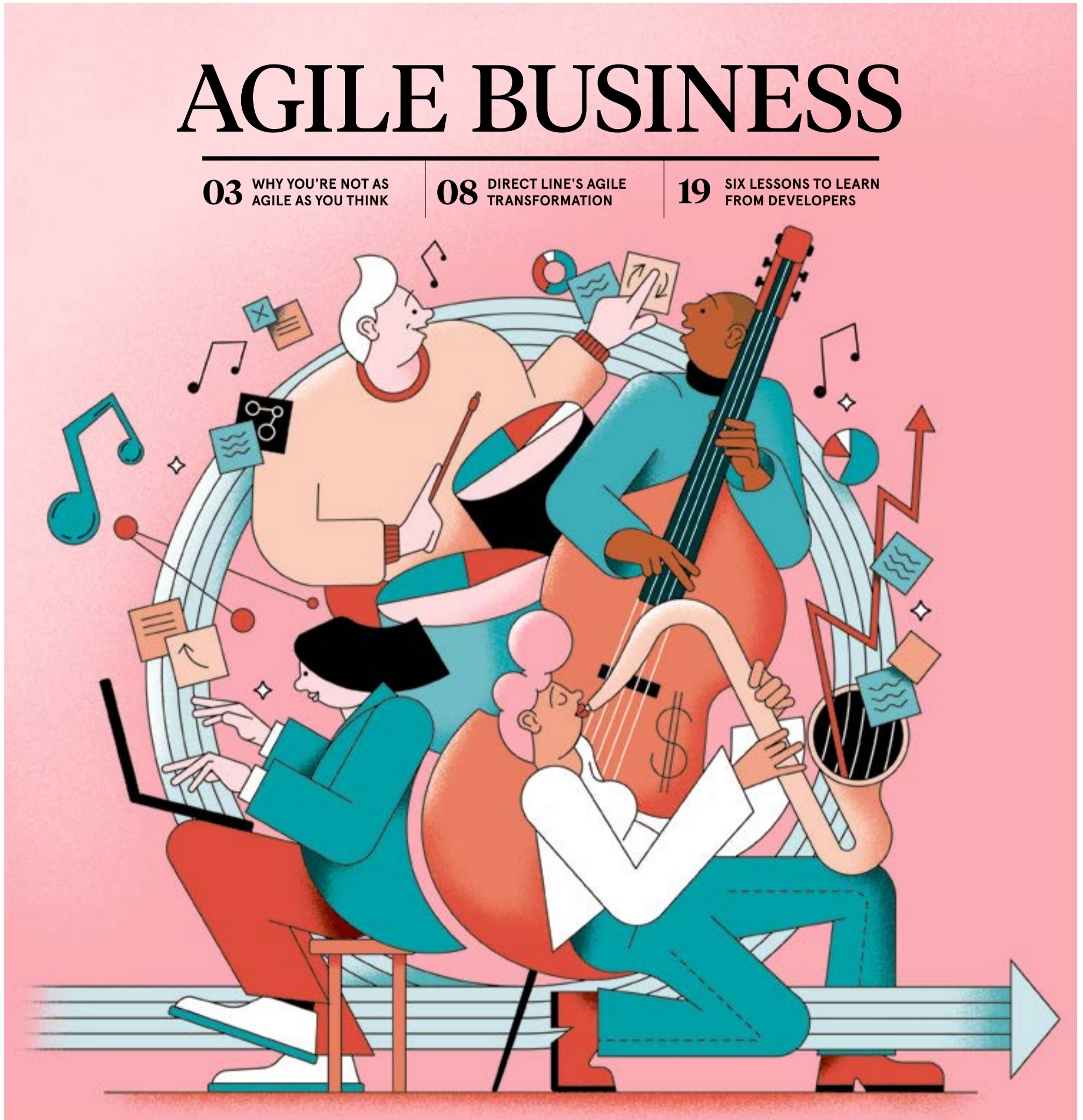


# AGILE BUSINESS

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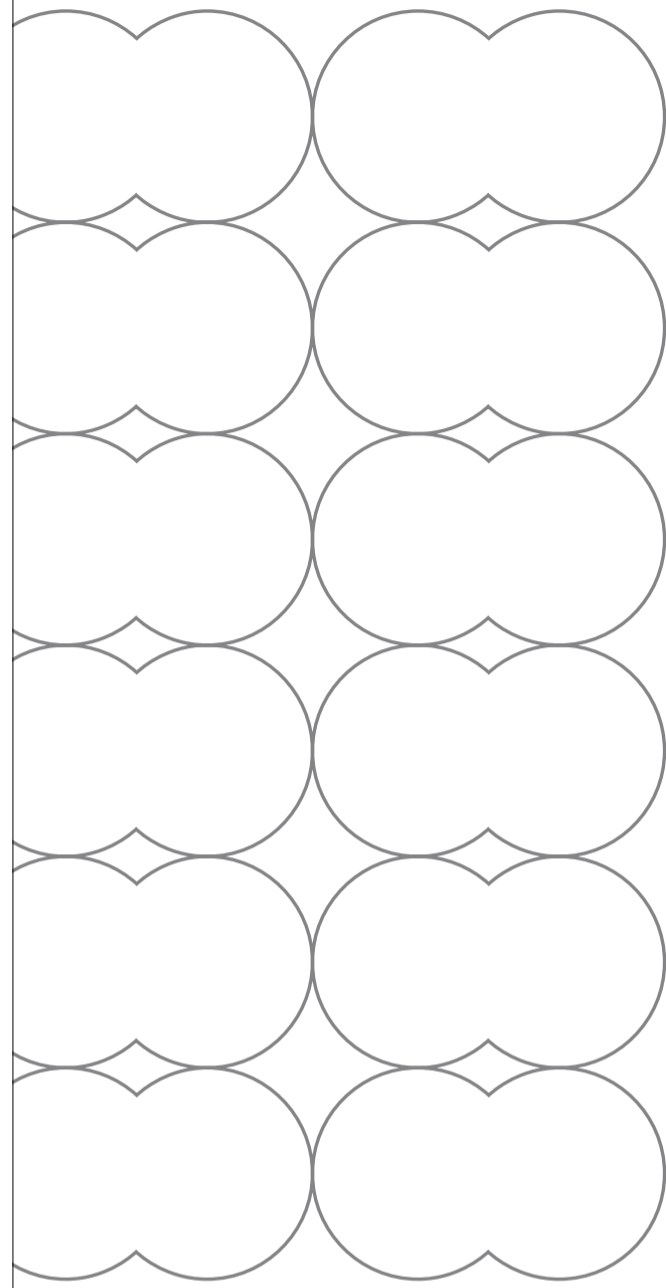
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## AGILE BUSINESS

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STRATEGY

# How to make the leap to a truly agile business

The pandemic forced many businesses to adopt agile methods, but being truly agile is about more than stand-up meetings and iteration cycles

**Rich McEachran**

**A**gility has entered the lexicon of many companies over the past two years. Once limited to a niche corner of organisations, agile has become a core competency for all types of businesses operating in an ambiguous and volatile environment.

In the early days of agile, teams – known as squads – would comprise software developers, testers and analysts. As spelled out in the 68-word Agile Manifesto published in 2001, these squads would focus on putting customers at the heart of the delivery process and take a flexible approach to project management, ensuring they were able to adapt to change rather than just stick to a plan.

Many industries have since realised the benefits of an agile approach and are now applying it to not only survive volatility, but to stay ahead of the innovation curve.

For online retailers, agile can mean rapidly rolling out updates to websites with new features or product lines. In the pharmaceutical industry, which is notorious for its slow drug discovery, squads can accelerate development time by involving customers early on in the R&D process. Manufacturers in the aerospace industry can implement agile for faster design cycles. Agile methods have also been adopted by mining and metals companies.

The need to be agile has been heightened by the coronavirus pandemic – unpredictable market dynamics and supply chain disruptions have seen agile go from being optional to imperative.

Research conducted by McKinsey in the first few months of the pandemic found that companies that fully adopted an agile model before the crisis started had outperformed non-agile companies.

Thirty-five per cent of agile business divisions surveyed by McKinsey said that employee engagement was significantly better; 33% said there was a significant improvement in their operational performance; and 31% reported a significant uptick in customer satisfaction.

But the urgency for agility has also seen more and more companies claiming to be agile without fully

understanding what it means. It's more than iteration cycles and teams holding daily stand-up meetings. Being agile requires an organisational shift that can deliver efficiencies across an entire business.

Agile teams work best when they're in the same location in close-knit groups. This in-person contact helps to build trust, leads to faster decision-making and improves problem-solving. But the pandemic meant companies had to abruptly transition to remote working.

Those businesses that were already operating in an agile environment would have been well prepared to react to the disruption. But companies that decided to adopt an agile approach as a result of the pandemic may have had a culture shock.

"Agile involves significant and challenging cultural shifts within an organisation and, from an employee's point of view, it demands a considerable change of habits," says Tim El-Sheikh, chief executive of tech development studio Nebuli and a former software consultant advising on how to implement agile methods.

"We tend to just stay within our bubbles unless forced to make changes to working practices, as we've seen during the pandemic," he says. "These comfort zones need to be broken if businesses are to achieve successful agility."

**“ Companies like Amazon, ANZ and Spotify are agile because they don't have embedded cultures to change**

Agile and remote working may seem incompatible, given that the premise of agile is based on regular face-to-face conversations to exchange information and deliver results quickly. Electronic communication can lead to misunderstandings as non-verbal cues can be difficult to read, and it can be hard to replicate the feeling of in-person camaraderie.

With remote working blurring the line between personal and working lives, being respectful of team members' boundaries is essential if managers want to recreate the same level of team bonding that typically happens in an office.

Companies need to revise the ground rules for communication to avoid team members talking over each other and to reduce back-and-forth. Using tools such as virtual whiteboards can help to avoid confusion and capture the collective view. And there's a need to be mindful of the fact that some team members may not want to always have their camera turned on during virtual meetings.

Managing agile team members is all about good leadership. The pandemic may have shown that companies don't need a full in-house tech team to be truly agile, but agile can't be implemented successfully without an in-house agile coach, says Jonathan Priestley, head of portfolio modernisation at IRIS Software Group.

The agile coach isn't a technical role but a valuable one for encouraging those in leadership positions to embrace agile methods and overcome resistance. A survey by Forbes Insight and the Scrum Alliance found that 87% of executives polled viewed the CEO as the key proponent of organisational agility. Long-time employees can be the biggest detractors and stand in the way of agile being adopted.

Bringing an agile coach into the fold is particularly important for companies that have traditionally relied on what's known as 'waterfall delivery'. Under this linear system projects are worked on one phase at a time, with decisions made from the top down. The agile method

sees teams work on different phases of a project simultaneously, using data and knowledge-sharing to accelerate decision-making.

"Companies like Amazon, ANZ and Spotify are agile because they don't have embedded cultures to change. Companies that have a long history of waterfall delivery face a very different set of challenges because agile uproots their more traditional ways of working." So says Mivy James, digital transformation director at BAE Systems Applied Intelligence.

Making the switch to being agile isn't straightforward, adds James, and this is where agile coaches come in. They can teach C-suite



**It's critical that all the people within an organisation accept and embrace the change to ensure agile is a success**

executives what to expect from an agile approach, as well as help them understand how change should be governed and how rapid transformation should be delivered within an organisation that usually works within a different set of processes.

For an agile approach to be successful, it is essential to create buy-in among C-level executives. Leadership teams are the ones who effectively set the tone for the rest of any organisation and agile requires all stakeholders to place trust in this process. Companies must also be prepared for an element of chaos, says Priestley, as ideas and designs are tweaked throughout successive iterations.

"If agile is to flourish, businesses need to be open to changes in operational thinking. Even tech teams with deep experience of agile methods struggle when the environment isn't aligned to their ways of working. This can create a negative unhealthy environment if issues aren't addressed," he adds.

El-Sheikh agrees: "It is critical that all the people within an organisation accept and embrace the change to ensure agile is a success."

BAE Systems' James argues that agile can only truly deliver on its promises if a company's culture and all of its communications are agile across the board.

"If an agile part of an enterprise comes into contact with a part that is following the process but doesn't have an agile culture, the business gearbox has to work harder," she says.

Getting the culture right helps to attract talent that fits the agile model. But it is just as crucial to invest in the development and progression of your existing workforce, says Hadas Mor-Feldbau, global director of human resources at workflow management software company Monday.com.

"Once you help people to hone their skills, you can allow them to become part of the [agile] solution," she says. "Empowering people to have more ownership and impact will help companies to create and retain a more agile workforce."

While technology teams might be expected to be comfortable with the method from the get-go, some employees will need support as they get used to the approach, says Priestley. Still, it is important to remember that agile is by no means a panacea and that not all business functions are suitable candidates for agile methods.

"While the principles of agile 'done properly' are always going to be the same, it is going to look different from organisation to organisation. A 5,000-person company will have to approach agile in a completely different way to a 15-person company," Priestley concludes. ●



**SpaceX: Agile is rocket fuel for tech companies**

2021 was the year of the billionaire blast off between Jeff Bezos, Richard Branson and Elon Musk. But it's the latter of the three that is arguably winning the space race.

SpaceX has proved that a dose of agile is just as important as rocket science when it comes to getting spacecraft off the ground. Musk's first ever venture was software firm Zip2 and he's since gone on to apply the principles of agile software development to hardware – particularly the concept of 'fail fast' – including at Tesla.

Instead of designing a single prototype, building it and then testing it (think: a waterfall system approach to engineering), SpaceX builds multiple prototypes at the same time. These are then tested

rapidly and improvements are made to designs based on feedback and lessons learned. As a NASA report put it: "SpaceX focuses on rapidly iterating through a build-test-learn approach that drives modifications toward design maturity."

This agile approach has meant that SpaceX has managed to establish a first-mover advantage in the space race. Rapid prototyping has also helped the spacecraft manufacturer to lower production costs, while continuous improvement and innovation will lower the price of future rocket launches. The advertised price for launching its Falcon 9 rockets is currently in the region of \$30m (£22.8m) but Musk said in February that the aim is to bring it down to under \$10m over the next few years.



**Benelux offers food for thought on agile**

Agility and the food and drink industry may seem like chalk and cheese, given how rigid and regulated the industry can be. But supply chain shortages during the pandemic have only served to emphasise the need for manufacturers to be nimble.

Unilever's adoption of agile methods is a prime example of how non-tech companies can successfully implement agile methods.

Prior to coronavirus, Unilever's refreshment division in the Benelux region had decided to adopt an agile approach back in 2019. The decision was taken in order to enhance the product development phase and shorten

the time it takes to bring new products to market.

Employees were split into several teams and discussions with team members led to pain points being identified. The result was more focus and fewer distractions.

In late 2020, almost a year after adopting an agile approach, the Benelux division reported a 25% growth in its project capacity and an improved time to market.

Employees reported a decrease in pressure, with 85% of team members saying they were happy with the agile methods implemented. Eighty-four per cent experienced improved focus and 92% said they would recommend the agile way of working to other colleagues.

**'The most common problem in agile adoption efforts is forgetting that agile is not just a process—it's a culture.'**

Peter Drucker once said, "the only sustainable competitive advantage is a company's ability to keep transforming itself." This is sound advice, but it's not that simple for most companies. Many companies struggle to succeed with even one transformation, let alone living up to Drucker's more continuous and agile transformation vision.

According to McKinsey, a global consulting firm that deals with business and management, 70% of transformations fail to achieve their goals. This number holds true with agile transformations as well. The most common problem in agile adoption efforts is treating it as a business process update and forgetting that agile is not just a process—it's a culture. This mistake sets the entire transformation up for failure because it doesn't address the critical cultural, management, organisational, and technological challenges that an agile transformation faces.

Company culture is much larger than just a set of written values hung on a conference room wall or published on a website. These values govern interactions between people, departments, and customers when practised. With its customer-centric values and principles, agile is often used to enhance or reinforce existing company values.

A company's values are a powerful source of energy when they shift. In fact, it can be a significant force in transforming the whole company culture. A great example of this was in 2014 when Satya Nadella, who was new to his CEO position at Microsoft, took a move to focus the company's vision and mission in a more people-centric and, in my opinion, agile way of work. The shift was from what he called a "know-it-all" culture of individualism to a team culture that was focused to "empower every person and organisation on the planet to achieve more."

Now, almost a decade later, through embracing Nadella's vision, the company has improved employee satisfaction and turned decades of cutthroat aggression into a more agile attitude of productive collaboration between employees, management, and customers. This was an inspiring transformation, and it had a massive impact on all levels of the company, its customers, and its

profitability. It would have been impossible without the support of transformational leadership from the top levels of the organisation.

Leadership sets the tone for employees to follow. How leaders behave ultimately translates into how employees behave. This was perhaps the most critical ingredient to Nadella's success at Microsoft. He reinforced the new company values not by telling people what to do, but by becoming an example for others.

For example, he did not preach to others about the need for empathy, time management, or learning; he modelled that himself. In his book, *Hit Refresh*, he outlines how he believes being accessible to every person on his staff is crucial for a healthy workspace. Putting those words and sentiments into action is what makes it transformative.

This leadership style is vital for an agile or any other cultural transformation to be successful. Transformational leaders are able to motivate their team by living the values themselves and not just promoting them. It gives legitimacy and importance to the team, making it much easier to shift the norms and behaviours that may hold a transformation back.

What we learn from Drucker and Nadella is that transformations are a continuous journey. For Drucker, transformation is a process of constant renewal. This is the idea that we must continually change and innovate to stay competitive in the marketplace. Nadella showed us to lead by example and to work in a transformative way. Transformation is not something you do for a few months or years and then stop. It is something that you practice doing every day within your company at all levels—and it starts with culture and it starts at the top. ●



**Ray Arell**  
chief of innovation & business development at Agile Alliance



**People are the key to agility**

A gap in capabilities and skills is still holding companies back from the agility they need to realise their digital ambitions

Digital transformation holds the promise of greater business agility. However, as more companies invest, it appears that the rewards are falling short. Why is this the case?

There are great examples around us of digital native success stories demonstrating agility, but what we see elsewhere can be hard to replicate in our own organisations. From seeing to doing – therein lies the challenge.

AND Digital, a company that works with organisations to accelerate their digital delivery, believes it has identified a unique set of attributes that organisations need to adopt to make meaningful progress towards agility and set about putting them to work, with impressive results. AND began its journey in 2014 with 33 'ANDIs' and two clients. By the end of 2021, the company's portfolio stood at 1,200 'ANDIs' across seven UK cities as well as Amsterdam.

"When we set up AND Digital in 2014, we set about understanding and distilling the essence of what determines success in our increasingly fast-paced, technology-driven world. Since then, we have purposefully implemented the patterns, ways of operating, capabilities and mindset to build and scale," explains Parnjit Uppal, founder of AND Digital.

Uppal continues: "We refer to this as the Essence of the AND. Increasingly, we are living in an 'and' not 'or' world. 'Or' is no longer a viable strategy for organisations. We need to be good, for example, at both experience design and engineering. At the core of this essence is our people. We work very hard to build and nurture a mindset and capabilities to enable high performance. This investment has delivered great speed and agility for us."

AND now applies this knowledge and strategic approach to clients, working with them to accelerate their immediate digital needs and supporting them in building their in-house capabilities. This is all in the face of the well-publicised challenge of the 'digital skills gap'. "The 'digital skills gap' is front and centre of our concerns, but it's not new and has been a challenge for more than a decade," Uppal explains.

"Governments and corporates are undertaking various initiatives to try and deal with the issue. But what we see is there isn't a joined-up approach," Uppal adds. "Education, industry, and the government are all doing something to help solve the digital skills gap, but in silos. Funding is also disparate. This is a make or break challenge for organisations of all sectors – and for society at large – if we're to secure growth for the future."

"Our approach, therefore, is all about collaboration. When we build teams, we build them with our clients. It is a shared commitment to a shared problem. AND itself is a great exemplar of what can be achieved in the

so-called 'AND world' when the right patterns, culture and mindsets are harnessed. What's more, there is no better way for clients to access these for themselves than by working and doing so alongside us."

Uppal also believes the 'digital skills gap' is an often misunderstood topic. "To some commentators, the skills gap is specifically about coding or data skills, or STEM. To others, it is purely an expression of not having enough people to complete tasks in the short term. For us, it is about having that essential skill mix, mindset, and the right practices in place – these having made AND itself successful. It's these vital attributes that we actively encourage and support our clients to adopt."

However people understand it, the gap is broadly accepted to be widening. In 2021 alone, AND Digital claims that it upskilled more than 10,000 people with the requisite skills and knowledge to thrive in an increasingly digital world. "This might feel like a drop in the ocean but we are confident that we have a unique approach to the skills gap," says Uppal.

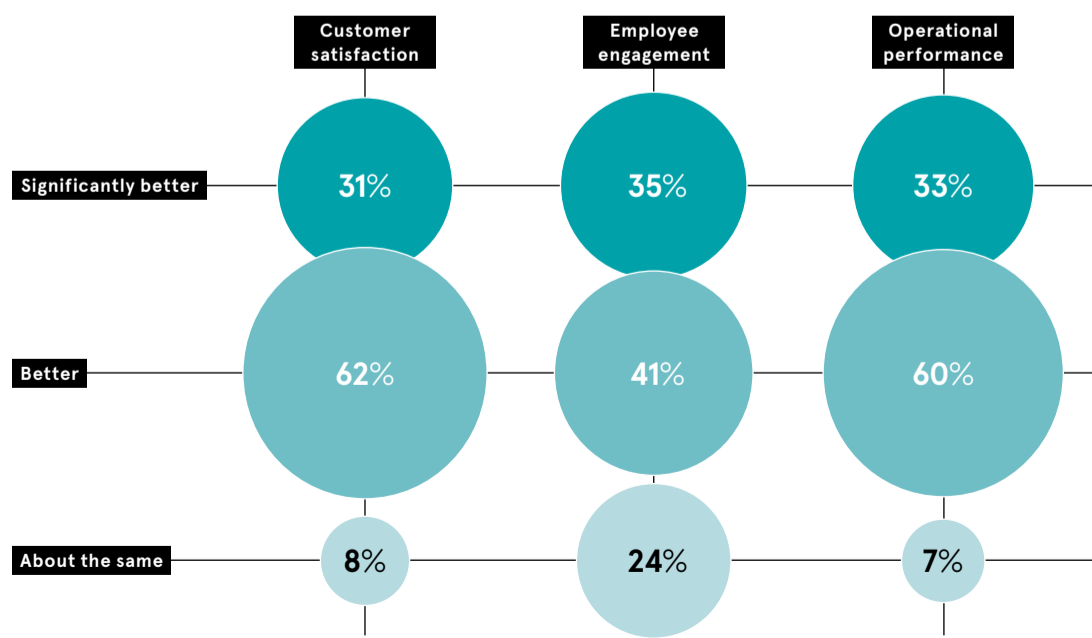
Focusing on AND's corporate mission to help close the digital skills gap, Uppal concludes: "We are calling on businesses and organisations across the UK to join us in tackling this major challenge together. We will be working on ways to scale these approaches and to work with organisations and society to make a real difference."

For more information, visit [and.digital/skills](http://and.digital/skills)



**HOW EMBRACING AGILE HELPED FIRMS WEATHER COVID**

Self-assessed performance of business units who had fully adopted an agile model before Covid, compared with units within their organisation who had not (numbers may not add up to 100 due to rounding)



McKinsey, 2020

## GLOBAL DEVELOPMENT

# Agile offers aid sector food for thought

One major challenge in the aid sector is how to react quickly to evolving circumstances in a complex environment with multiple stakeholders. Could agile be the answer?

Sophia Akram

**D**eveloping software in Silicon Valley is a world away from delivering global health solutions in Addis Ababa, but the uncertainty and risk inherent in both sectors mean that both can benefit from agile practices.

Agile's highly customer-centric approaches, involving nimble teams, iterative solutions and networks, may not initially appear to be a good fit for global development. The sector typically has rigid rules on how to deliver aid: funding has to be pre-approved, and projects are designed overseas and in advance, far from where they're implemented.

Development agencies, however, are discovering how effective agile methods can be in this context. An agile approach offers the ability to react to evolving circumstances in a complicated environment with multiple stakeholders – and to build on realised successes. So could agile be a game-changer for the aid sector? Aid delivery has been traditionally dictated by what tech bros might call the 'waterfall model' – a project management technique based around the fixed implementation of a pre-designed plan with objectives often set in an HQ far from the context of their intended destination.

The argument for localisation in global development is that direction comes from a place of priority, not the vision of a distant donor with their own strategy. That's especially true when the international funder isn't the source of money but instead reports into another layer, which may not necessarily be developmentally minded. This set of realities can lead to bad outcomes, says Tessa Dooms, who runs Jasoro Consulting and who has more than a decade of development experience.

Dooms cites an example from South Africa when, in the midst of the coronavirus crisis, a development worker realised that all their projects required face-to-face contact and therefore couldn't go



An agile approach can help get the right aid to the people that need it, and quickly

**“The fact we had experimented for a couple of years with agile methodology made it easier for our teams to respond quickly**

ahead. They asked their organisation if they could help their implementing partners to assist their own marginalised communities, only to be told that they weren't a "humanitarian" organisation so couldn't help feed them – but could buy them laptops instead.

"That kind of stuff, it evades logic," she says. "If you're going to actually have partners on the ground, you must see their needs and be able to respond. If not, why are you there?" Any innovation must have close ties between the people and the contexts, she adds.

Agile in development allows responsiveness in the changing environment and adaptation when pre-programmed activities are no

longer appropriate. Many projects have a complex set of stakeholders on the ground – including communities, implementing partners, employees, governments and suppliers – where unequal power dynamics can emerge. Proponents of agile say the methodology's focus on end-users help redress those imbalances, with communities rather than governments or donors having more control over inputs and outcomes.

Aid agencies from the World Bank to USAID are embedding agile methods – using small, nimble teams on the ground, engaging partners to co-create solutions or using an agile approach in certain areas such as proposal writing – rather than adopting the method wholesale.

Agile doesn't replace their management principles but allows for more short-term and flexible planning, says Torbjörn Pettersson, director of HR and communications at SIDA, the Swedish International Development Cooperation Agency.

He also stresses how the pandemic illustrated the rapidly and unpredictably changing context for development work; conflict zones and climate change are other examples of how an environment can change during a project.

Covid-19 restrictions, Pettersson recollects, led SIDA to reprogramme around a third of their billion-dollar budget in 90 days.

"I'm quite certain that the fact we had experimented for a couple of years with agile methodology made it easier for our teams to respond very quickly. And the result was quite impressive," Pettersson says.

The rise of mobile and other tech influencing delivery in the field means there's more scope for software solutions to problems. Performance metrics are also more easily identified and applied to improve a project.

Water mapping technology is an example of how clean water and sanitation projects can use data to have the most impact. The World Bank and AusAid used the open tool Formhub to create smartphone data collection forms for a rural programme in Vietnam. This collaborative application shows in real-time how much of the population has access to clean water and if changes in delivery need to be made.

The rigorous approach to monitoring, evaluation and collection of metrics is something private businesses could take as inspiration from the aid sector, says Brigit Helms, executive director of the Miller Center for Social Entrepreneurship.

"What is built into these projects is some kind of regular data gathering from the ultimate users," she says. There must then be the incentive to learn from that data and incorporate it back into the project, programme or product.

There are limits to the change in course, however, with the agility being in how you deliver, not what you deliver. Wider changes to how development works at scale are also unlikely in the near future. One major challenge is that donors tend to issue requests for proposals for multi-year and complex projects that are still outlined in a framework requiring step-by-step detail.

"It's really hard to plan development at that level of certainty and oftentimes, these designs lock you into a certain course of action that becomes very difficult to adjust," Helms says.

It poses the question: who is the real customer when the end-user isn't the stakeholder holding the pursestrings? But that's another parallel with the tech sector, where the design of websites and apps may be more informed by the demands of advertisers or other funding entities than end-users. Yet more food for thought on the role of agile in the future of global aid. ●



## Change the way you think about agile

Why you should focus on value, flow and quality to create a thriving business

**F**or many businesses, adopting an agile strategy is often touted as a revolutionary decision that can overhaul their operations. It's seen as a surefire solution that promises transformational results, until it doesn't. Too often, businesses who hope to rejuvenate the way they work through an agile strategy end up spending plenty of time, effort and money to achieve very little.

The reasons for that are varied, but at their core, they often come down to a single problem. "People don't understand what agile is for," says Andrew Husak, vice president of product architecture at Emergn, a global digital business services firm with a mission to improve the way people and companies work.

"They look to it as a way of fixing a number of business problems with outcomes focused on the promise of 'better, faster, more,' when what they're actually solving for is uncertainty. Basically, agile is applied to the wrong problems. Companies are focused on funding short-term projects, competing for budgets and maintaining a culture of control, when the solutions lie in funding long-term capability, investing in value propositions and cultivating a culture of empowerment."

Agile, rather than a thing to do or a goal, is a means to an end: a way to reach your desired business outcomes, and to develop a thriving business that provides valuable products and experiences to the market, has productive staff and partners and is managed for stability and growth.

Most companies want to offer preferred products and services to an expanding client base, and operate in a way that supports their business model by keeping costs and labour time low. They do that by planning and modelling to head off any issues before they occur. "But the premise of agility is actually changing the way you think about, how you respond to, or even how you view the market in the first place," says Husak.

That goes right back to the basic roots of how your business operates. Becoming agile is a journey, because agile methods and techniques are very different to the old ways of working. They require a different mindset from managers – and a different approach to structuring workflow and workforce. In order to adopt and adapt to this new mindset, business leaders need to think about what outcomes they're trying to achieve, and how everyone can align with those outcomes. They need to investigate how their organisation defines value, and whether staff

are prioritising the most valuable work through that lens.

That's how it should be done. But many businesses struggle to adopt agility to its fullest potential because they focus on projects versus products as part of their attempt to govern for certainty, rather than the uncertainty embraced by an agile approach. They think they know what their customers want and need from them, without processes for reaching out to them through experimentation to solicit feedback. And that lack of feedback coming in leaves them unable to adapt and evolve over time to meet the changing needs of their customers.

**“Agile, rather than a thing to do or a goal, is a means to an end: a way to reach your desired business outcomes, and to develop a thriving business that provides valuable products and experiences to the market**

All of those issues stem from leadership either misunderstanding or misapplying the agile framework to their business. The genesis of agile from software development was intended to be radical, but that requires plenty of trust from brave leadership. "It's a complete upending of your attitude to how your business actually exists and needs to continue to exist. This is usually something that requires continually investing in people and extending their knowledge beyond the status quo; supporting them with access to experts and a learning platform full of ideas and innovative thinking," says Husak.

One way to get out of the traditional way of thinking and into a forward-thinking, agile-open one is to adopt the three guiding principles that Emergn advises businesses to consider:

- 1 Deliver value early and often**  
Think in terms of small units of value, which you can validate with your customers while appealing to them at the same time.
- 2 Optimise the flow of work end-to-end**  
It's not simply about learning to work faster. It's about finding ways to respond rapidly in unpredictable conditions to eliminate waste and delay.
- 3 Discover quality with fast feedback**  
Prioritise learning to find out what works and what doesn't through experimentation and adapt your plans accordingly.

The principles don't provide pre-defined answers, but instead serve as a springboard to agility. Together, they make up a philosophy that you can use to equip your leaders, employees and partners to solve whatever uncertainties your business future holds.

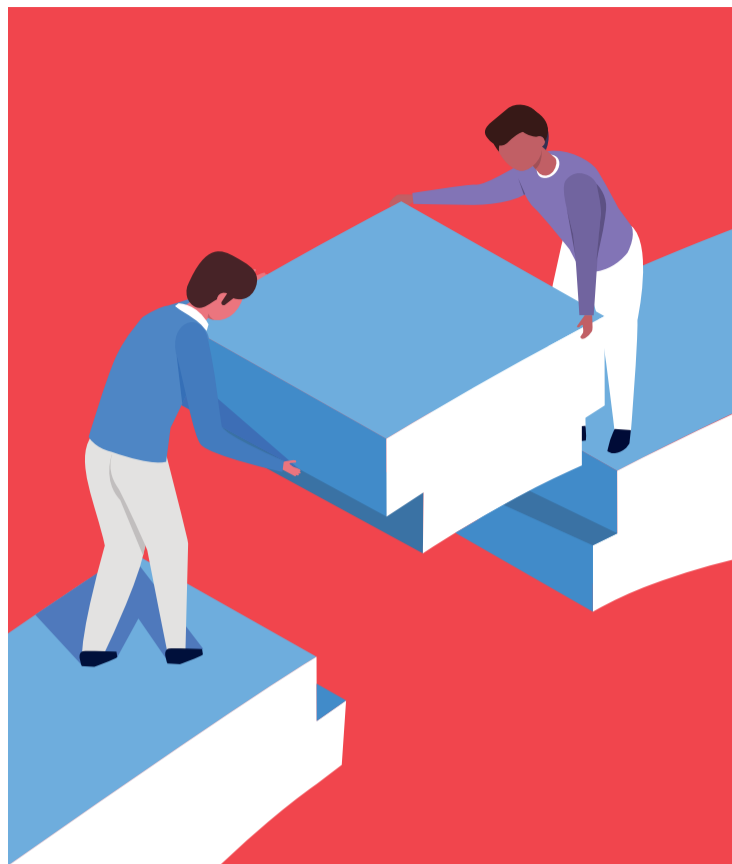
**“The premise of agility is actually changing the way you think about, how you respond to, or even how you view the market in the first place**

All the mechanics of agility, which are what most companies concentrate on, emerge from this philosophy, not the other way around.

These principles are implemented by Emergn within hundreds of businesses worldwide who ask for an assessment of the way their business works now, what great looks like, and how to bridge the gap. That work begins by asking questions. "Our number one hypothesis is that every business serves at least one market," says Husak. "Do they know what that market is? Do they understand the customer?" Answering that establishes the concept of value for a business. It then leads businesses to think about who else can provide that value – to customers as well as shareholders. It encourages them to consider competitors and their company's place in the sector. The rest follows from there.

Change starts here:  
[emergn.com/agile](https://emergn.com/agile)





## Help us bridge the digital skills gap.

Join us on our mission to upskill your people. Working together, we can make a real difference.

Find out how:



AND Digital

INTERVIEW

# This is how you get your innovation mojo back

**Mark Evans**, Direct Line Group's managing director for marketing and digital, reveals how agile delivered the interdepartmental collaboration needed to transform and innovate



Morag Cuddeford-Jones

**W**hen would you say the best time to adopt a total work culture transformation would be? During a period of relative economic calm where you can change at your own pace and on your own terms? Or, when the world is about to be thrown into a time of unfathomable turmoil, the likes of which anyone of today's working age will never have seen?

Direct Line Group somehow picked the latter. "You couldn't make it up," says Mark Evans, managing director of marketing and digital at the insurer. "So soon after we triggered [agile], we have a pandemic reaching the shores of the UK and we're all working from home within 48 hours."

To suggest that Direct Line switched from a standard working culture to an agile one in a couple of days is a bit of an exaggeration. In fact, the company had been dipping a toe in agile for several years, albeit limited to a separate digital silo.

"We did have a bit of a following wind, with 10 squads that had emerged organically, and our digital function already operating in full-blown agile. There was data and evidence to do it wholesale," admits Evans.

Though propelled somewhat by circumstances, the move to agile was a considered one and the result of a series of carefully thought-out business evolutions. In the middle of 2019, Penny James was named

as the group's new CEO and a new executive committee meant it was time for change.

"[New leadership] is always a bit of a reflection point. We recognised that we needed to be more innovative and increase the speed of delivering that innovation," says Mark. "At the same time, we wanted to reduce the cost of change. We were getting feedback that this was a sticky place to get stuff done. There were too many handovers. It didn't take a genius to work out that agile promises to be a solution to these things."

But, he adds: "It's a pretty big change in terms of ways of working and it's not to be taken lightly. We worked with McKinsey and spent a lot of time with ING, which is a comparable business. Then we spent over 100 hours thinking about the architecture - what's in scope, what's not."

"Phase two was then, how do we land this in the business? We had to put swathes of head office into consultation and then, 10 days later, lockdown hits," he adds.

Lockdown was a challenging a time for Direct Line, as it was for many other businesses. But Evans says the company was lucky to not have to furlough staff, which he admits would have put extra "stress on the system". Instead, lockdown gave

Evans more time to do communications around what agile would mean for teams, explaining how it would work and creating immersive 'bootcamps' - training that would help staff understand agile methodology. It took the business nearly a year to get it off the ground in the end.

Even with the diligent groundwork, Evans admits it was "a big jolt to the system".

A big jolt perhaps doesn't quite do it justice. "Everyone's job changes. Fundamental ways of working, new teams and team leaders - everything is new. With that comes a level of excitement, intrigue, concern and adjustment," he says.

Perhaps surprisingly, with all the unfamiliar language that accompanies agile, Direct Line's staff didn't seem to have too much difficulty adopting the new tools and techniques. "Scrum, sprint, storypointing - all that tangible, evidential stuff. The adjustment to that is quick. We have smart people and it's not voodoo. Breaking it down into manageable chunks which allowed for experimentation in a contained way meant all the very visible stuff was quick." What took time, Evans reveals, was changing hearts and minds.

"In the same way that Drucker says 'culture eats strategy for breakfast', mindset eclipses methodology. There are intrinsic concepts that are an even bigger adjustment, not least genuine accountability. As a squad, you have your mission and come hell or high water, you are on the hook for stuff. Autonomy, mindset, independence, accountability - maybe that should be easier than process, but it's not," he warns.

The shift to agile was also a challenge for Evans personally, and his fellow leaders. "I think we're pretty good in terms of being an empower-



**Everyone's job changes. Fundamental ways of working, new teams and team leaders - everything is new**

ing culture but [the switch] to servant leadership, for me and everyone else, was quite an adjustment."

Servant leadership essentially flips the traditional view of what leaders do on its head. While traditionally, leaders' main aim was to ensure their business succeeds, in servant leadership while this is still the ultimate goal, the leader's aim is to focus on the growth and well-being of the organisation's people. The Robert E Greenleaf Center for Servant Leadership defines it as follows: "The servant-leader shares power, puts the needs of others first and helps people develop and perform as highly as possible."

For Evans, this meant letting go of his traditional roles, such as decision-making, and handing over much more autonomy to his teams. "You set the frameworks but the translation of that intent into work, you're just not involved in that detail as much. You can't become disconnected, but there's a bit of a fine line - knowing when to get in, and out of, the way."

Not everyone drank the Kool-Aid straightaway. Evans is clearly an impassioned advocate of agile but he recognises it's a significant step away from the norm for many. "The

most important thing was that we all stood shoulder to shoulder to say 'this is our future reality'."

As Evans noted, Direct Line had the benefit of a portion of its business already operating successfully using agile methodologies, so some of the convincing argument was already made. They still brought in agile coaches and support, particularly when the 'honeymoon period' was over and the expected dip in outcomes came along. "In the pursuit of being faster and cheaper there's a disturbance to the system where you'll be the opposite. It's in years two and three where you start to see shifts in output and impact," he explains.

For those approaching agile cold, Evans notes that pockets of experimentation can indeed be a good thing, although he warns against locking them in silos. "Department by department defeats the object. Interdepartmental [collaboration] is where the magic lies."

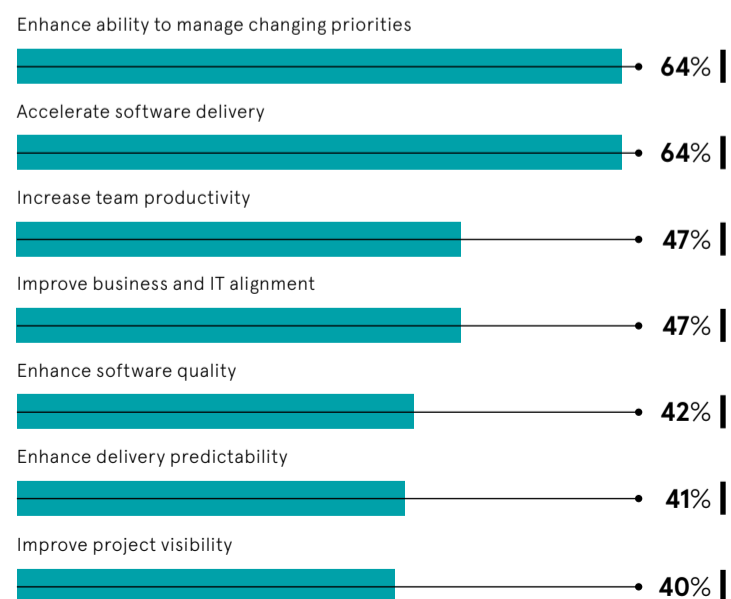
Now well into his third year post-agile transformation, would Evans say it has been a success? "We retain the mentality of never perfect, never done. It can always be improved. But we'd never go back, so that in itself is a success."

The evidence, he suggests, is in classic examples of agile innovation. Direct Line had never offered cycling coverage but with the cycling boom during the pandemic, an open brief to a squad launched a product in a month that would have taken a year in the old system.

"[Disruptors] is who we're up against. We are vulnerable to disruption but this is how you get your innovation mojo back." And for those who still wonder if agile is out of their reach he has a parting shot: "If you can do it in the highly regulated world of insurance, you can probably do it anywhere." ●

### WHY ORGANISATIONS SHOULD GO AGILE

Percentage of global workers who say the following were the most important reasons for adopting Agile within their team or organisation



digital AI, 2021



**In the pursuit of being faster and cheaper there's a disturbance to the system where you'll be the opposite**



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**TALENT**  
**Aptitude for autonomy: how to build an agile workforce**

Agile employees value flexibility, learning and the freedom to be creative, and they often follow non-linear career paths. Is your talent acquisition strategy keeping up?

Alison Coleman

Agile organisations are often defined as networks of empowered teams able to respond swiftly to changes in the marketplace, and operate with high levels of efficiency, collaboration and flexibility. It's a working style that appeals to those who can make decisions quickly, pivot constantly and maintain a customer-centric focus at all times. So where can hiring organisations find these quick-thinking, autonomous go-getters who are completely at ease with agile practices?

The most obvious place to look is in talent pools where people are used to working in this way. However, in light of the 'Great Resignation' - Microsoft research has revealed that 41% of global workers are considering throwing in the

towel - companies need to consider alternative candidate demographics. This includes women returners and career changers, as well as people from non-traditional backgrounds with non-linear career paths that could indicate an agile mindset used to learning quickly and thinking differently.

Paul Chapman, sales director at software firm Endava, says: "While hard skills can often be taught, fresh perspectives can be a compelling addition to your company. By prioritising character and lived experiences among employees, agile companies can attract people they previously might not have, who can add real value to the company's ability to deliver meaningful solutions."

To facilitate this hiring approach, open mindedness from recruitment

and leadership is essential when building teams. Hiring well is vital, but to retain those agile-enabled individuals, leaders need to afford employees a level of autonomy. The best people need to be taught, guided and led, but not managed. They also need space to learn continually, be recognised for their aptitudes and allowed to grow beyond their role.

"Siloing staff into certain functions and predetermined disciplines runs counter to allowing people to flourish in agile teams," says Chapman. "Combine this with a 'talent density' approach, where companies hone in on fewer numbers of higher-quality recruits with more appropriate attributes, and you have a powerful cocktail. When hiring effectively, often less is more."

Appropriate agile attributes are also very specific. Energy, curiosity and speed are three that a hiring firm will want to see evidence of, says Simon Severino, founder and CEO of growth consultancy Strategy Sprints. "When interviewing internal and external candidates, agile businesses use 'demo' sessions - live demonstrations of the skills needed for the role at hand," he says. "A coder might be asked to write a few lines of code during the session, while a sales representative might be asked to demonstrate how they start a sales conversation."

Ideal candidates are also primed towards experimentation, like scientists testing hypotheses. "In the business setting, a concept or draft becomes a project, with deadlines and a budget," Severino says. "Instead of running market research projects for three months, the agile approach creates many quick small drafts and tests them in a low-risk environment in less than a week. The winners become the elements of the campaign."

Others argue that companies can become focused on finding ready-made talent when instead they should be trying to create it. Workflow management software company Monday.com has grown its agile

**41%**

global workforce is like to consider leaving their current employer within the next year

Microsoft, 2021

teams by creating an academy, Monday U, to help people gain the agile skills needed for a career in the tech industry.

Monday.com's global director of HR Hadas Mor-Feldbau says: "By fostering talent with a growth mindset, companies can help identify a diverse group of people who can learn and adapt to an agile way of working. However, they also need to create a culture that promotes transparency, impact and ownership and provides agile teams with the knowledge and autonomy to make a meaningful impact, with the freedom to admit and learn from mistakes."

“Building on existing strengths by role-changing has often brought out the best in agile teams”

Retaining agile talent is vital, and incentives need to reflect what motivates these particular individuals. Money isn't necessarily the answer, as many employees today would choose perks over a pay rise. In an agile setting they want more of what makes them valuable to the organisation: autonomy, flexibility, freedom to be creative, and support rather than oversight.

With the current dearth of talent, organisations also need to consider ways of upskilling their existing talent to become agile, with leaders and managers able to span cross-functional silos, teams, remits and responsibilities to operate faster and more efficiently. The challenge is that this new manager archetype isn't easily developed with conventional management or leadership training.

Ben Graham, co-founder and managing partner of global executive search firm Triton-Exec, says: "Exposure to being different characters is key. Companies getting this right have typically exposed staff at every avenue of the business. For example, we've seen some transition from sales to consulting to digital, giving them a much wider understanding of the business functions and its overall goals. Also building on existing strengths by role-changing has often brought out the best in agile teams, where for example we've seen solution architects transition into sales, and sales transitioning into consulting."

Creating agile teams is as much of an attitude as it is a practice. Leaders who are successfully inspiring agile teams are typically excellent communicators, not barking out orders and instructions, but leading by positive and believable example, warts and all. This is characterised by leaders who share their life and business journeys on social media, are transparent and remove barriers.

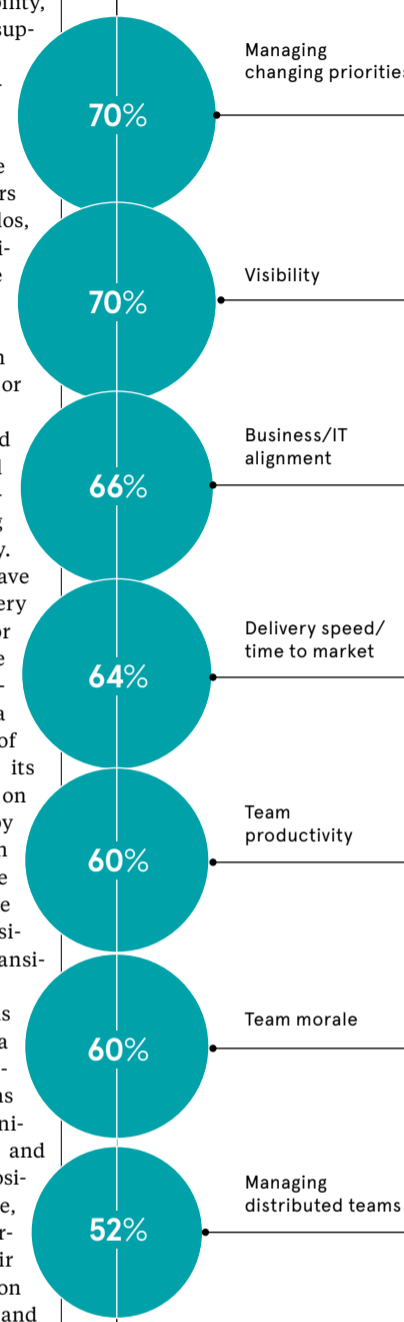
"Showing the balance of their lives, whether marathons, charity endeavours, family life, politics and business milestones, shows a breadth of versatility that should act as a brand of culture for all staff within the business," says Graham. "They should feel inspired to be as diverse and robust as their leaders who share elements of their 'wholehearted' life journeys."

Upskilling managers to agile working requires support that is ongoing and integrated, particularly in the new landscape of hybrid and remote working, where teams are collaborating largely through virtual channels. Organisations must establish an infrastructure that allows agile ways of working to flourish. Without it, new recruits become a flight risk, and upskilled leaders and managers can all too easily revert back to familiar, more traditional ways of working.

For the individual, the transition from conventional management styles to agile working practices can be a huge challenge. Agile is about the capacity to quickly catch the weak signals of change so that

**HOW IMPLEMENTING AGILE IMPACTS WORKERS**

Percentage of workers who say the implementation of agile positively impacted the following areas of their organisation



igital AI, 2021

teams have enough time to tweak processes and products accordingly. "Managers need to adapt quickly to real-time reports and tracking metrics that move the business in the right direction and at the right pace," says Severino. "Instead of 40 to 50 metrics, they will collect and discuss between three and nine metrics, and the cadence will be weekly, with live dashboards instead of long quarterly reports."

To help ease the transition he advocates the adoption of three key habits: a daily habit of reviewing how your time was allocated today and what you can improve tomorrow; a weekly habit of reviewing core weekly marketing, sales and operations numbers; and a monthly habit of competitive analysis and velocity review of whether the business is moving in the right direction at the right pace. "These three habits have helped to keep my business and my team resilient and agile," Severino says. ●

# Realising the full power of the cloud to boost resilience

Rewiring supply chains for cloud-based solutions enables companies to become more agile, efficient and resilient

While adaptability has always been important, the last two years made it clear that businesses must invest in resiliency to succeed. And while nearly all businesses had to react to disrupted supply chains, unexpected shifts in demand, and new ways of working, it's our manufacturers and distributors who faced the brunt of this pressure, and who likewise must make resiliency plans one of their utmost priorities.

The good news is that cloud ERP software is helping companies implement efficient, agile business models that can change and scale at speed.

"When organisations are forced to change their business processes, the cloud offers them the flexibility to react quickly. Whether it's to meet new regulations, seize new opportunities, or protect the health and safety of staff, the cloud can have an incredible positive impact on both your business success as well as the success of your employees and customers. Ultimately, the true power of cloud is that it can enable a world of better business," said Andy Coussins, SVP & head of international at Epicor, a cloud-based software provider.

When looking for use cases of cloud impact, the list is sky high. For example, the agility of cloud has been key for rewiring supply chains to cater for changes in buyer trends. B2B distributors - like hardware firms that sell their products to tradesmen via branches - have had to adapt and offer services to customers who now wish to order online. Many have also had to generate new ways of retaining and attracting customers to avoid disintermediation as manufacturers seek to sell directly to end users.

Cloud also allows manufacturers and distributors to extend the capabilities of, and around, their core business applications like ERP to streamline operations and take advantage of new revenue streams. Examples include ecommerce platforms, EDI for faster payments and information exchange, and enterprise content management that enables



digitisation of the traditional paperwork in the production process.

Efficiency can also be optimised through scheduling capabilities in the cloud. With a simple Epicor software tool, manufacturers and distributors can schedule sales orders with multiple releases to meet customer needs in product release on their schedule. In doing so, businesses can prevent two common problems on opposite ends of the spectrum: either products sitting in their warehouses for long periods or repeatedly sending the same order.

Customer satisfaction and retention can also be improved via the cloud's readily available data. For example, sales history tools in Epicor solutions enable manufacturers and distributors to view a customer's sales history to see all the items they've bought, so they can have an informed conversation with their buyers. CRM solutions integrated into ERP systems also provide a clear view of customers, prospects, and contact data, from opportunity to quote to order.

The availability of data is likewise key to reducing supply chain costs and improving the bottom line through more informed decision-making. Tools such as advanced demand forecasting, advanced inventory management (including sporadic and seasonal demand patterns), lead time per item per location, and vendor-managed inventory all enable companies to make business decisions based on hard data rather than using their gut instinct.

But, how safe is company data from the risk of cyber attacks? There is more good news on this front. Cloud ERP offers state-of-the-art security, from data encryption to system firewalls, while company data is backed up on servers that are routinely updated to combat the newest cyber threats. Cloud

solutions also isolate email from ERP business applications, making it much harder to infiltrate organisations through phishing, a common form of cyber attack. In contrast, on-premises solutions can be harder to protect, slower to respond to an attack, and more vulnerable to break-ins or natural disasters.

Andy Reid, director of international product marketing at Epicor, is confident that moving to the cloud is the safest bet for distributors and manufacturers. He says: "With cloud software, you can benefit from the experience and investments made by your software and infrastructure providers, spreading the responsibility and mitigating the risk of cyber attacks. The question should really be 'why would you not put your data in the cloud?'"

While the multitude of cloud capabilities is great, Coussins stresses that it's the combination of people using software solutions in impactful ways while applying their own expertise when full potential can be truly unlocked. "Never discount the knowledge of someone who has worked in an industry for 20 years," he says. "They can provide a valuable perspective, and typically have great instincts. View all the incredible data from the cloud as a way to empower your employees to make more fully informed decisions. And then have them utilise the cloud to improve the speed and accuracy of their decision-making. It should be an exciting opportunity for all involved and a unifying opportunity for business leaders and employees to build a better business together."

“Cloud software can mitigate the risk of cyber attacks”

For more information visit [Epicor.com](https://www.epicor.com)

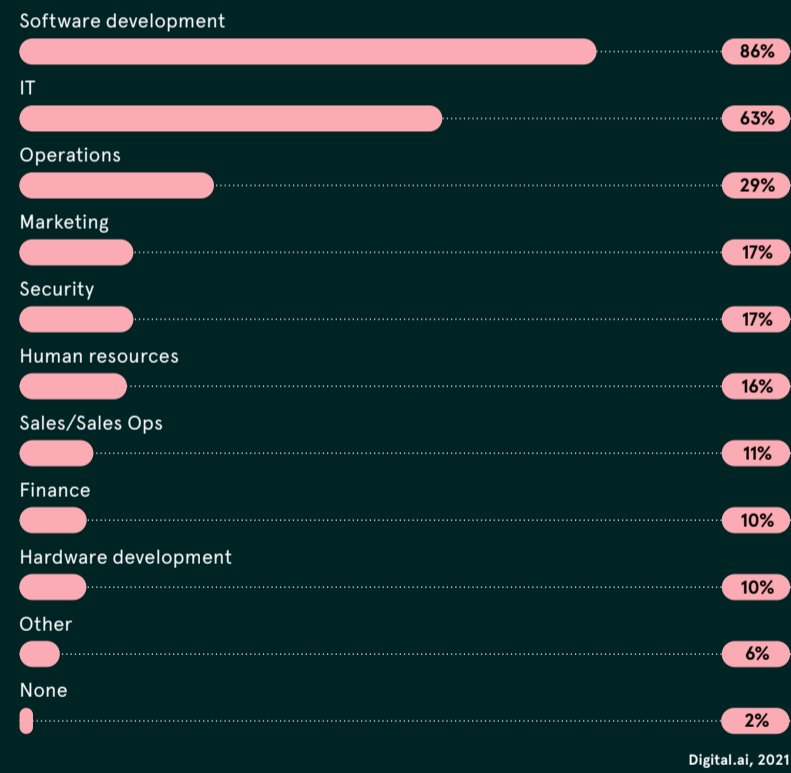


# THE JOURNEY TO AGILE

Businesses have long known that embracing agile practices can make them more efficient and better at weathering crises. But changing up the way your whole business works is no mean feat. So, how should companies approach becoming agile and what wins can they expect to see if they do?

## HOW COULD YOUR BUSINESS USE AGILE?

Percentage of IT professionals globally who say the following areas of their organisation have adopted Agile principles and practices



## WHAT CHALLENGES MIGHT YOU FACE?

Percentage of respondents whose organisations are undergoing an agile transformation who say the following are their top five challenges



## THE BUSINESS BENEFITS OF AGILE

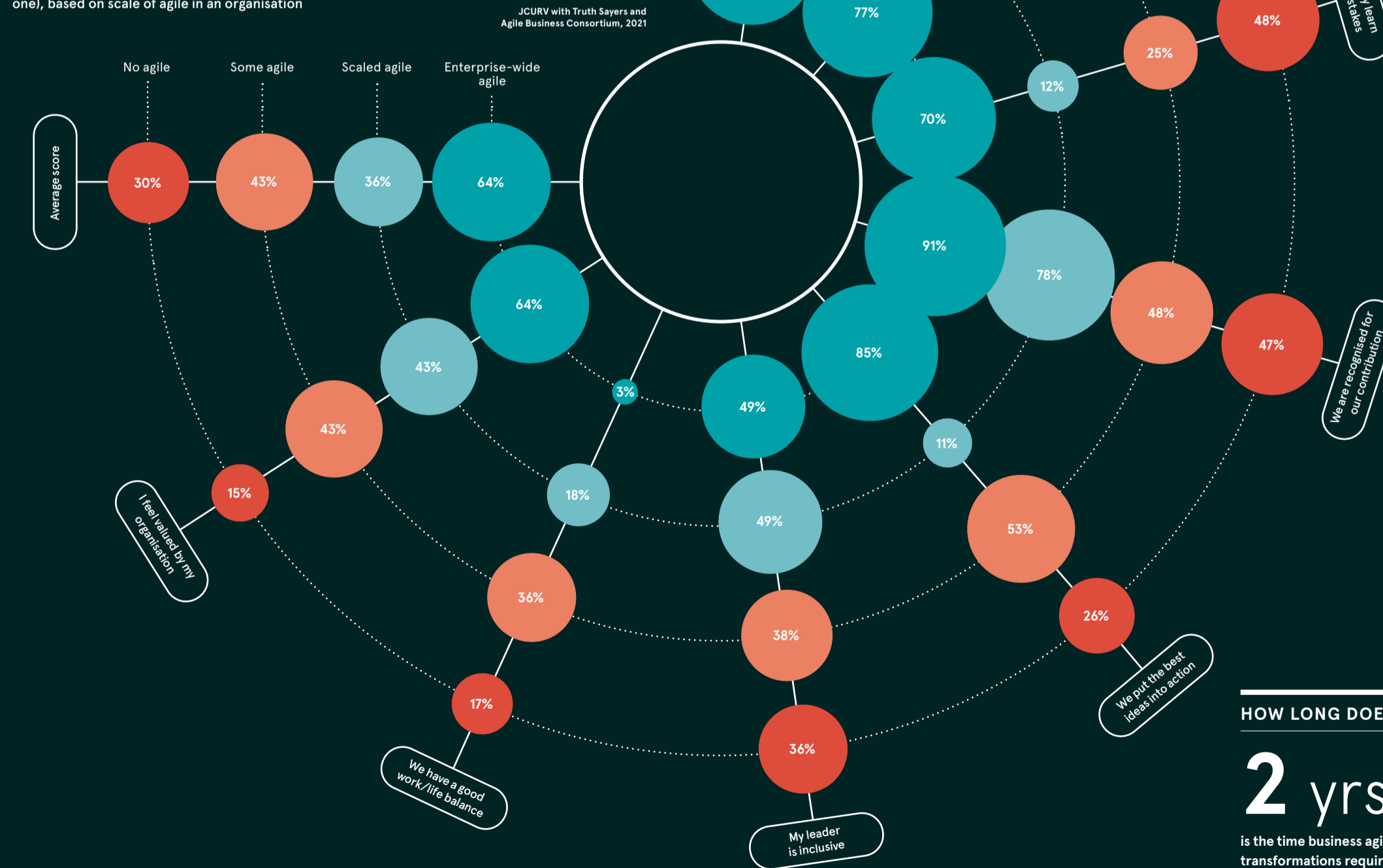
**14%** of global employees, across all sectors, say expediting the delivery of products or services was the most important reason to adopt agile practices in their teams or organisations

**12%** said it was to improve the alignment between the business and IT

**10%** said it was an increase in productivity CertiProf, 2021

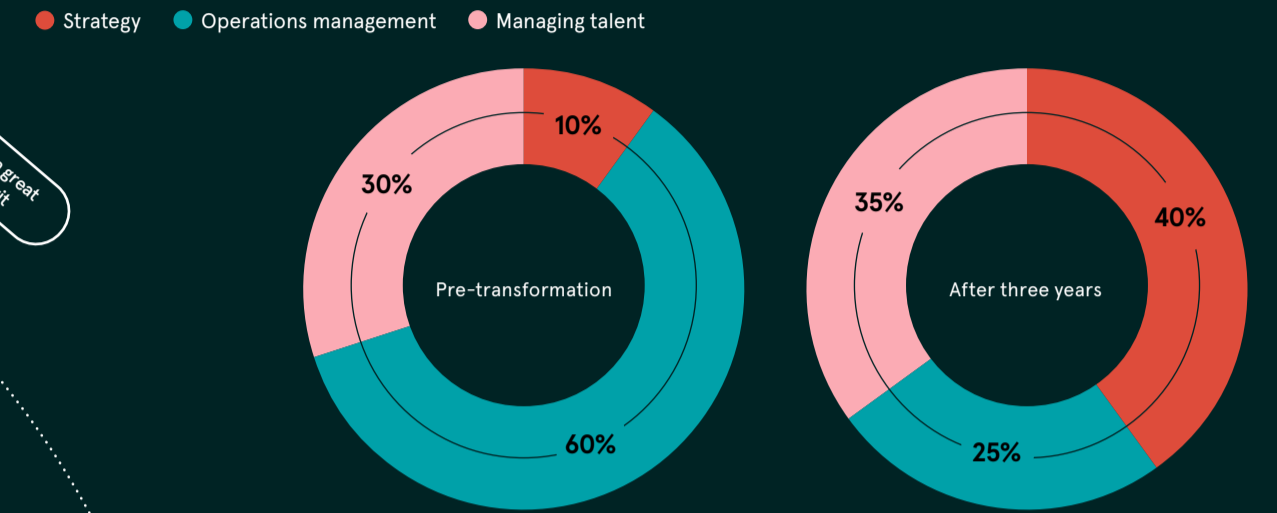
## EMBRACING AGILE CAN BOOST ENGAGEMENT

Percentage of global organisations, across all sectors, who are embedding agility and who say it is having the following impacts on engagement levels (where 100% is a strong impact and 0% a weak one), based on scale of agile in an organisation



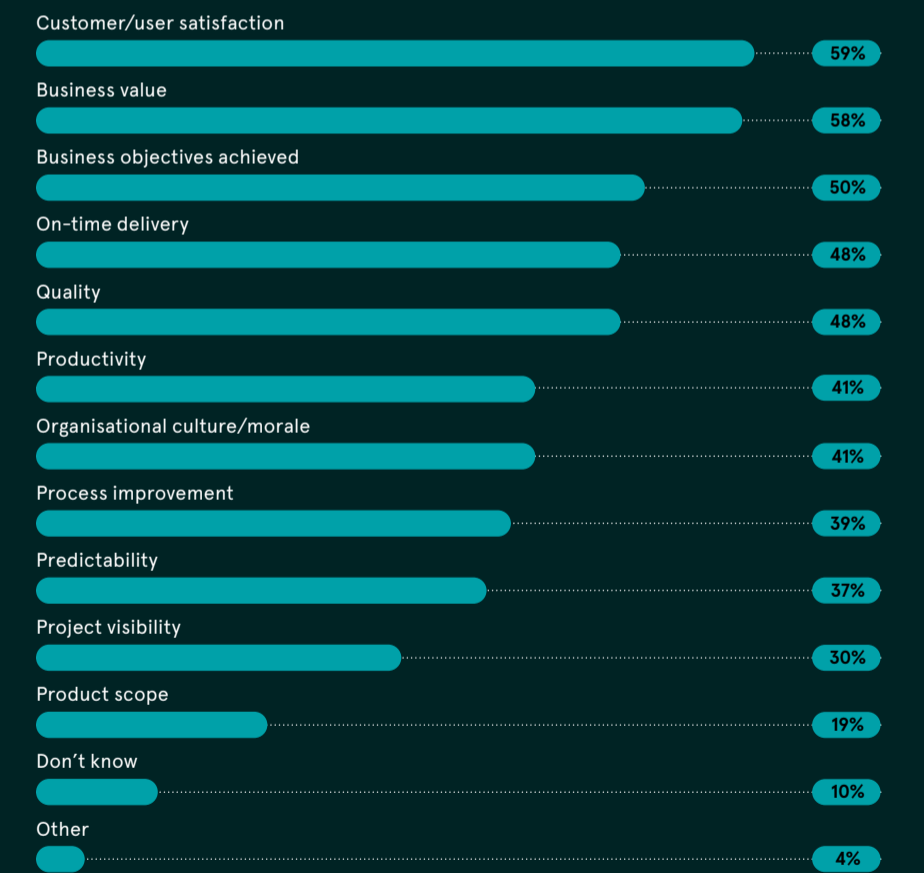
## AGILITY FREES LEADERS UP TO DO MORE

Percentage of CEOs who say they spent their time in the following ways before and after agile transformation



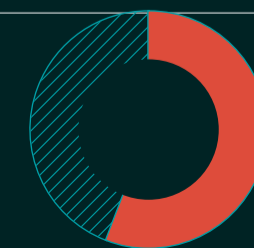
## HOW TO MEASURE SUCCESS

Percentage of IT professionals globally who say their organisations measure the success of agile transformations in the following ways



## HOW LONG DOES IT TAKE TO BECOME AGILE?

**2 yrs** is the time business agility transformations require to deliver significant benefits in business agility



**56%** of organisations have been on this journey for over 2 years

The Business Agility Institute, 2021



# Why professional services companies must invest in digital transformation

Digital transformation has caused professional services companies to reimagine their client relationships, analytics strategies and corporate cultures

Steve Hemsley

Professional services companies are already benefiting from the implementation of digital technology, but to profit fully, their employees and clients need to understand what is driving that investment.

Every company has recently spent money on digital tools in some capacity and experienced efficiency savings and revenue boosts as a result. Yet, many pain points remain that could be solved by further investment in tech.

Chief digital officer at RSM UK, Chris Knowles, says one barrier is that firms worry they will not see any significant return on investment for some time. Yet he insists that the gains can be swift, especially if a company has a strategic plan when it comes to digital. This includes thinking clearly about how end-users will adopt popular technologies such as data analytics, automation or client portals.

"We had a big investment push around analytics and had a high level of adoption within a matter of months," he says. "The buy-in internally was fairly easy to achieve, once we had demonstrated the value that analytics can quickly bring to make time spent

on client delivery more productive and value-adding."

Dan Guest, chief operations and commercial officer at Mitie Technical Services, agrees that companies need a strategy and must be clear on the business case for investing in any digital technology. "The plan has to be communicated to everyone, including your people and clients. The direct impact on them might not be obvious immediately," he says.

Covid-19 has certainly accelerated digital transformation investment across professional services.

Simon Drake, SVP and UK general manager at Hitachi Solutions, says the pandemic forced many providers to look closely at how they could improve their inefficiencies. "We all had to think about how to take what we do and replicate it very, very fast using digital tools," he says. "How could we use cloud technology to deploy services rapidly and consistently, whilst respecting each client's individual needs? The pandemic has created a lot of opportunity, but it has also meant that how we engage with clients has had to change very quickly."

One issue that prompted businesses to invest in digital sooner than they perhaps might have done, was the difficulty they had in getting their national or international teams together to collaborate and innovate. With everyone working virtually, there was a risk that operational and behavioural change would be harder to achieve.

Amy Smart, digital transformation partner at Grant Thornton UK, says that the pandemic accelerated digital adoption significantly. "Change is hard, but like many companies the pandemic

forced adoption of a more digital way of working. It gave us permission to push out digital initiatives within a few weeks which could have otherwise taken years to implement," she says. "Digital also allows us to unlock the power of our community. We have all these people with brilliant ideas and different skills who, with the right tools, can really contribute to our journey and help us get there quicker."

She adds that when professional services companies do invest in digital, they need to ensure they capture and manage the mass of data they generate effectively. Data must be in the right place at the right time to unlock opportunities from technology. Of course, better use of data also means more actionable insights that will benefit clients in the short- and long-term.

Tom Amies-Cull, global chief operating officer, media at Dentsu International, says one of the biggest wins for his global company is that the business is now more integrated. This means its teams can offer clients a more consistent and innovative service.

"You have to think of this whole process in a holistic way because digital transformation is fundamentally business transformation," he says. "You have to start with the impact that any change will have on your people and your clients, and then link that to what you are trying to do as a business. This approach will make change much more manageable."

Dentsu International is currently rationalising its number of brands from around 60 to six, and digital tools are enabling the change to run more smoothly. Technology is being used to connect different teams and reduce some of the silos and local issues that existed before.

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As any business invests more in digital transformation, the efficiency savings in terms of money and time become more obvious. Yet, there have also been some big wins for professional services.

**62%**  
of companies say the changes to customer needs and expectations around digital service as a result of Covid-19 will have a lasting impact

**51%**  
of companies say digital transformation will help them build a competitive advantage

McKinsey, 2021

Companies have moved quicker than some might have imagined to a system in which electronic signatures are used. This is saving time and improving a service provider's revenues compared to the traditional system of printing or scanning. It is also proving to be a useful entry point when it comes to encouraging clients to interact more closely with providers online.

This is certainly progress because, as Knowles notes, the broader professional services and business-to-business sector has been late to the party when it comes to moving clients to an online relationship. "To further encourage this over the next few years, we have to think about how we can add more value to clients digitally," he says.

What digital transformation has done is raise expectations of providers among their employees as well as their clients. As consumers, we have all become used to instant responses from business-to-consumer companies, and this is putting pressure on professional services firms to up their game.

Digital transformation is also changing the culture of many companies, especially as people adopt hybrid working.

Drake says digital technology has fuelled a change whereby people are now working quicker and have adopted more of a test and learn approach. "With digital tools people feel empowered to take a few risks in a relatively safe environment," he says. "Clients are also responding faster and making decisions quicker."

This is a crucial point. Professional services companies and their clients need to be on the same digital page when it comes to technology and how they use it day-to-day. There will also be times when providers need to be agile enough to work within the constraints of their clients' investment in digital so far, and arguably vice-versa.

Ultimately when it comes to digital transformation, professional services companies need a clear strategy and to be able to set and communicate long-term goals. All companies will make a mistake or two along the way, but the secret is to learn from those so that the provider and its clients gain value from what should be an ongoing investment.

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LEADERSHIP

# We don't need another hero

Successful business leaders may be bold visionaries but they don't put themselves on a pedestal or go for glory. Instead, they empower and facilitate staff from behind the scenes, enabling them to unleash their potential within a safe, supportive environment

Peter Archer

He is the world's second richest man and built his fortune on agile leadership. Amazon founder Jeff Bezos has tamed bureaucracy and made his company one of the most agile, and profitable, on the planet.

Bezos famously organises his workforce into "two-pizza" teams, that is, those small enough to be fed by two pizzas and flexible enough to move quickly. They are agile, highly autonomous, have clarity of purpose and prove fast to innovate.

The online retail and cloud services multi-billionaire expects everyone in his organisation to put the customer first. He is known to leave one place empty at the conference table and tells his staff they should consider the seat occupied by their customer: the most important person in the room.

His "multiple paths to yes" approach fosters a robust internal idea-sharing

process. Every employee could pitch their ideas to company leaders.

By empowering teams, and being customer centric, agile leaders can unleash their workforce's full potential. They know how to nurture high-performing teams to keep them operating at the top of their game.

Just as they avoid placing the individual above the group, agile leaders don't put themselves above the team. Although capable of bold action, they work in the background to facilitate processes. They're not trying to be heroes or micromanagers, rather they strive to produce desired outcomes for the business.

"The changes for all involved are profound, but so are the results when everyone's goals and ways of working are aligned. Effective leadership is essential to support this change," says Simon Kneafsey, professional scrum trainer at The Scrum Master.

"Many organisations are still in the midst of the changes required to increase agility and more leaders inside these organisations need to adapt the way they work to suit this new environment. This shift to increased agility is essential to deal with the increasing complexity of the world of work in the 21st century."

Judging by the characteristics of successful agile business leaders, they are focused, dynamic, strategic, bold, open, inspirational, collaborative, always listening, continuously learning, resilient and able to deal with frequent disruption.

Under an agile leadership model, staff are encouraged to share ideas and experiment. Communication is transparent and employees have the information they need to make quick decisions with confidence. This minimises the bureaucratic roadblocks that stifle creativity.

Agile leaders communicate openly with their team members, and are always listening and observing. Listening to employees on the frontline is key to agile leadership as practical process solutions are likely to come from the people most intimately familiar with them. Giving and receiving feedback are equally important.

If an initiative isn't working, agile leaders don't throw blame around. They look at the data to see why it didn't work and use what they learn from it to correct course.

Importantly, they lead by example and create an inclusive culture in which teams feel recognised for their contribution. Team spirit and a positive environment are promoted. Crucially, agile teams rely on psychological safety – an environment of rewarded vulnerability – to engender collaborative dialogue.

Writing in the Harvard Business Review, Timothy R Clark, founder and chief executive of LeaderFactor, a global leadership consulting and training firm, says high psychological safety elicits a performance response, with innovation as the goal, whereas low psychological safety results in a fear response, with survival as the object.

"When team members stop asking questions, admitting mistakes, exploring ideas and challenging the status quo, they stop being agile," says Clark.

"Remember, there's always the risk that a team's culture will snap back to fear-based norms, so focus on individuals and interactions as the highest priority. Small and seemingly insignificant acts of disrespect, rudeness or indifference can push a team back into withdrawal and personal risk management."

As Bezos and other successful agile leaders know, the rewards are bountiful. According to the *State of Agile Culture Report*, building a strong agile culture will result in an increased commercial performance of 237%. The incentive to be an agile leader could hardly be greater.

But the report points out that adoption of an agile culture is cited by 48% of organisations as their biggest challenge.

It finds that leadership is the enabling factor for building a strong agile culture and empowerment is

**“Leaders must relinquish control, ensuring their teams have the clarity and competency required**

key to unlocking this, especially as remote working has increased owing to the coronavirus pandemic.

"To progress, leaders must relinquish control, ensuring their teams have the clarity and competency required to achieve the same goal. This can be a difficult transition for a leader but it's an important step to take," the report says.

However, there is a lack of engagement and investment in leadership development. "Too often, leaders invest heavily in agility learning and development for delivery personnel but neglect the equivalent for themselves," it continues.

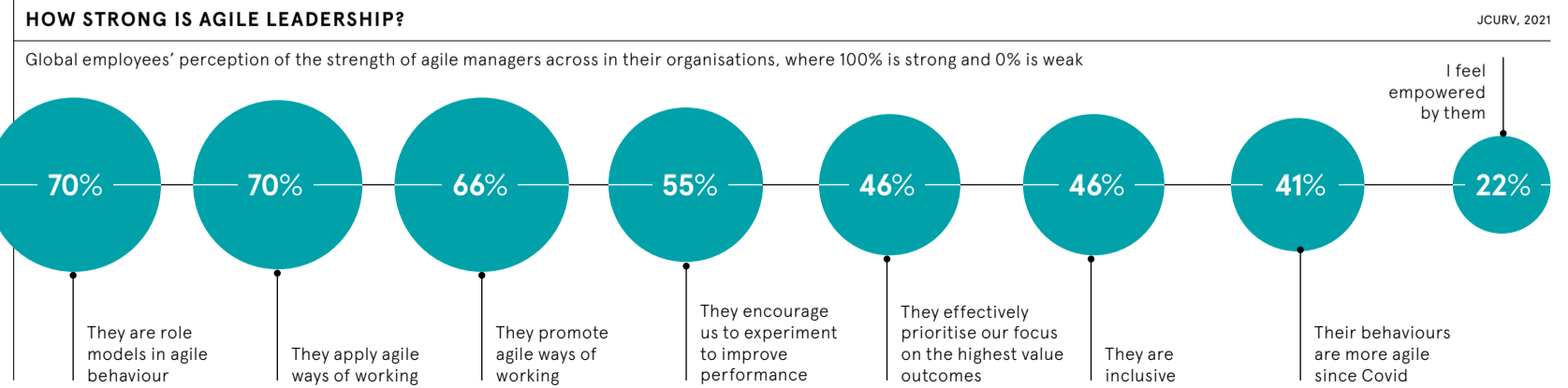
It warns that the number of business leaders who are perceived by employees as using agile approaches, such as effectively prioritising the highest value outcomes and experimenting to improve performance, dropped to 44% last year, down from 56% in 2020.

So, there seems to be a degree of disconnect between what agile leaders think they are achieving and how they are regarded by their employees, indicating the need for more and improved input.

"There are many organisations that say they are agile but do not understand it, and are yet to truly embrace it," says scrum trainer Kneafsey. "Managers are incentivised to install agility but not empowered by the organisation to make the changes it requires."

Employees closest to the work often experience the negative effects of this reality, he says, and that number has risen "as more organisations have moved to become agile to handle the effects of the pandemic".

Without the right training, skills and wider organisational support, many wannabe agile leaders will struggle to be effective, continues Kneafsey. "The move to becoming an agile organisation is significant and takes time, resources and ongoing support." ●





WELLBEING

# More agile, less fragile: making wellbeing work better

Businesses are helping staff to better cope with post-pandemic stress in the workplace by applying agility principles to their wellbeing strategies

Chris Stokel-Walker

COVID-19 has reshaped all aspects of our lives, including the way we work. But the stress of adapting to new technology and alternate ways of operating has taken its toll on employees – so much so that businesses are now in the throes of a wellbeing crisis.

So, how do employers support the growing numbers of staff suffering from burnout, or struggling to keep up with the changes, while also offering greater flexibility in the workplace for those who have appreciated working from home during the long months of the pandemic?

One solution could be to adopt an agile approach. It is well documented that business agility can improve efficiency and productivity, but many are unaware of the beneficial effect it can have on employee wellbeing. And the impact of a happier workforce on human resources departments, not to mention the benefits to business operations more widely, can be significant.

There are four principles of business agility – placing individuals and interactions over processes and tools; putting working software ahead of comprehensive documentation; valuing customer collaboration over contract negotiation; and responding to change rather than following a plan.

Putting these in place across an organisation can help to stave off some staff wellbeing issues before

they arise, says management consultancy BearingPoint's global sustainability lead, Wiebke Rasmussen: "Adopting agile principles, if really incorporated for the whole organisation, benefits employees' mental health from a prevention perspective."

Rasmussen has experience of implementing agile working practices, and understands the benefits it offers businesses, from her prior work in the non-profit sector. Non-profits, she says, "have a very strong focus on participatory approaches and outcome-based solutions they work on. They do a lot of things that really have agile at their roots in the non-profit sector, although they don't call it that."

Embracing agile working practices is, she says, "an investment in a healthier organisational structure".

But investing in a healthier structure requires a rethink of working practices and how employees communicate. Manchester-based training provider The Growth Company, which is run as a social enterprise, adopted an agile strategy to try to boost employee wellbeing. Within six months, it saw significant improvements in staff morale. A survey of workers undertaken by the organisation highlighted how employees cherished the impact that the introduction of agile work had had on their work/life balance and, therefore, their wellbeing.



Thomas Barwick via Getty Images

Respondents to The Growth Company survey said they felt they were able to be more open and honest with their line manager about their level of performance and the challenges they needed to overcome to achieve their goals. That increased openness and made the interactions more constructive, too, which meant the business was able to adjust work commitments as well as instigate additional support for employees who were struggling. "One of the most serious impacts the pandemic has had on the world of work is on employees' wellbeing," says Derek Irvine, of HR management firm Workhuman. "Workers

around the world have felt the stress and burnout of rapidly adapting to entirely new ways of working."

Recognising that Workhuman's traditional systems and processes were no longer tenable, the company changed tack, applying agile principles to all aspects of the business.

"The agile method is all about continuous feedback – try, learn, deliver, iterate, try, fail, learn, deliver, and so on," explains Irvine. "Agile works because it keeps people focused on consistently moving forward. It also enhances employees' sense of personal control and autonomy, due to its focus on flexibility."

The approach has the added benefit of encouraging closer collaboration and can reduce the mental burden on workers by chunking up tasks into smaller, easier-to-achieve goals. That shift in focus to what can be done, rather than making sure everything is perfect, helps to alleviate unnecessary stresses on employees, he says. "I can see how it could easily apply in other areas of life, too."

Putting the customer or end user first – a central pillar of an agile strategy – is another boon for wellbeing.



of global employees from organisations who are embedding agility explicitly say they feel empowered by their leaders

JCURV with Truth Savers and Agile Business Consortium, 2021

"It's all about contributing to a larger goal and feeling like your efforts are valued – and the positive effect that has on people's wellbeing," says Rasmussen.

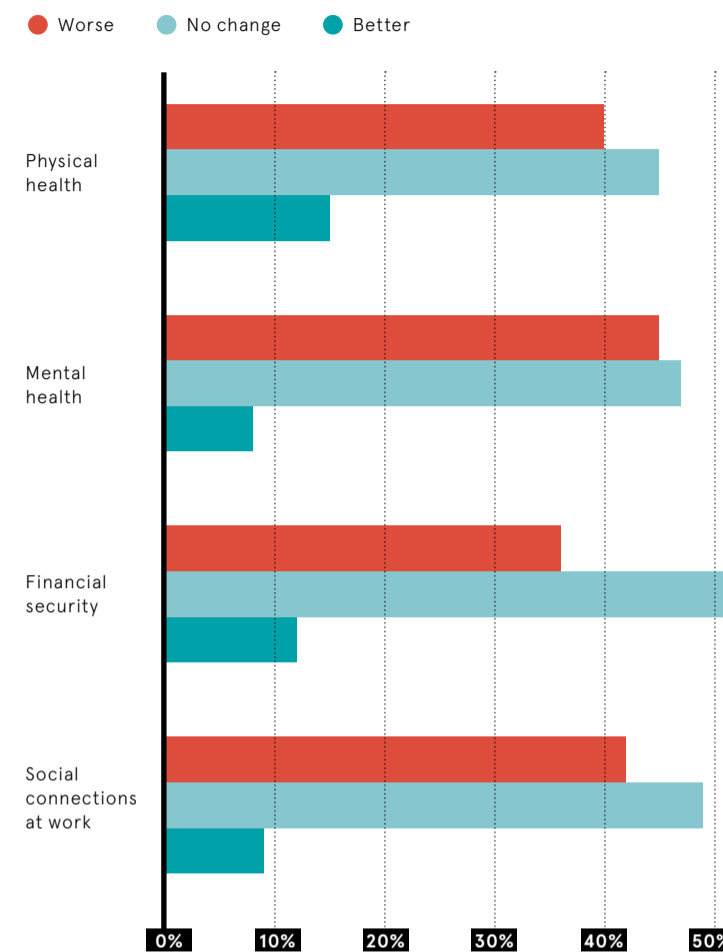
Purpose has become a major driver for many employees and a key choice they make when deciding where to work.

According to research by management consulting firm McKinsey, seven out of 10 employees' sense of purpose is formed by what they do in the workplace. "I would say it's about self-empowerment," says Rasmussen.

Workers around the world have felt the stress and burnout of rapidly adapting to entirely new ways of working

## HOW COVID IMPACTED WELLBEING

Percentage of UK employees who say the following have got better or worse as a result of the Covid-19 lockdowns



CIPD, 2021

By putting employees first, and fuelling their inspiration, businesses can heighten wellbeing and head off issues before they arise, she says. "Feeling empowered does something to your self-confidence" – with knock-on effects on the overall mental health of staff as a result.

A third of British workers surveyed by Canadian HR firm LifeWorks said that offering flexibility in the workspace was the most important action that could support their good mental health.

"Employees want flexibility that allows them to manage life issues as they come up, and to organise their work situation in a way that works for them," says Paula Allen, global leader and senior vice-president of research and total wellbeing at the company, which advises businesses on their agile wellbeing strategies.

Structuring work in an agile manner is crucial for keeping wellbeing high, she says: "Employers need to be mindful that the impact of the pandemic will not be over when restrictions are no longer in place."

There are, however, a number of pitfalls associated with the adoption of agile practices in a company's HR function. Although it is important, when considering workers' wellbeing, to respond to change in an agile way – rather than following a plan – it is still crucial to have some guidelines and procedures in place for when issues inevitably arise. And, ultimately, every organisation is measured by its outcome.

While hard skills can often be taught, fresh perspectives can be a compelling addition to your company

"Having this idea of really understanding what agile means and feeling it – and trying to adopt its mindset – is important," says Rasmussen. But "if you think of agile only from a methodological perspective, that's a risk".

Instigating a more agile wellbeing strategy must therefore start at the top, she says. Leaders need to feel empowered to make a change and require training on how to develop an agile approach, and this will then trickle down to the rest of the workforce. "Let your leaders reach out to their people and reap the benefits," she says.

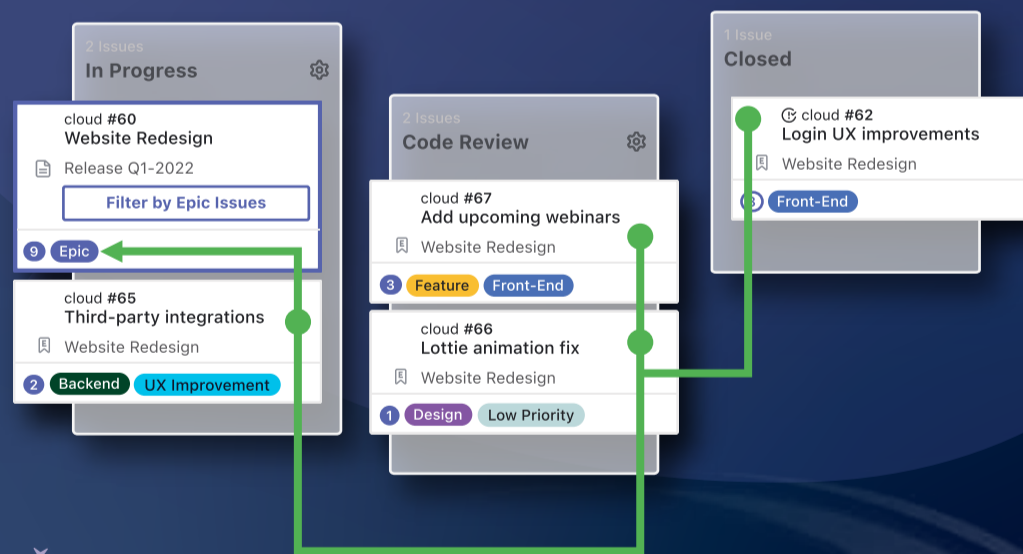
So, as employees return to physical workspaces and confront a new, post-pandemic world of employment, companies should seize the moment to adopt a more agile way of working that will benefit not only employees' wellbeing but the business as a whole, says Allen. "Now is not the time to sit still." ●

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# In prime shape for the future

Organisations should adopt more lean-agile strategies to deal with the accelerating pace of change in today's world

The last 24 months have been challenging for global businesses due to the pandemic, the threat of climate change, supply chain bottlenecks, and now the upheaval in Ukraine. Amidst this uncertainty, there is clear recognition that the world has moved towards a new era of digital technology and software.

Anne Steiner, CEO at consulting firm Cprime, explains, "those companies that truly embrace and master large-scale technological and software delivery will define the economic landscape of the 21st century."

For instance, "BMW no longer considers itself a car manufacturing company but as software on wheels," Steiner says. "Soon, over 50% of BMW's employees will be software engineers. Talent acquisition and retention will be critical if we're going to survive this new age." Similarly, in 2021, VW announced plans to boost its share of in-house car software development from 10% to 60% by 2025.

## Lean-agile thinking

Businesses must develop organisational agility to compete. Data centrality will allow them to pivot and make decisions faster and shorten the time to market, which will lead to greater profit. Agility needs to be embedded into the culture of an organisation. The way employees work, organise, and behave all need to change.

If organisations fail to change, they will lose market share and potentially disappear entirely. Cprime helps steer companies towards this new future. "Change is coming more rapidly and it's attacking bigger businesses because, by the nature of their size, it's harder for them to change," Steiner says.

Darren Wilmshurst, director, Agility Center of Excellence at Cprime, says, "although big businesses are aware of the need for change, they have largely been stuck in the past, relying on traditional managerial techniques and frameworks. Look at Primark as an example. They were forced to close all 375 stores 12 days after initial Covid lockdowns in March 2020. That's because Primark does not sell online. It lost £800m in revenue."

But Wilmshurst believes that the pandemic has acted as a "boot camp" for more traditional firms, helping them grasp the nettle and realise that it is now or never to go lean and agile.

## It's all about the product

So, what are the fundamentals needed to take advantage of this change? Wilmshurst says it is about putting much more focus on the product.

"Customers don't want to wait months or years to see new products. You need to get to market faster and part of that is moving from a project mentality to a product mentality," he says. "You don't want to do the traditional thing - creating temporary teams around a project and then crashing them when it is complete. You want to create long-lived, stable, persistent, and high performing teams aligned around a product, solution, or service. We call this the value stream, and if you want true agility, you need business-level commitment to it. It has never been just a 'technology' thing, it needs to include finance, HR, marketing, legal, and commercial because true value needs to flow across all these functions."

Gus Bjokeroth, managing director of Cprime Europe, says businesses need to create smaller, more agile teams to cope with rapidly emerging problems. "It's hard to move an 18-wheeler uphill. But if you break your organisation up into small pieces, with small teams making small incremental changes, you can move the dial more effectively," he says. "It's about running pilots and tests and using these individual pieces and teams to come together to enable products to go to market more quickly."

## Data-centric

More effective use of data is also needed, Bjokeroth argues. "Businesses are making more decisions now than they have ever made before. They have to become more data-centric to help them make the right ones. Emotional decisions were fine when you had time to assess and look and smell which way the wind was blowing, but nowadays you have to pivot quickly. You



need data to show whether a product is taking longer than you hoped for, or when the capacity of your staff is getting shorter."

He says tools such as agile software Jira can help give businesses this extra visibility. "You can capture whether your teams are set up around value and if you are prioritising things so that you can pivot. It's all about the ability to pivot," he adds.

## Leadership drive

To be successful, support for these tools and processes has to come from the top of the organisation. Leaders need to buy into and drive change. In short, they need to move from a fixed to a growth mindset. "Some traditional

leaders might say 'I am a very successful person, and I wouldn't be where I am today if I didn't know a lot of stuff,' Wilmshurst states. "But some of what they know, which was right even two years ago, is now the wrong stuff." Those leaders need to understand we are in a new age and that they need to accept that they may be digitally naive, while 25% of their employees are digitally native and know more about technology than their employers. Leadership in 2022 requires a cultural shift, where leaders must do as much, or more, learning than anybody else. They need to lead the changes to systems and ways of working. Only by making those structural changes will they change the habits and behaviours in a way that means their people will feel more inclined to stay with the organisation - a positive cultural shift."

Leaders also need to tackle the 'frozen middle' of their company. For example, a project manager with 25 years of experience who can't see any value in the new way of agile working and believes the move from projects to product puts their future and their ability to pay their mortgage at risk.

"There is the fear factor because they sit in the middle of an organisation, so when an attempt is made to change something, they can often try and block it. They will do everything in their power to say no," Wilmshurst

says. "It frustrates the teams that want to change and the leaders who can't see the change happening. But, as a leader, you can't ignore them because they still have valuable skills and job options. They need to come with you on the journey. A huge amount of what Cprime does is work with leaders, employees, and HR to shape the new ways of working and coach the teams to embed the change and futureproof people's jobs."

Steiner says every employee in a business needs to ask themselves whether they are ready for agile change. "Think about your organisation for a minute. How fast can your organisation turn? Are you a jet ski that can turn on a dime? Or are you one of those huge barges?" she says. "The pace of change is accelerating, and you need to get on board in the leanest, fastest vehicle you can find."

For more information, visit [cprime.com/agile](http://cprime.com/agile)



“Businesses are making more decisions now than they have ever made before. They have to become more data-centric to help them make the right ones”



TOPIC TITLE

# Le geek, c'est chic

Software engineers are the veterans of agile working, so in an increasingly digital world, can businesspeople learn lessons from their more technical counterparts and apply them to commerce?

Adrian Bridgwater

Software developers used to get a raw deal. Consigned to a life working in some windowless basement office location, their predilection for low-grade pizza and excessive consumption of Coke or Pepsi helped to craft a stereotype that endured for many years.

But now it's chic to be geek. Elevated through hacker roles in Hollywood and championed in TV series, the coder community has gained a new level of respect. An asteroid is about to hit Earth and the planet's defences have been compromised by non-state actors sharing contaminated applications across the dark web, you say? No problem, call the software engineering team's super-hack SWAT squad. Only coders can save us now.

But software professionals aren't just for asteroid attacks or Christmas. They play a special role in translating business logic into the "requirements" phase that precedes application development. They know how to create apps that work as intended and can change when needed.

Nobody needs to be told that the world had to reinvent many of its systems, integration points and interfaces throughout Covid-19. But, equally, few will perhaps realise how exacting and essentially agile the architectural systems engineering was that went on beneath the surface.

Going forward, then, what can an organisation's business function "suits" learn from developers when it comes to working in an agile way?

# 1

## Programming perfectionists

Software engineers are perfectionists and this is a good thing. It is a good thing when it comes to the iron-clad security of the banking application on the smartphone in your pocket and it is more particularly a good thing when it comes to keeping the apps that run the national grid operational.

OK, so the national grid doesn't run on an app, it runs on a comprehensive tier of management software that features heavily custom-built optimisation and specific controls for its use case. That is not the point. The point is that it works. Software developers call non-functional software code brittle or flaky, both of which are quite emotive terms for something so essentially virtual and digital.

Because they work with algorithmic logic in a mathematically defined world, software professionals see a comparatively chiaroscuro view of the world. Something is either correct or it isn't.

While this black-and-white approach won't necessarily work for undertakers, teachers or care workers, the lessons for businesspeople remain. Look for the negatives, audit for inefficiencies, discover statistical

outliers, find the superfluous white noise clogging up human workflow systems and address it.

We can apply an additional business-centric layer of empathy and understanding here (please don't fire everybody working at less than 101% capacity tomorrow) and take this mindset forward.

Technologists wouldn't leave a book unfinished and often don't leave their keyboards until the sun comes up, if a job isn't complete. Yes, businesspeople do that, too, but they're often looking for ways "around" a problem; software engineers are looking for ways to "solve" a problem.

When an organisation starts to dovetail this approach across its business function and its technology function, then it arguably becomes the most agile version of itself that it can possibly be.

## Roles within an agile development team

Many of the roles within a typical software engineering team will have a broad-brush designation used for recruitment processes, customer-facing interactions

and company promotions. Software engineers are often known as just that; software engineers. But looking in more specific terms at internal parlance and team lingo, these engineers typically take on some of the following roles within the software umbrella, as follows:

**Software engineer:** a programmer of almost any description.

**Scrum master:** responsible for managing team members and the communications between them.

**QA leader:** specialist in quality assurance with good knowledge of regulatory compliance and legislation.

**Project manager:** member of scrum team who works at management interface level

with more exposure to users and the business function.

**Systems architect:** specialist in systems integration and network structure, often tasked with gathering user requirements.

**Configuration management specialist:** responsible for the code repository inside which the software team's product versions reside.

**Test engineer:** runs unit testing (bits of code yet to be integrated into

the system), integration testing (the process of integrating code), development testing (making sure integrated code works) and wider user acceptance testing, to determine whether people can actually work with the software.

ETHamPhoto via Getty Images



Jorg Gruenel via Getty Images

## 2

### Developers accept the inevitability of chaos

Picture our software developer hunched over their keyboard. Some of that stereotype is still there, with the unkempt hair, heavy metal band T-shirt and an insistence on wearing shorts in winter. But look closer for a moment. There's an almost hand-dog look about the expression on our coder's face – and that look means something.

The agile engineer's air of slightly benign resignation is because of users. The developer needs them

because somebody has to use the software at the end of the day. But essentially, as always, the user will either ask for unreasonable application functionality changes or break the existing software system by attempting to do the wrong thing with it.

The software team accepts the inevitable chaos that users and, indeed, the development team itself will create on a daily basis. This is the epitome of agile software methodology, ie, the constant of change. As the Agile Manifesto states: "Welcome changing requirements, even late in development. Agile processes harness change for the customer's competitive advantage."

If we had built our international business systems with just one percent more of this ethos in mind, we might have been able to activate change more rapidly throughout recent times of disruption.

The developer knows that however perfect their software product is on the day it hits "live production" status, once users get involved,

things will happen. For them, it's like taking a Labrador puppy to a children's birthday party; it might start out looking clean and tidy, but it is bound to come back covered in cake and ice cream.

Understanding the inevitable chaos that exists in the real world is an important business lesson but too many businesspeople can only see the win-win. If only we could take some of the hyped-up go-getters on TV show, *The Apprentice* and give each of them a month's hard coding, we would all be in a much better place.



**Oh no, an asteroid is about to hit Earth - call the software engineering team. Only coders can save us now**



The Good Blog via Getty Images

## 3

### Makers and hand shakers

If all the business world were software engineers, there would be no human resources function. OK, that's not true – the software team still needs payroll, benefits, holiday allocation and information to guide members to the office party. But what the developer and IT operations function doesn't typically need is incentivisation.

Technologists don't need to be incentivised because they start off with a hard-wired incentive to make, create and generally be great. The reason *The Big Bang Theory's* Sheldon is super-confident and amusingly smug is that he thinks he's right and that he thinks his work is great.

The agile business manager may have to take this lesson with a pinch of salt. A super-confident approach

often helps salespeople shine but too much of a good thing is, well, too much, isn't it? The commercial lesson here comes down to why software engineers are happy: it's because they are makers who are busy making.

This ideal has translated into modern business management already; the maker movement's culture that emphasises learning through doing is industry, product and service agnostic.

To promote this form of agility, we can begin by just talking to each other. Remember the stereotypes we started with? In fact, effective agile software engineering is all about (now sanitised) handshakes and interaction, despite the image of the solitary geek who wants to sit alone at lunch.

As the Agile Manifesto once again specifies, the most efficient and effective method of conveying information to and within a development team is by face-to-face conversation. "Business people and developers must work together daily throughout the project."



10000 Hours via Getty Images

## 4

### Open systems of meritocracy

Software engineers love work. They love what they do and would probably do it even if they didn't need to work for a living. In fact, most developers have generally spent their spare time coding as "hobbyists" long before they were gainfully employed.

What this means is that software professionals intrinsically recognise hard work. They understand the effort that goes into good work, they know what it means to the person who has carried out the tasks in hand and they know how others will feel about the product or service that a person's work has resulted in.

This is the construct around which much of open source is founded. The community contribution model of software application development

championed belonging-focused teamwork and inclusivity before it became a favourite of post-millennial management consultants.

Open source strives to promote systems of meritocracy over any hierarchy. People, products and code should be brought to the top of the pile if they are good, not because they have good connections, good parents or a good education. It's what you do that matters and that's all that matters.

The Agile Manifesto stipulates that we should "build projects around motivated individuals. Give them the environment and support they need, and trust them to get the job done." The straightforward lesson for business is to recognise effort, potential and drive as well as innovative thought and action.

Additionally, we should recognise good work in any form. Open source wants programmers to submit "code commits", but it also wants non-technical support for documentation (and its international translation) and commercial strategy – so, yes, businesspeople, that means you.

## 5

### Easter-egg engineering

In what might be a lesson drawn from life, commercial business or perhaps showbusiness, agile software engineers love to show off their dexterity with unexpected extras. Sometimes obscured and sometimes more obvious, games developers are notorious for building hidden features, known as Easter eggs, into their software.

Microsoft engineers have incorporated a range of functions and mini-apps into Windows over the years. Many will know the famously hidden (albeit basic) flight simulator that resided behind the core user interface in the Excel spreadsheet. There are plenty of other examples, too, and the Cortana speech interface has carried this effort forwards with a few super-smart sassy replies.



the-burtons via Getty Images

In terms of business agility, there's a clear message here and it comes down to competency. The developer is saying: "Not only was I able to build you a product with everything you wanted, I was also able to use my engineering prowess to create features that you may never even find or use."

In business, we call that being service-centric, being customer focused or going the extra mile. It is right there in the Agile Manifesto's core 12-principle mantra, if we look for it: "Continuous attention to technical excellence and good design enhances agility."

Business agility can stem from the same DNA. The "if a job's worth doing" mantra has been around since biblical times for a reason. Organisations that successfully instil this approach in their own operations at a deeply granular level – as low-level as software code – can build operational agility based upon a precise knowledge of what resources and competencies they run with on any given day.

## 6

### Inside the agile software scrum

Scrum is a project management framework that helps teams work together, and is used frequently in software engineering. Similar to the rugby huddle of the same name, scrum methodology encourages teams to self-organise while trying to solve a problem, to learn through experience and to keep improving by reflecting on their wins and losses.

Agile technology engineering and the adoption of the "scrum"

approach to building software through "sprints" – short time periods when a team works together to complete a specific task – is rooted in self-organisation and adaptability.

This central truth means that various coding tasks could be shared between individuals in those instances where cross-functional competencies exist.

Once again, this statement is made in the context of software application development but it could be completely applied to business if we remove one word: coding. Now that it's très chic to be geek and we live in an age where software runs the world, perhaps it's time for our agile IT engineers to clean off their rugby boots and get the key to the corporate washroom.



Photo and Co via Getty Images

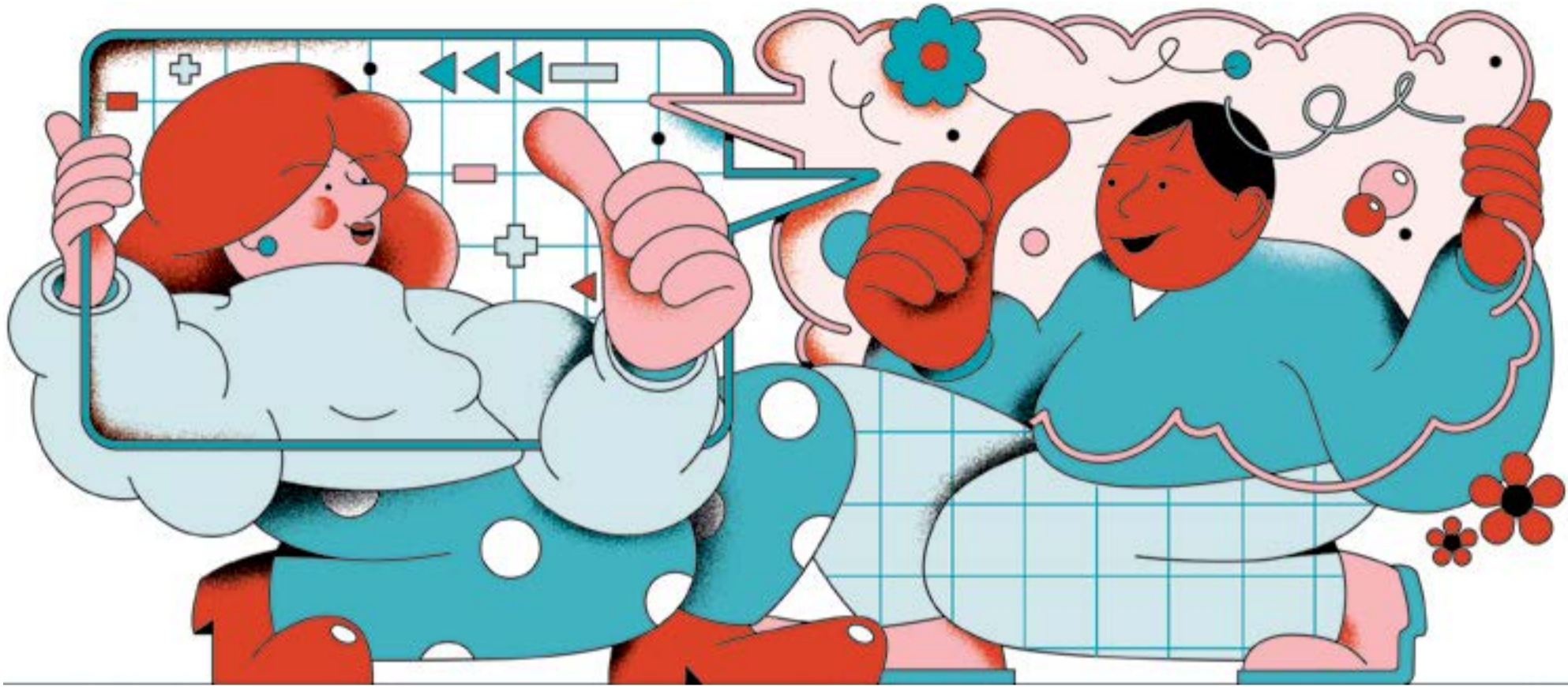


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MULTINATIONALS

# Not lost in translation

As workforces become more globally dispersed, it's easy for cultural and linguistic misunderstandings to occur, so running a successful agile business relies on good communication

Sam Haddad

**G**laudia Califano has spent a lot of time thinking about the quirks of different cultures. Half Italian and half Dutch, she grew up in a typical Italian family in the Netherlands before coming to work in the UK. Despite the relative proximity of the three countries, she was frequently struck by the cultural differences between them. "When I first moved to the UK, I'd suggest an idea at work and someone would say: 'Hmm that's interesting, I'll come back to you,'" she says. "I had no idea they meant the idea was rubbish and they had no intention of coming back to me." She attributes the misunderstanding to the British use of indirect, coded speech – in the Netherlands, direct speech is more common. And while she finds the recollection amusing, she admits it can cause frustration in a work set-up, when you don't have that nuanced understanding of another culture. While working as an agile trainer and practitioner with teams around the world, Califano continued to be fascinated by such interactions – how we are individuals but our

behaviour is often rooted to regional traits – and she began to think about how this might impact agile working. It inspired her to co-author *Adopting Agile Across Borders*, with her colleague David Spinks, based on research they undertook with teams in Chile, the Philippines, the US, Japan and beyond. Califano and Spinks used the Lewis model of cross-cultural communication as a starting point. It plots countries according to their relation to three categories: line-actives, who like to plan and uni-task, such as the US and Germany; multi-actives, who are relationship driven and like to multi-task, such as Latin America and Italy; and re-actives, who prioritise respect and consensus building. Given that agile working prioritises teamwork and quick-thinking over hierarchical structures and rigid planning, does that mean some cultures find the agile approach comes more naturally than others? Looking at the multi-active side of the Lewis model, Califano says there are lots of characteristics that fit nicely with agile working.

"They are natural collaborators, more experimental and innovative, and they own their problems a lot more," she says, drawing on the pair's experience with companies in South America. "But they can also be overly creative and lack focus." Do some countries struggle with moving away from hierarchies? "Japan is very hierarchical in terms of organisational structure," she says. "But they also have a term, *nemawashi*, which is all about building consensus before making changes, and is important there." Califano believes all cultures have things that help and hinder them when it comes to agile working, but if it's done right – and with

**“Diverse teams with all these different perspectives can clash but they can also be really strong and innovative**

an awareness of those cultural distinctions – it can be an effective tool for any international business. For Califano, there are several things to be aware of when running an agile business across different territories. The first is language. With the agile approach, it's common to talk about "adapting", "experimenting" and the benefits of "failure" but in certain cultures, these words have negative connotations. When Califano and Spinks were in Japan, where reputation is everything, "failure" was not considered an option and was certainly not viewed as a step on the journey to success. Meanwhile, in the Netherlands, the word "experiment" implied work or products that were below par and an inherent wastefulness in the process. Califano emphasises the importance for global businesses to do their research and have someone on the ground to alert them to such linguistic nuance, particularly for agile terminology that is in common usage. Agile working prioritises collaboration over a heavy reliance on contracts, yet in certain countries, such as the US, contracts still play a significant role. "This can have a big impact on how you do business," says Califano. "We've spoken to companies from the US working with companies in South America – where they are much more about collaboration and [more flexible] business agreements – and the US company is asking: 'I want my contract; when do I get this delivered?'" The solution is always to up the communication. Federico Zuppa is a partner at the software company 10Pines, in Argentina. They have honest, upfront discussions about how they work with clients early in the relationship, especially those based in different countries. "We explain that we have a very horizontal, flat structure," he says. That means a client could end up working directly with someone far below their seniority level, Zuppa explains. But he tells clients that the flat structure empowers his team, making staff more enthusiastic and committed to work for 10Pines and their clients as well. And his company doesn't use fixed contracts anymore. "That wouldn't allow us to be agile," says Zuppa. "But we provide a lot of visibility, so clients know what we're working on during the whole month. That's part of the collaboration, which is based on trust and trying to understand what provides value." It doesn't work for all client relationships and sometimes they've had to step away from jobs but, in Zuppa's experience, clashes tend not to happen because of cultural differences between countries but rather when they're dealing with larger corporations with a less agile ethos. "We work with many startups in the US and there is an immediate cultural fit," he says. Califano agrees. "There is a common language," she says, and that constant collaboration becomes even more important when different cultures are involved to ensure a shared understanding and alignment. In a practical sense, she suggests daily meetings even when juggling different time zones and working hard to make sure everyone has a voice, especially with cultures where individuals might not be as naturally forthcoming. She also recommends regularly asking what's working well and how things can improve. Covid has accelerated the shift to remote and hybrid working, meaning that today's teams are more globally dispersed than they ever have been before. This, naturally, presents a huge opportunity for businesses. As Califano concludes: "Diverse teams with all these different perspectives can clash but they can also be really strong and innovative, if they are leveraged in the right way." ●

# Embrace agile to adapt to our rapidly changing world

Agility is not a buzzword or tick box exercise. It is about being intentional in simplifying and streamlining processes to move more fluidly from reaction to response

**I**t is often said that if you're not agile, you're fragile. Companies that cannot respond quickly to economic shocks, market changes and world events risk becoming irrelevant or extinct. So, it's no wonder agile roles are in demand. Scrum Master skills were mentioned in nearly 66,000 job postings in the US during the past 12 months and according to Indeed.com, Scrum Master certifications – specifically the Certified ScrumMaster® – were the ninth most-requested certification in 2020. Likewise, The World Economic Forum's Jobs of Tomorrow: Mapping Opportunity in the New Economy placed Agile Coach at #3. Agile principles help companies adapt to rapid change across all industries, no matter the size of the company. For agile to succeed, rigid operations or a constrained approach to decision-making must be consigned to the past. That doesn't mean it is easy to make the shift. Agility is not a buzzword or tick-box exercise. There is no quick fix or three-step process to get you there overnight. It might seem easy to embed scrum frameworks into a random department or two and think "job done", but that won't work in practice. To achieve a state of agility, the ethos behind it, as well as the processes

**“What makes perfect sense or seems doable during a scrum training class may be confusing or even impossible to achieve in an individual's workplace**

to achieve it, must be embedded throughout an organisation.

**The barriers to achieving agility** There are many reasons why companies struggle to adopt agility. The 2022 State of Agile Coaching Report – created by Scrum Alliance, the Business Agility Institute, and ICAgile – identified several key barriers. This included resistance to change, leadership difficulty, a lack of commitment, poor practices, unsuitable structures, no clear vision, and not enough skilled personnel. Countless companies seek to "become agile" to speed up



## 5 keys to succeeding with real-world agility

- 1. Identify a tangible goal** Don't just follow a trend. Address the specifics of what becoming agile would achieve or what problems it would help you solve. For example, you're struggling to adapt to changes in demand, moving to being customer-centric or reducing waste. Every company has a need; you must first identify yours.
- 2. Back your agile change-makers** Agile takes time to filter through an organisation. Whether your change-maker is an individual, a team or a department, they must have the C-suite's backing to implement agility and see it through. You can't just change a few behaviours here and there. It must be comprehensive, and the entire organisation must be encouraged to engage and adapt.
- 3. Stay the agile course** Even if your team structure varies

from that listed in the Scrum Guide, or the company you work for is slow to change, remind everyone that no matter their role, they can make an impact.

**4. Utilise available resources** Attend agile events and user groups, read articles, watch videos, and consult your peers. There is a large community of agilists who are willing to lend an ear and offer advice to help you in transforming the world of work.

**5. Find expert help** Coaches, trainers, educators, and consultants can assist with every aspect of an organisation's journey towards agility. Agile coaches can help with company-wide barriers. Trainers and certification can equip your change makers with the tools they need to succeed.

production. But operationally, agility isn't just about moving faster; it is about being intentional in simplifying and streamlining processes to move more fluidly from reaction to response. There is a lack of understanding of the hard work and effort required to become a more agile company. Misinformation plays its part too; many people think implementing one or two classroom learnings in silos is enough to deliver on the goals of agile. In reality, agility takes time, patience, and an understanding of the sometimes-immovable obstacles that stand in the way of progress. What makes perfect sense or seems doable during a scrum training class may be confusing or even impossible to achieve in an individual's workplace. That's where the idea of real-world agility comes in. Real-world agility is understanding both the limitations of your organisation and the possibilities inherent in agile ways of working. Being agile in the real-world means finding what works for you within the context of your organisation. It means inspecting and adapting your agile practices while identifying opportunities for internal improvement. It means living with the creative tension between by-the-book agility and real-world practicalities, to unlock the potential of your organisation and its products and services.

**Creating agile change-makers** With real-world agility, you must also be open to appreciating how individuals will sometimes understand a company's problems, and its solutions, better than its leaders. This understanding is what drives change-makers, those who dare to imagine new realities. Imagination alone, however, doesn't create change. For agility to succeed, everyone's buy-in is critical. That's why, alongside the learning, it is crucial to equip your people with the additional tools and skills needed to define new ways of working, and to chip away at – or even completely eliminate – the status quo.

**“The unprecedented scale and pace of change we are now experiencing makes agility a requirement; first to survive, and then to continue to thrive**

Many companies have found success with designated "agile champions", individuals identified as drivers of change. These individuals could be executives or even empowered agile coaches or scrum masters. Agile champions detail exactly what agile means for their organisation, and coordinate who internally takes responsibility for it. For agility to take hold, your change-makers must have all the resources available, from the funding to grow in their skill set, to the time needed to prove the impact on all individuals and processes in the business. At Scrum Alliance, we offer access to agile coaches and trainers, individual certifications, and tips and tools to help people and organisations thrive in their agile journeys. The unprecedented scale and pace of change we are now experiencing makes agility a requirement; first to survive, and then to continue to thrive. That kind of transformation can be daunting. A new breed of company is emerging, one that can reinvent itself every single day. All it takes to get started is a leader brave enough to take that first step.

For more information please visit [scrumalliance.org](https://scrumalliance.org)

# 75% OF AGILE TRANSFORMATIONS FAIL.

Most of the world's largest companies are attempting an Agile transformation. But not all are succeeding.

The reason many organizations fail with Lean and Agile is the same reason many are successful: Because it requires a fundamental evolution in mindset, not just practices and processes.

Learn how to evolve your mindset by understanding the four common culprits of derailed agile transformations, and the four best strategies to get you back on track.

Be part of the 25%:  
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