Joined-up Thinking

The Redefining issue

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Redefining Agility

The global pandemic has been the ultimate Lean Startup experiment to show large organisations how fast they really can move.

BY JAMES CANNINGS

Agility has long been considered a key component of a company's ongoing digital transformation. But the truth is that many organisations have struggled to change the culture, behaviours and structures required to become truly agile in today's digital-first world. That's not to say it's impossible though. And the speed at which many organisations moved in response to the early days of the global pandemic was incredibly revealing. The circumstances showed that it not only can be done, but how to go about it too. And at its core are two fundamental aspects...
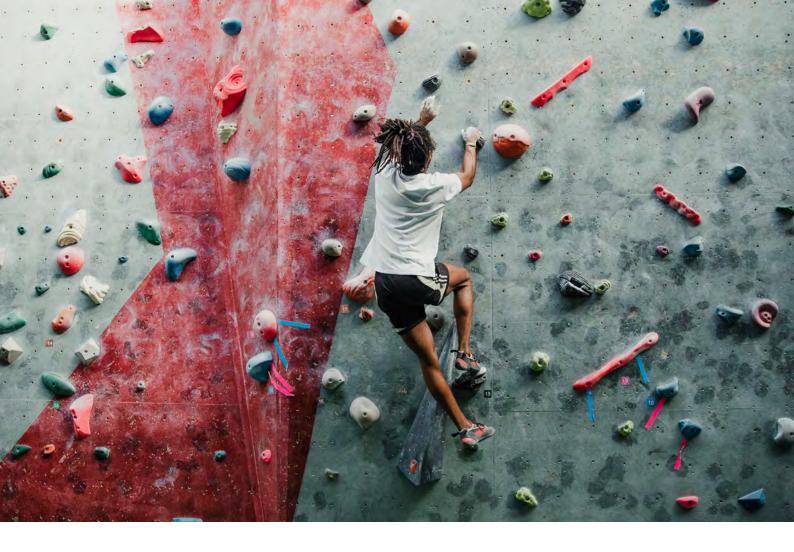
The Digital Plumbing

They're known as 'the basics' because they're easy, right? I think we all know the answer there. Getting the 'digital plumbing' part right is always easier said than done. But those companies who have embraced the challenge have reaped the rewards. Ben Connolly, Head of Digital Engineering at Vodafone, points out: "Consumer behaviour changed, and Vodafone was able to react rapidly due to its previous and ongoing focus on digital transformation. The investments already made in the enterprise architecture meant that we were easily able to cope with the same level of web traffic on a daily basis as would normally be reserved for iPhone launch peaks, while at the same time releasing changes more frequently than ever."

For Vodafone, developing an agile culture allowed them to achieve their vision of a modern, fast, componentized and fluid enterprise architecture. It's a tried and tested model that enables organisation to remove their reliance on poorly integrated monolithic legacy platforms.

It means that releases can be made continuously, multiple times every day, so that investments made in digital products can be realised by consumers immediately. As new features can be readied, validated and rolled out, there is also less pressure on testing, as it's carried out at a much smaller level. Marketing tests can even be carried out in a live environment with instant feedback gathered and rollback if needed.

"These successes in challenging times has meant that digital transformation has been a catalyst for the acceleration of realising our business goals and is firmly on the agenda for people who may have been wary previously," remarked Connolly.

So that's step one for any organisation looking for true transformational change in 2021; get the plumbing right. Then, it's time to make sure you're match-fit to reap the available rewards…

Organisational agility

It's interesting to see the speed at which enterprise organisations have adapted in an agile and iterative way in order to be able to deliver value to their customers. The changes to enable this were often very deeply entrenched behaviours, processes, governance, structures and communication channels, all of which are the more challenging aspects of digital transformation.

Mariano Capezzani, Group Head of Product, Digital Banking at HSBC tells us that, for his organisation, *"Covid blurred the lines of responsibility and enabled teams to run quickly"*, which meant that cross-functional teams were able to work effectively towards outcomes unencumbered by siloed thinking and the challenging matrixed reporting lines of a global organisation. As Covid was forcing customers to look at their financial priorities, HSBC accelerated digital developments. Capezzani explained that to realise value quickly they *"needed to simply focus on two things; customer centricity and outcomes"*.

This enabled fast builds of customer journeys that the pandemic had brought to the fore, such as payment holidays and an ongoing drive to spot intents and digitise the related interactions. Meanwhile, other organisations completely redefined their short-term goals and outcomes. McLaren was one of a number of Formula One teams who used their technologies to rapidly develop prototype respirators. And automotive giant VW did something similar with SEAT in Spain.

There are many more examples across B2B and B2C. So how did they make this happen and what can we learn? Well, we can be fairly certain that it was achieved through a combination of the following five factors:

#1 − Breaking down departmental silos to get IT, marketing, sales and other key stakeholders working together and integrated effectively around some common goals.

#2 − Good communication tools, both for video conferencing but also cross-departmental groups on Slack or Teams, which were potentially spun up specifically to deal with the Covid crisis.

#3 − Clear and fast decision-making processes.

#4 − A focus on delivering very lean solutions that could be delivered to market quickly.

#5 − A solution that could be tested quickly and potentially iterated upon after the core solution was released.

In other words, it was textbook agile. The landscape for delivery and customer needs was redefined overnight, but the rules of agile became a guiding light for those organisations able to use them effectively.

Taking Covid lessons forward

Of course, in many cases last year the level of risk was perhaps higher than some companies would be happy to operate at − and the level of governance a little lower than ideal in normal circumstances. But in general, there will be a happy medium between the way that an organisation used to operate pre-Covid and the way that it operated in the first few weeks and months of the pandemic.

It is likely that with revisions to sometimes overburdening governance structures that were built over time to ones more appropriate to the deliverables will mean that the pace of change can be maintained.

So far, so good. But a word of caution. As Byron Flores, Global Head of Digital Finance, Data and Tools at Novartis points out, whilst looking at the incremental

gains and changes that were delivered to meet the demands of users and consumers, organisations cannot solely look at their new-found agility, across teams or the business. There needs to be a clear mandate for innovation to drive the next big thing.

For example, in Novartis' case, whilst the organisation has performed solidly and digital transformation has clear sponsorship across the business, the executives are always looking for the next 'game-changing solution' and this needs innovation and appropriate governance as well as great delivery. Successful companies need to be able to balance reacting to short-term consumer needs for business gain without taking their eye off achieving their strategic business goals.

That means that high-performing teams will need to be made up from roles across all of the specialisms, focusing less on efficiency within their own silo and more on efficacy of output. That's why the newfound prevalence of tools like Microsoft Teams and Slack is so important, as it's allowing more impactful cross-departmental communication techniques.

Of course, we recognise that any transformation is difficult and unfortunately the pandemic has not just punished those that could not react or didn't have strong agile practices. However, we do know that some of the organisations we've been speaking to have been able to gain a number of positives from an impossibly bleak situation by embracing agile and setting about redefining and delivering on their short term goals, with an eye on their long-term future. The forced Lean Startup experiment of

2020 will supercharge many organisations' overall digital and agile transformation, and not just in their engineering teams.

The 4 factors needed to help your organisations make quick decisions in 2021:

- Cross-departmental communication channels working effectively
- High-performing, cross-functional teams who are empowered to make decisions fast
- Lightweight solutions that are delivered to customers rapidly and then iterated upon
- Governance layers, not a one-size fits all

And the ones that will be able to move the fastest of all will be those, like Vodafone, who have made the investment in their digital plumbing and culture – truly agile organisations that are always iterating and never satisfied.

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