

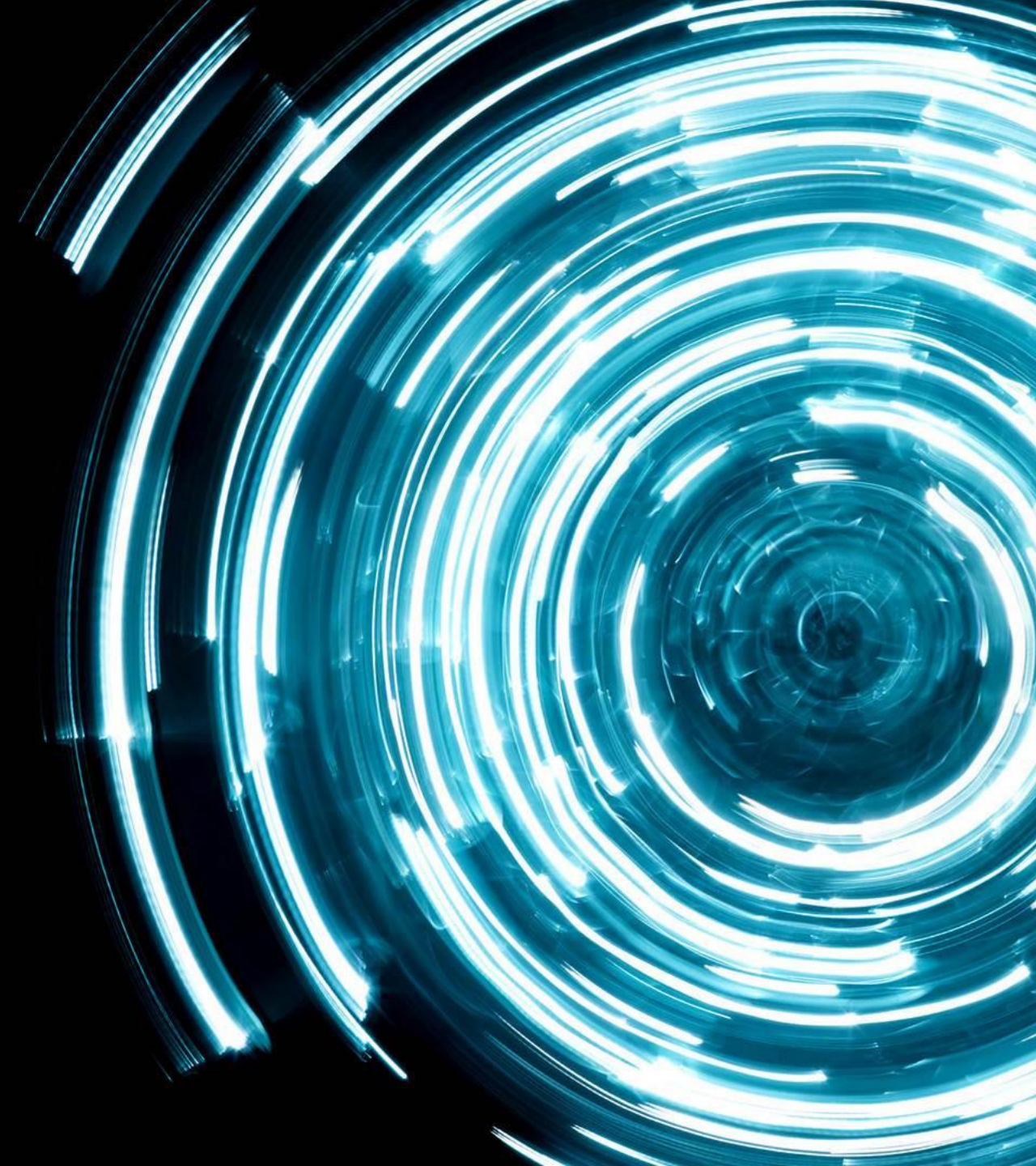
The Deloitte logo is positioned in the top left corner of the page. It consists of the word "Deloitte" in a white, bold, sans-serif font, followed by a small green dot.


Deloitte.

Business Agility Survey 2024

A pulse check of Business Agility in the Nordics

May 2024





"Business agility is the ability to adapt quickly to changes in market dynamics and customer demands"

Deloitte Business Agility Survey at a glance

With a turbulent world and ongoing inflation, it is crucial for businesses to be **resilient to constant disruption**. Adopting agile is one way. "Agile" have gone from being a buzzword to the **mainstream way of working** for many organizations. Frameworks and methodologies such as SAFe, Scrum, LeSS, Lean etc., are being interpreted and used to a wide extent whereas the **need for simplification** to reach a wider audience as **late majority** organizations are adopting or scaling further.

While the agile adoption most certainly has begun, the desired impact takes time to realize. Different benefits of agility can be seen over 1-, 3-, and 8 years horizon. After 1 year, **people-first leadership** can be seen. Responsive **customer-centricity** is typically evident after 3 years. Lastly, **agility behaviors as the norm** can take up to 8 years to achieve^[1].

We seek to summarize the **key findings of the current maturity of business agility in the Nordics**, such as common patterns and anti-patterns observed as well as recommendations for organizations, **addressing the obstacles** on their journey toward becoming true agile enterprises.

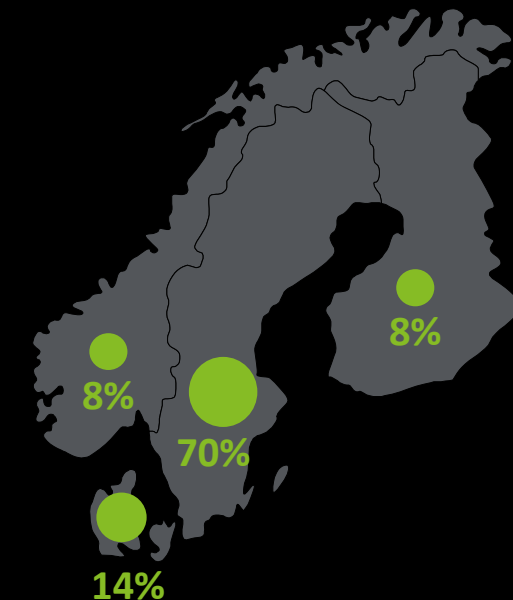
[1] Business Agility Institute: [2023-11 BAI-Business-Agility-Report-2023.pdf \(businessagility.institute\)](#)

Deloitte Business Agility Survey

4 countries^[2]

8 industries

50+ agile practitioners & leaders

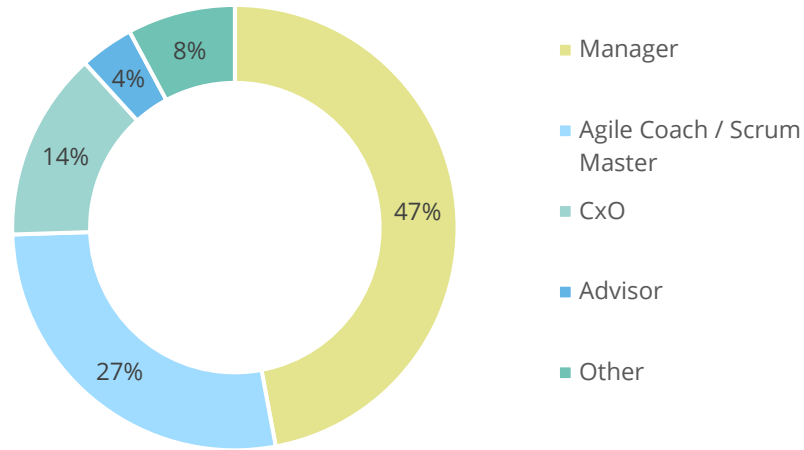


In this pulse check we collected insights of the actual pulse of Business Agility in Nordic organizations.

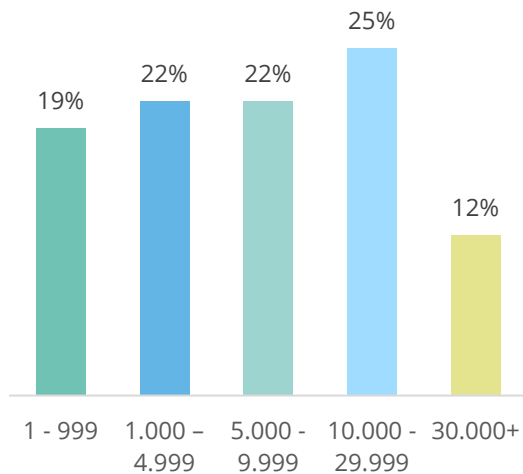
The survey is focused on organizations that are applying agile ways of working in both small and larger scale. The data was processed from Q4 2023 until release of the report in Q2 2024.

[2] Iceland was not part of the survey

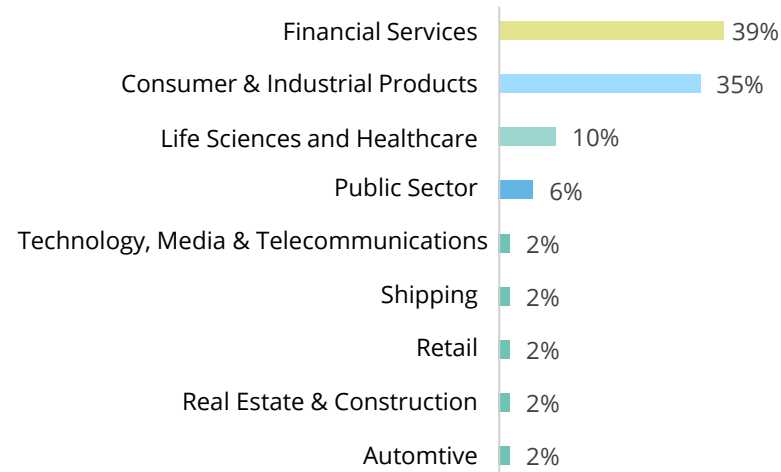
ROLES OF SURVEY PARTICIPANTS



NUMBER OF EMPLOYEES



INDUSTRIES



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Executive Summary (1/3)

Passed comparison – differences to last survey



General comment

Business agility remains a priority in many businesses to achieve cost efficiency and flexibility. However, there is still untapped potential for efficiency, which can be achieved by reviewing parts of the business; mainly by adapting governance and conveying vision and 'why' – ensuring behavior and mindset transition. This changes the approach and understanding of the importance of long-term, cross-border collaboration to generate value and outcome rather than results and output, as well as how businesses re-organize to create value through product-orientation before project management.

Is the emphasis on "Doing Agile" over exhibiting agility? (i.e. following agile ceremonies over business outcome)

29%	Strongly Agree	49%
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Is there a clear articulation of "Why" to improve business agility?

19%	Strongly Agree	13%
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Is there a clear articulation of the desired outcomes from improving business agility?

3%	Not at all	17%
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Patterns

Think big – start small
Leaders not incentivizing

Top Pattern
Top Anti-Pattern

Think big – start small
Old Governance & control processes



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Executive Summary (2/3)

What is the current pulse of Business Agility in Nordic organizations?

Product-orientation has started across the Nordics, agile ways of working have been adopted, and companies find their **own approach** to improving business agility across the Nordic. However, a common challenge is realizing the full potential of agility and **transitioning from output to outcome focus**.

Companies fall into the **trap of “doing agile” instead of “being agile”** as they are following agile ways of working, such as events and roles, without fully understanding **the “why” behind business agility** and agile values.

One evident impediment is **traditional governance models and control processes** that limits the full potential of the value that agility brings through holacracy. Additionally, companies often implement **governance models** for both projects and products. An approach that creates **uncertainty and ambiguity**, counterproductive to faster time to market, which many times is the objective.

Lastly, few companies **measure the impact** that agility and product-orientation have on business outcomes. To reap the full benefits of a transition, companies should **define and align transformation OKR’s** with desired, and measurable business outcomes.



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Executive Summary (3/3)

Key Findings



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ALMOST 70% OPTIMIZE FOR COST EFFICIENCY

Companies optimizing for cost efficiency “motivation for business agility” is no surprise, especially in a tough market with many cut downs. Business agility can certainly help in achieving cost efficiency by enabling the company to respond to changes and market demands fluidly.



MORE THAN 1/2 DOES NOT HAVE AN ARTICULATED “WHY”

57% of the organizations report that there is not a clear articulation of “why” they are changing to agile ways of working, a tendency confirmed by respondents' observations of the anti-patterns. The lack of why can result in a dispersion between “doing agility” instead of actually “exhibiting agility”.



4/5 DOES NOT MEASURE OUTCOMES

Over 80% of respondents believe that outcomes are vaguely, if at all, measured, and that there is a lack of transparency of outcomes, an observation strengthened by the top anti-patterns. While outcomes are difficult to measure compared to outputs, it is essential to ascertain that the change is having the desired effect.



#1 PATTERN “Think big- start small”

The “Think big - start small” approach has led organizations to pursue long-term goals through incremental change and small experiments. This approach fosters adaptability and learning while navigating unique contexts within teams. However, it can be challenging when clarity on the “why” behind organizational processes is lacking.



#1 ANTI-PATTERN “Governance & control processes designed for old ways of working”

The preservation of traditional governance and controls processes has led some organizations to be stuck in an unfinished agile transformation. For example, less than 20% have committed to implementing Lean Portfolio Management. Moreover, the trend of legacy control processes and focus on “doing agile” indicates organizations inability or unwillingness to identify organization-wide value streams and value delivery models.



General state of Business Agility

Adoption of Business Agility, The Why and The How

How mature are the organizations in their **journey towards agile ways of working**? Are we still mainly working product-oriented with IT systems in IT departments or is the wider organization included?

Transformation itself is not a worthy goal, it is a vehicle for optimizing business outcomes. Therefore, we asked why are organizations adopting Business Agility and how important is it for them? Further on, we wanted to know if there is a clear vision and clearly defined and transparent outcomes for the transition?

What is the approach for the transformation process? Are we involving the whole organization or is this mandated top-down decision? How is the transformation backlog managed? How do we structure and design the organisation?

We hope that the following section will give you the key insights supported by data.



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Agile adoption in the organizations

Where in the organizations are the agile practices emerging?

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IT is still slightly ahead, but business departments have almost caught up with agility – or are IT and Business departments evolving products together?



Historically, agile transformation has started within the IT organization. In order to become an agile enterprise, the whole organization must embrace the agile mindset: Product-orientation and customer-centricity:

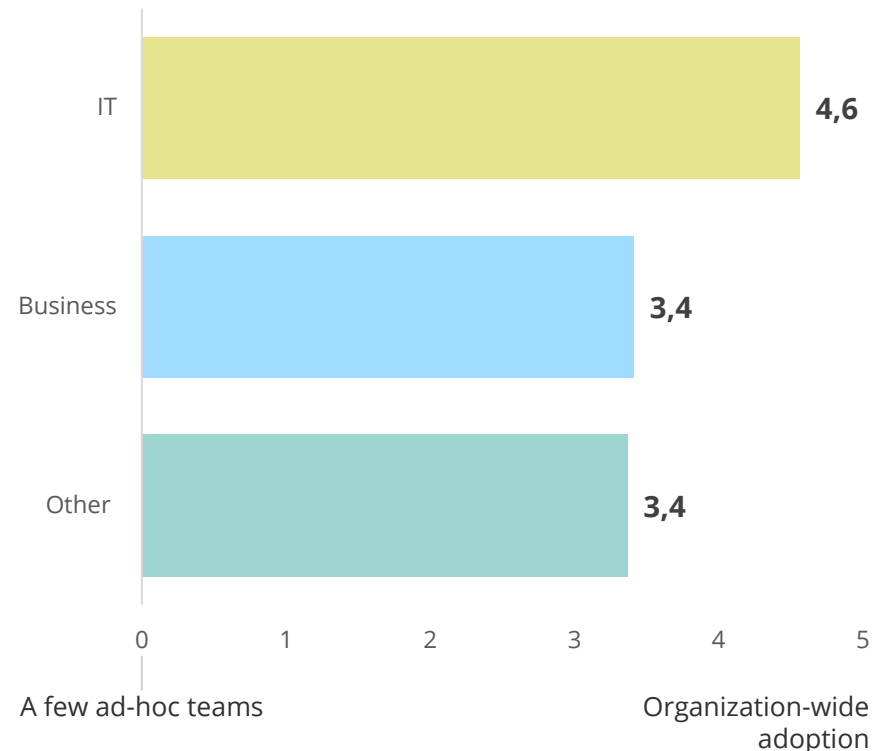
With score of 4.6 out of 5 over 90% of the teams in IT have adopted agile ways of working.

While IT leads the way, product-orientation with the customer need in the center is becoming increasingly adopted within Business and Other sector of the organization.

'Business' and 'Other departments' are increasing in agile adoption whilst following the size of the organization from 30,000+ towards 999 employees. On the contrary, the 'IT departments' exhibits the opposite trend, the agile adoption is increasing by larger sizes of organizations.

Overall, we see indications on 'Business' and 'IT' are joining forces under one product umbrella. Reducing the delivering boundaries of what used to be separate units.

What part of your organization has adopted business agility?



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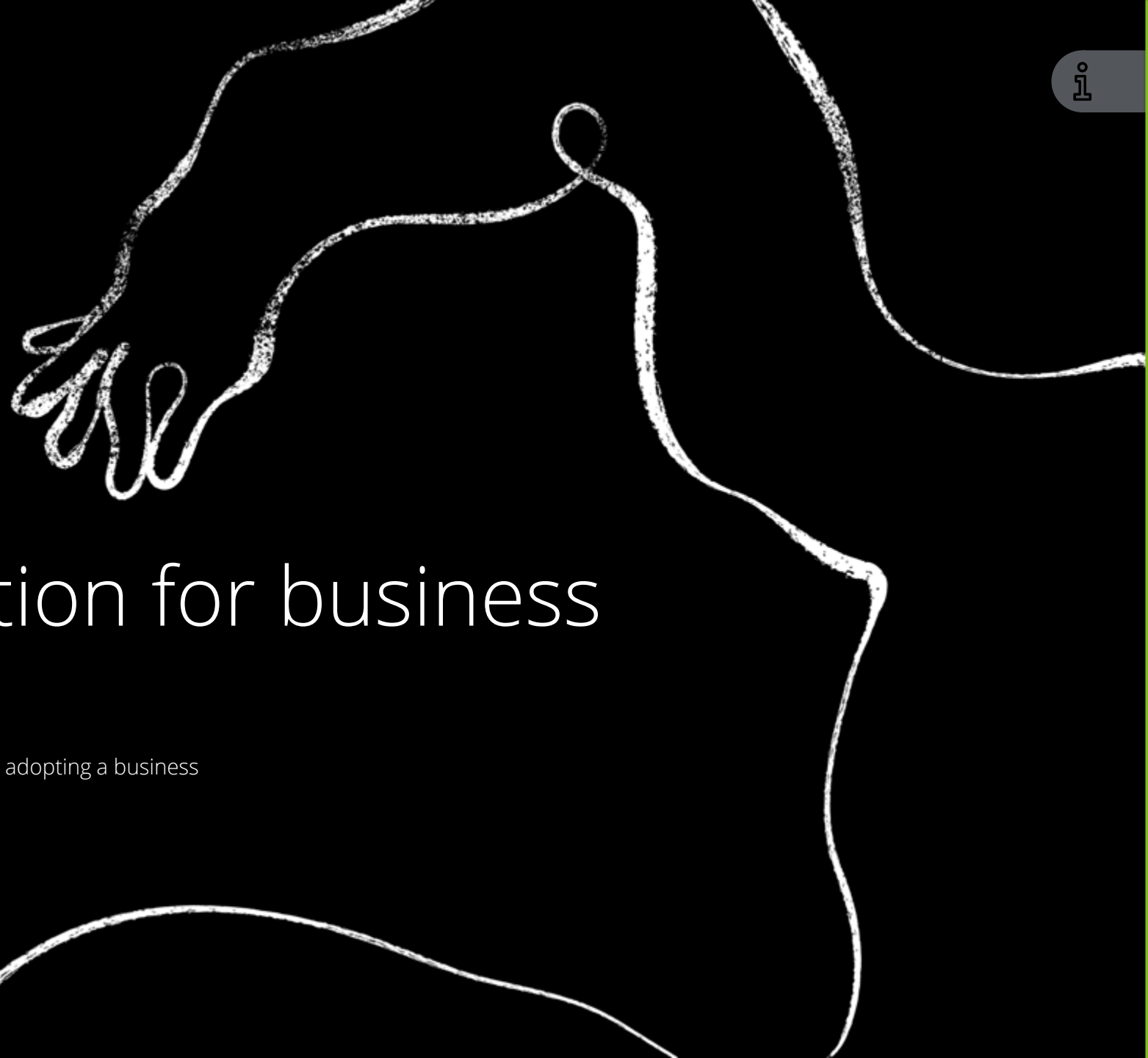
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Motivation for business agility

What are the incentives for adopting a business agility mindset?

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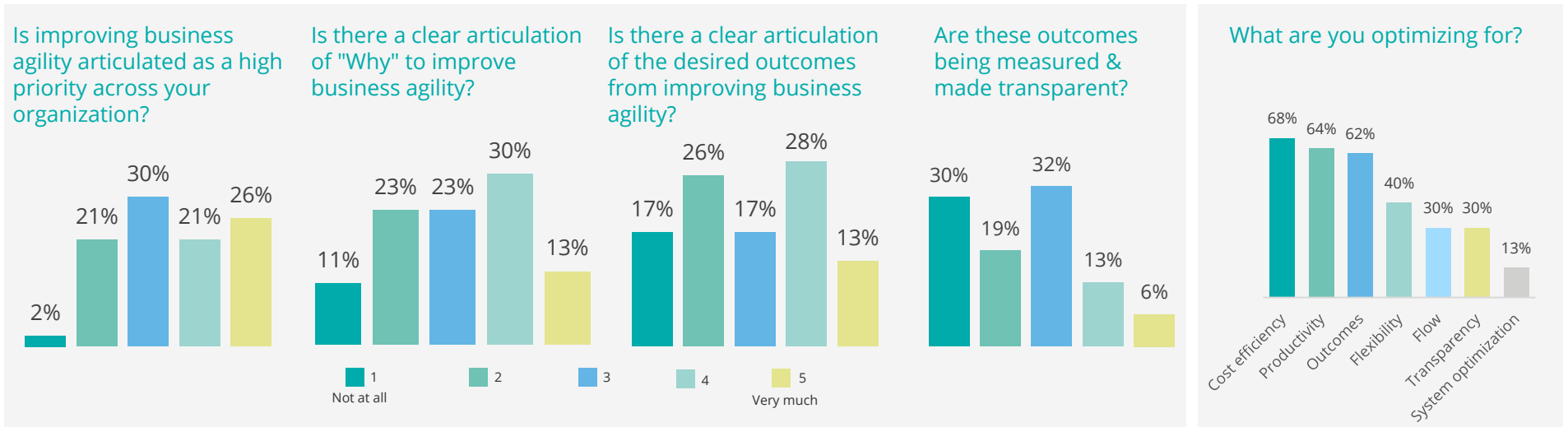




Business Agility is important as firms optimize for cost efficiency, yet few manage to explain the 'why' and measure outcomes

Many organizations and leaders want to improve Business Agility. In order to succeed, it is fundamental to understand and clearly articulate the desired business outcomes of the initiative – and measure if it is achieved. Almost half of the respondents agree that improving Business Agility is articulated as a high priority across the organization. The reason for this might be since almost 50% do not think they have a clear articulation of “why” and only 19% of the respondents say that the outcomes are measured and made transparent. This could potentially lead to challenges in the future as progress is neither communicated broadly, nor understood why it's worth achieving.

While organizations independently of size and sector see improvement of Business Agility as a high priority, we see that Consumer & Industrial Products sector is the frontrunner. Furthermore, it is evident that mid size organizations (5,000 – 9,999 employees) are facing the largest challenges in their journey of improving business agility. Moreover, 68% of companies optimize for cost efficiency, making it the most popular priority. On contrary, only 30% optimize for flow and transparency while a minority focus on system optimization.



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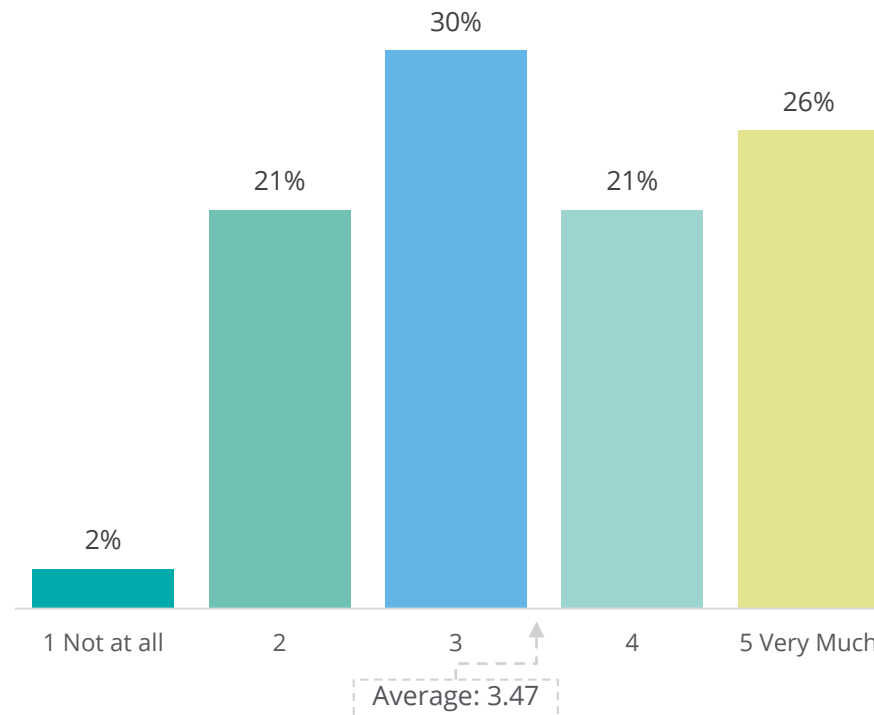
In many of the organizations improving Business Agility is of high priority

In an ever-changing environment it is now more crucial than ever to be able to adapt and shift in accordance with the market. Therefore, improving Business Agility should be a key goal for organizations as a response to constant disruption and operational excellence – and it should be articulated in accordance to enable understanding and interest among employees.

47% agree that improving Business Agility is a high priority in their organization, while many respondents stay neutral or consider it a lower priority.

Consumer & Industrial Products represent the leading sector in this area, with improving Business Agility as a high priority with an average score of 4.4/5.

Is improving Business Agility articulated as a high priority across your organization?



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Above half of the organizations do not know why business agility is important

All changes start with understanding why we are doing it and what benefits it will bring. The “why” should be clearly articulated, and the reasoning appeal to people’s intrinsic motivations. Mandating the start of agile practices without a clearly articulated “why” can cause resistance and demotivation by removing the top three motivators: Autonomy, Mastery and Purpose.

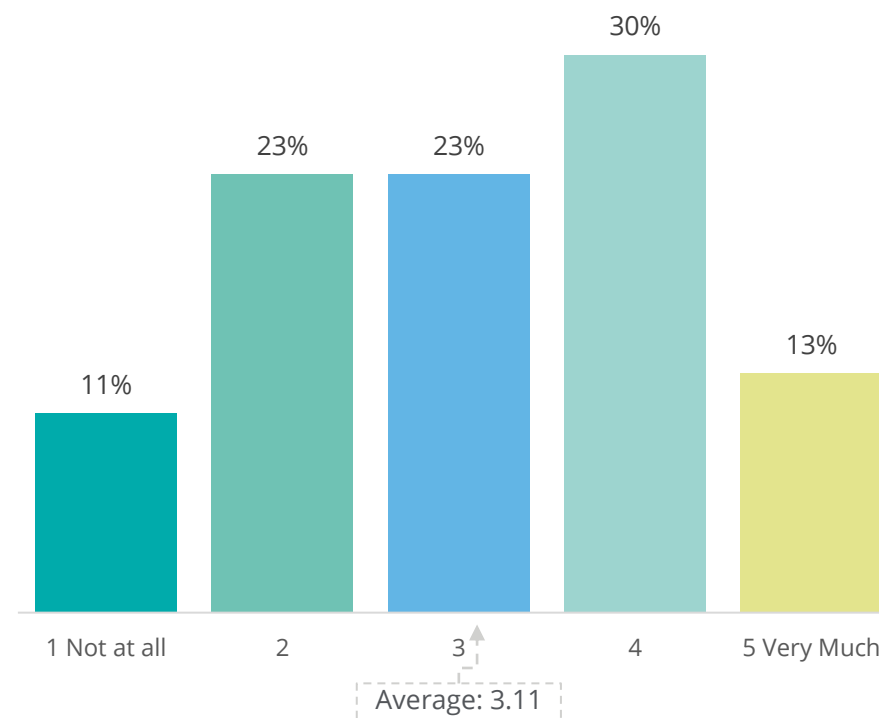
Alarming, while many organizations say improving Business Agility is important, only 13% strongly agree that there is a clear articulation of the “why”.

Approximately 23% of the respondents are neutral or cannot see the “why” clearly articulated in their organization.

Mid size organizations (5,000 – 9,999 employees) face the greatest difficulties in understanding the “why” with an average score of 2.6/5.

Financial Services is the leading sector with the highest average score of 3.3/5.

Is there a clear articulation of "Why" to improve business agility?



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Too many organizations are lacking articulation of the desired business outcomes

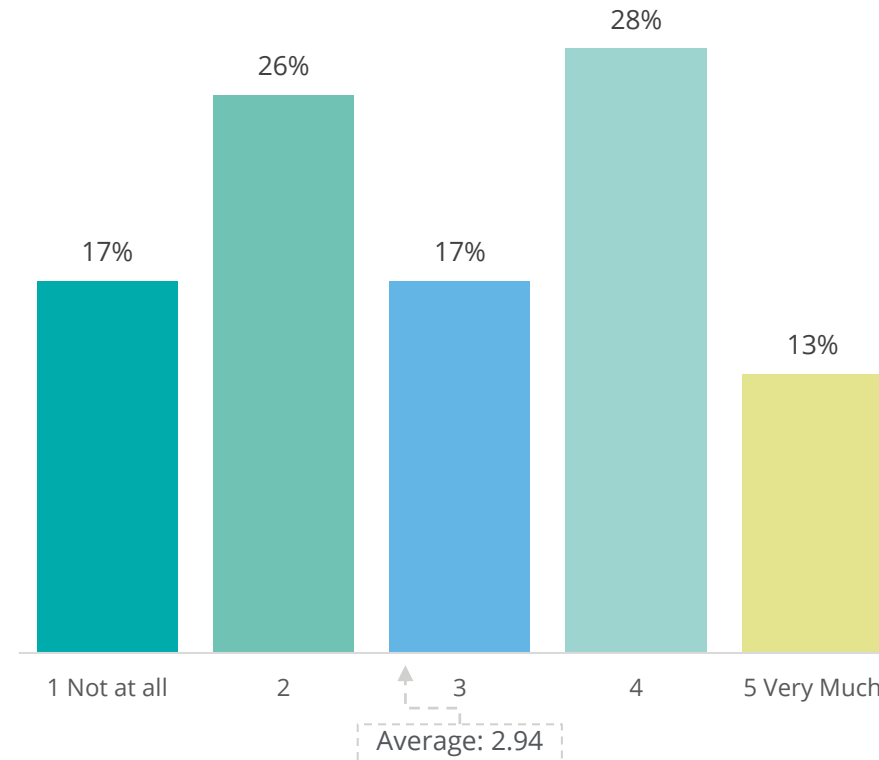
The goal of any business agility transformation should not be Agile for the sake of Agile. That kind of transformation can lead to separation through siloed camps, challenges and resistance in the organization and lower business outcomes.

Organizations should focus on clearly articulating the desired business outcomes through product-orientation from the customer's lens and use the Agile practices, principles and ways of working as means for improving those goals.

Even though many of the organizations prioritize improving business agility, it is evident, based on the responds, that organizations struggle with articulating the desired business outcomes.

While there are no big differences on the results based on sector, we can see that mid size organizations (5,000 – 9,999 employees) face the greatest difficulty with an average of 2.0/5.

Is there a clear articulation of the desired outcomes from improving business agility?



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Far too few are measuring their outcomes of business agility



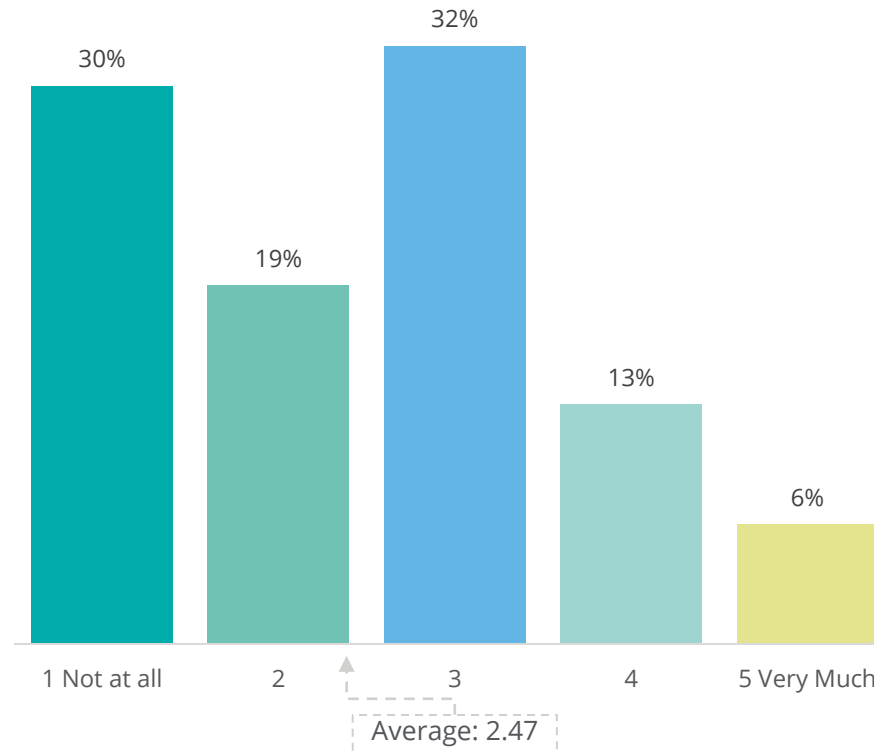
The desired business outcomes should each have one or more measurements. The measured data should be timely and the determined trend over time should be made transparent in order to increase the ability to conclude on cause and effect. Preferably, the organization has clear Objective Key Results (OKRs) to connect their activities to as they reflect and strive towards their target states.

Even if 41% of the organizations agree that they have clearly articulated outcomes, only 19% agree those are being measured and made transparent to a high extent.

The lack of measurements and transparency challenges the communication of progress and value, risking to lose top management support and focus.

In this area, the mid size organizations (5,000 – 9,999 employees) showcase most significant implications, with an average score of 1.9/5.

Are these outcomes being measured & made transparent?



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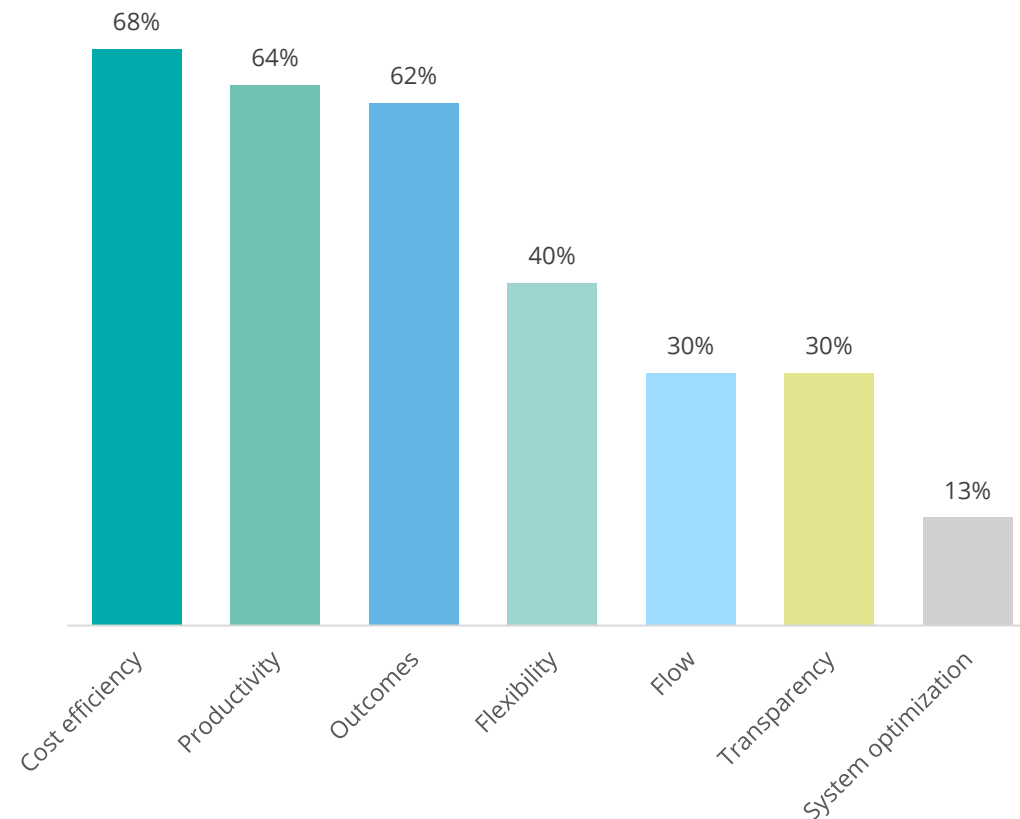
Cost efficiency is the main driver for Business agility initiatives, showcasing its strategic relevance for organizations



What companies are optimizing for can arguably be considered as the driver of agile initiatives. What is it that companies aspire to achieve by increasing business agility?

- The survey shows that most companies, almost 70%, optimize for cost efficiency, followed by productivity and outcomes. On the other hand, system optimization is an area less emphasized, with just 13%. Moreover, flow and transparency are areas companies appear to consider less prioritized to optimize for.
- While cost efficiency is the main area of optimization, it is worth keeping in mind that it is often a product of other factors. For instance, increased productivity in addition with employee satisfaction will typically result in cost efficiency. Naturally, the different areas are interrelated to each other.
- Compared to other industries, the financial sector is the industry that has cost efficiency as its top priority to optimize for. Almost 80% of financial industry respondents imply cost efficiency as the main optimization driver.

What are you optimizing for?



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Approach for adoption

What is the general approach for business agility on the market?

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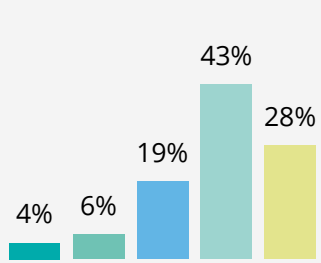
Business Agility does not have an end date and it tends to be mandated top-down, whilst different approaches are used

The decision to improve Business Agility appears to be primarily made from a top-down perspective, while companies seem to adopt different approaches in deployment, either going for a "one size fits all" solution or they empowering teams to adapt practices to their specific requirements.

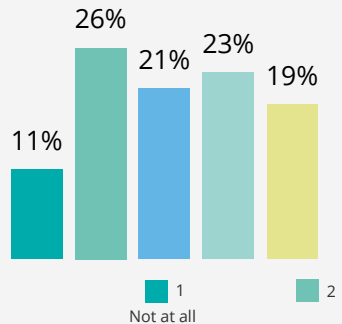
To find a balance between implementing a unified way of working (WoW) across the organization through a common approach and encouraging local adaptations can present significant challenges. A common approach can facilitate organizational synergies regarding ways of working. However, myopia can arise with focus solely on agile events and ceremonies placing companies in the pitfall of merely "doing agile", treating it as a means to an end instead of the means to get in the right value direction.

However, it is interesting and encouraging to observe that most organizations view the improvement of Business Agility as an ongoing journey rather than a project with a fixed end date. This suggests that firms are looking beyond simply checking off items in a framework and instead demonstrate a level of maturity by embracing agile as an ongoing and learning process.

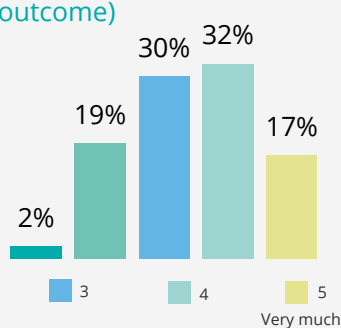
How have the changes towards improved business agility been decided, is it top-down?



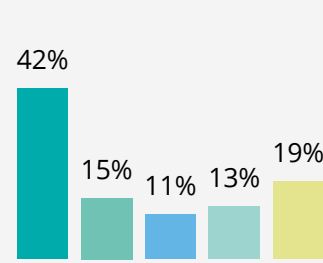
Is the emphasis on deploying a One Size Fits All method (a common approach for all)?



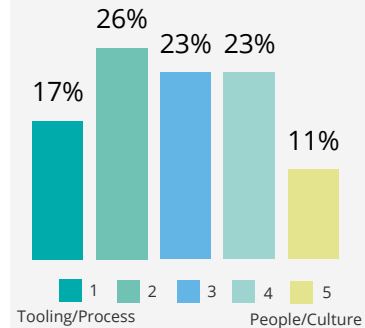
Is the emphasis on "Doing Agile" over exhibiting agility? (i.e., following agile ceremonies over business outcome)



Is the change managed via a project or program with an end date?



Is the change more Tooling/Process led or People/Culture led?



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Improving Business Agility tends to be decided from the top

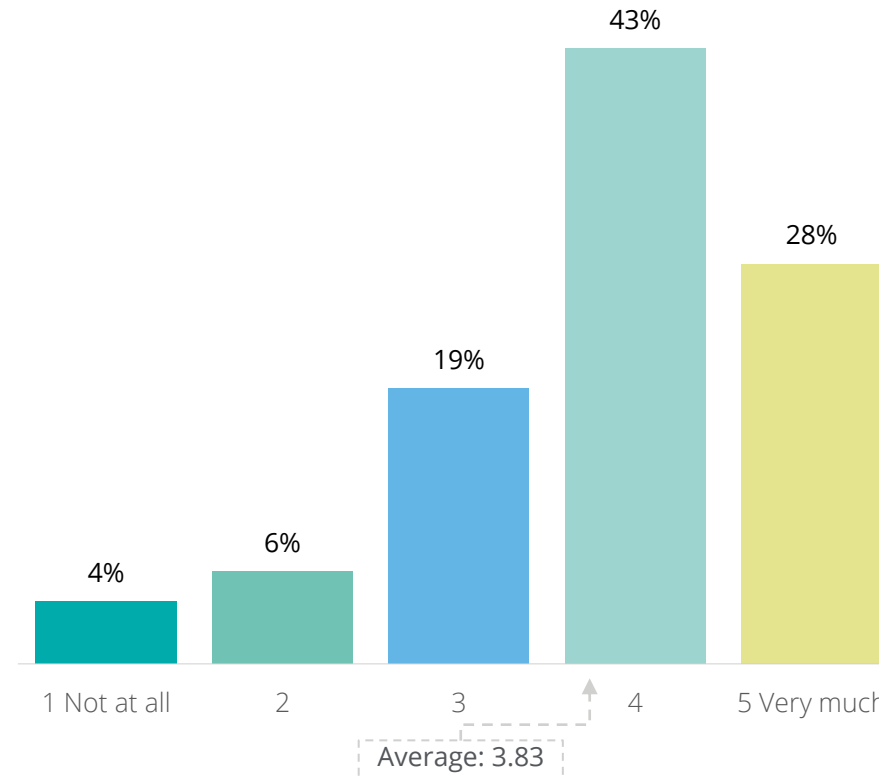


A successful change initiative requires a clear vision and commitment from the top. The 'why' and desired outcomes should be clearly articulated by the top leadership. At the same time, to engage and motivate the organization for change, it is crucial that the decisions are not imposed on the employees, teams and organizational units. Instead, leadership should empower teams to find their unique ways of improving agility.

A clear majority of the respondents think that the decision to improve on Business Agility is a top-down decision, indicating that most of the respondents have a clear vision that an agile approach is best for their organization.

While the decisions are mostly decided top-down, there is a dispersion regarding the organizations mandating a "One Size Fits All" approach. This may indicate that the organizations are in different phases of discovering their unique ways of improving agility or that they lack clarity of what approach is best for their organization.

How have the changes towards improved business agility been decided, is it top-down?



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Deploying a One Size Fits All method – utilize frameworks as a departure point and not a destination



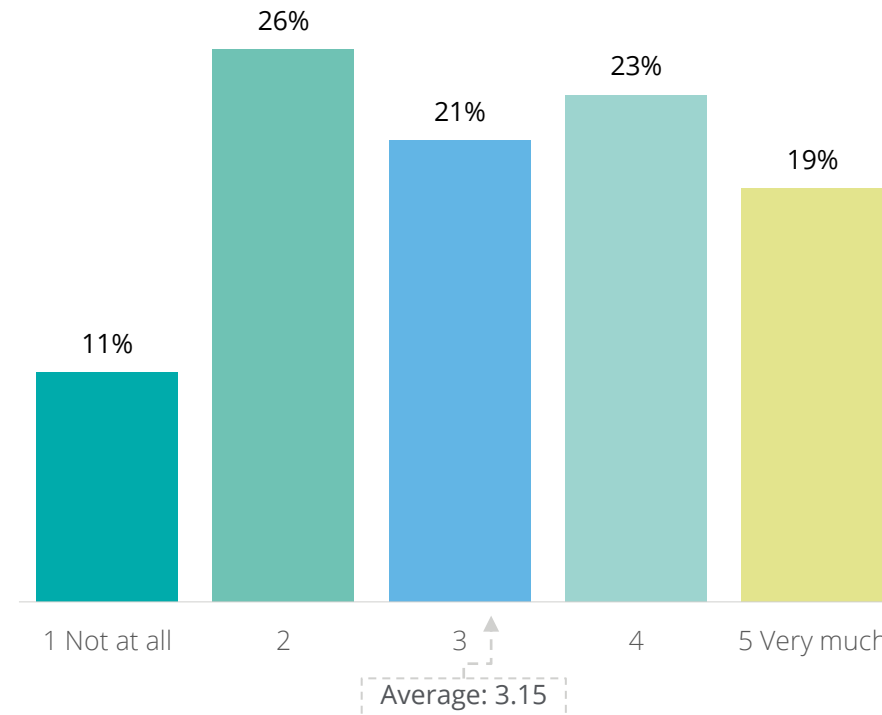
There is no silver lining when it comes to improving Business Agility. Each organization, leader, team and customer is unique. Improving agility and maximizing the business outcomes cannot be done by imposing one set of practices on the whole organization. Instead, the focus should be on leveraging the uniqueness and optimizing for the context.

While the results vary widely, a slightly larger subset of respondents, above 40%, appears to be implementing a common approach for all.

Using a framework can be useful for organizations to get started but should be adapted to context and especially if agile practices are new for the organization. In all cases, the framework should be treated as a departure point, not a destination.

11% not having a common approach for Business Agility might also be an indication of the lacking 'why' and knowledge for how to implement agility enterprise-wide.

Is the emphasis on deploying a One Size Fits All method (a common approach for all)?



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Agile practices without outcome focus is not agility

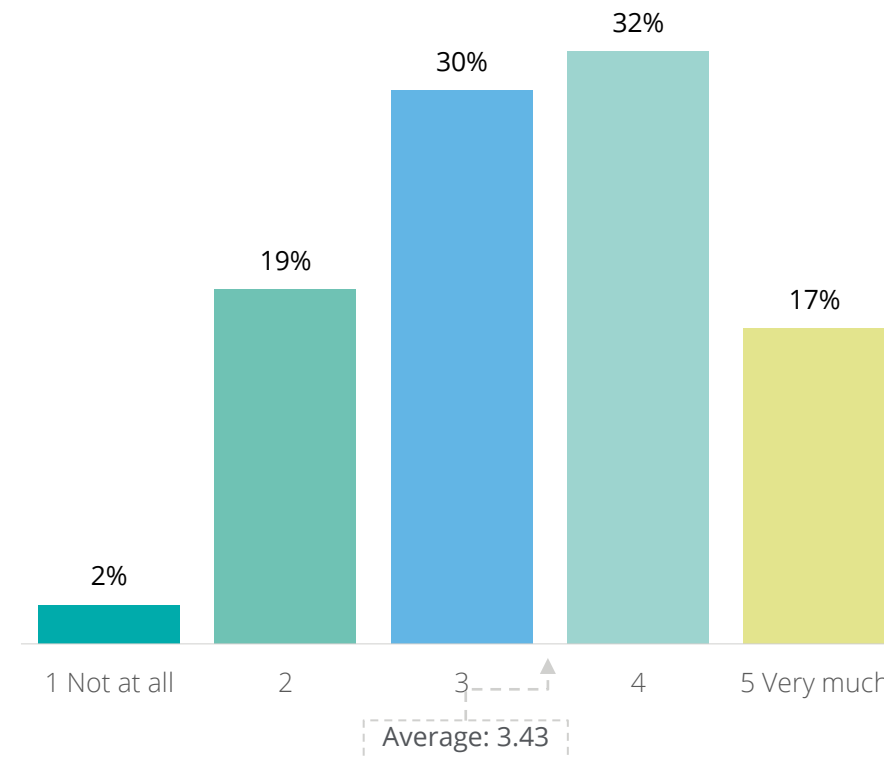


“Doing Agile” instead of exhibiting agility is a behavior where Agile practices are pursued for the sake of Agile and not using “Agile” as a tool for reaching desired business outcomes.

There is a spread in the result, however, most of the organizations report they are “Doing Agile” instead of exhibiting agility. This might be natural for organizations in the early stages of agile transformation but exhibiting agility and outcome focus should be the end goal.

The respondents from the Financial Services sector report a slightly higher percentage of “doing agile” than the respondents from the rest of the sectors.

Is the emphasis on "Doing Agile" over exhibiting agility? (i.e. following agile ceremonies over business outcome)



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Improving Business Agility is not managed as a project with an end date

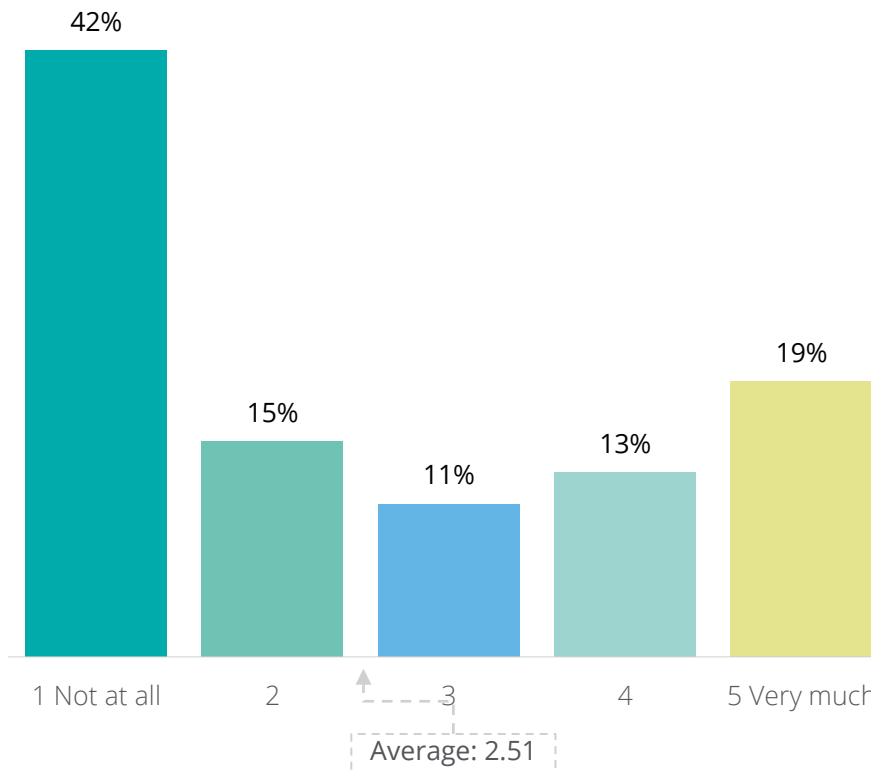
As organizations are emerging and changing, improving Business Agility should be treated as a continuous improvement journey. At the same time, lack of an end date for the change signifies that organizations are approaching the journey as an ongoing process of product evolution. It reflects the organization's commitment to continuous improvement and adaptation, emphasizing that business agility is not a one-time project.

Most organizations treat improving Business Agility as a continuous journey, rather than a project with start and end date. Especially organizations in the Consumer & Industrial Products industry, where 65% tend to opt for a continuous approach rather than structuring the change initiatives around projects.

In contrast, of the respondents indicating that the change is managed through a program with a defined end date (response options 4 and 5), 67% belong in the financial service industry.

As Business Agility advocates change as a continuous journey and not to be managed via short-term projects, organizations must ensure the top management commitment to the change initiative by clearly demonstrating the benefits of Business Agility.

Is the change managed via a project or program with an end date?



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While tooling & processes can kick-start the agile transformation, people & culture is critical for longevity

Tooling/process led change focuses on implementing new tools and processes to improve efficiency, speed, and quality. On the other hand, people/culture led change focuses on changing the mindset and behaviors of employees to create a more customer-centric organization.

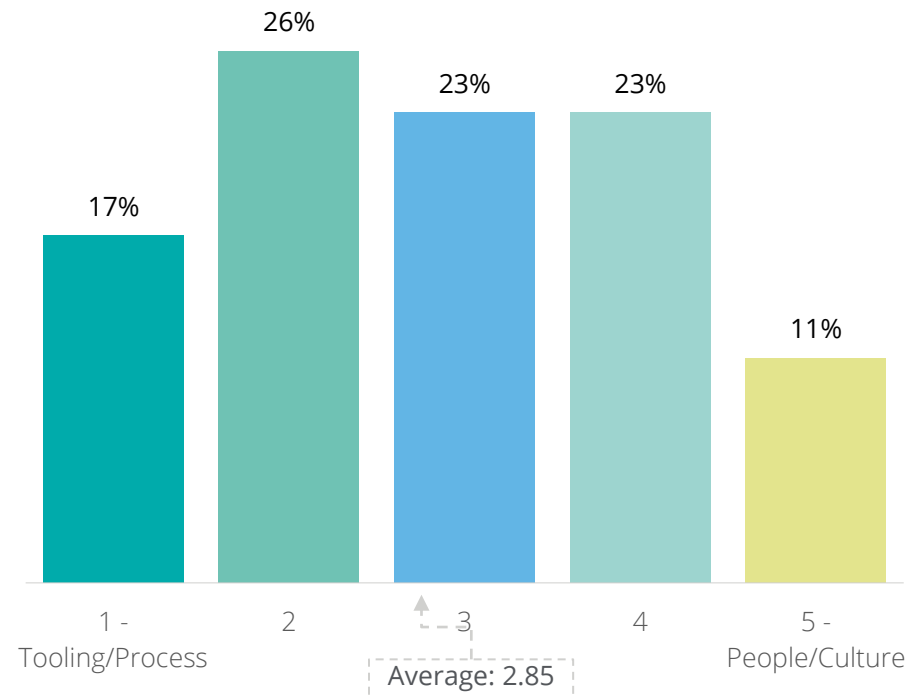
Organizations may drift towards one approach or another depending on a variety of factors, including their industry, size, leadership style, and organizational structure.

59% of the organizations in the consumer & industrial products industry find the change being more Tooling/Process led. Meanwhile, half of the respondents describing the change being more People/Culture led act in the financial services industry.

Ultimately, the most successful organizations will find a balance between tooling/process led and people/culture led change, recognizing that both are necessary for achieving true business agility – however, a prioritization would be needed for focus.

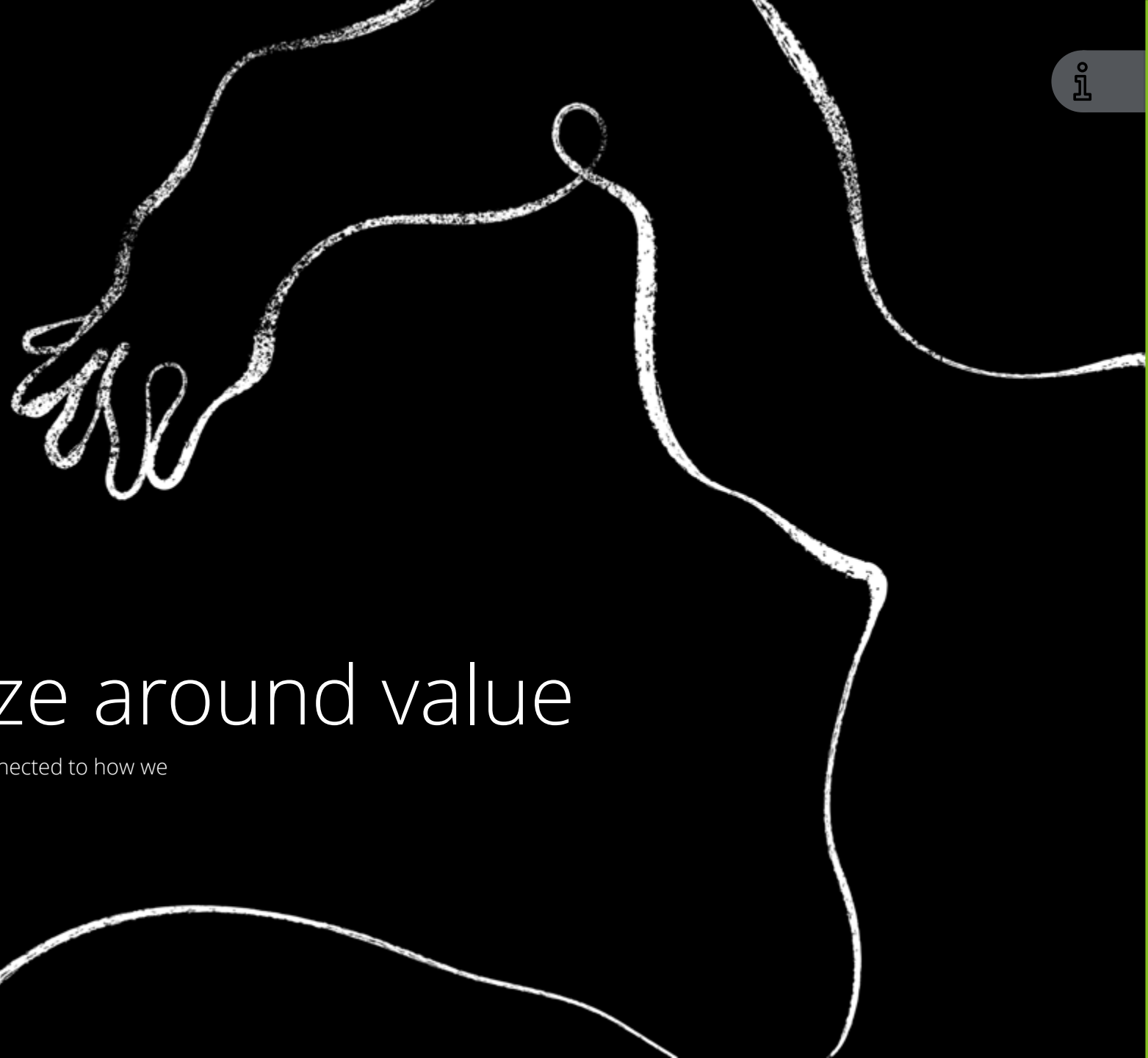
Tooling/processes helps companies to get started, however, without the people/culture onboard, the potential of tools and processes will be limited and the transformation unsustainable.

Is the change more Tooling/Process led or People/Culture led?



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Organize around value

How is business agility connected to how we organize?

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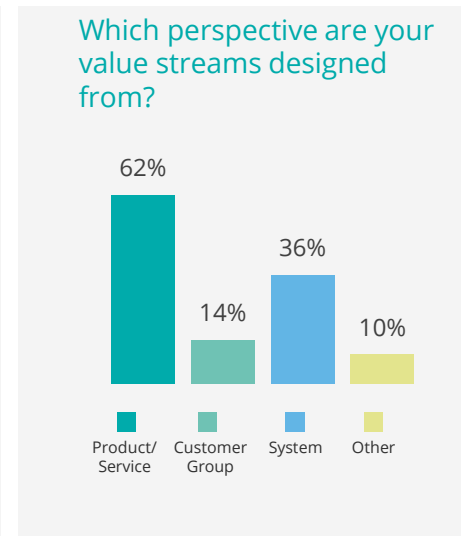
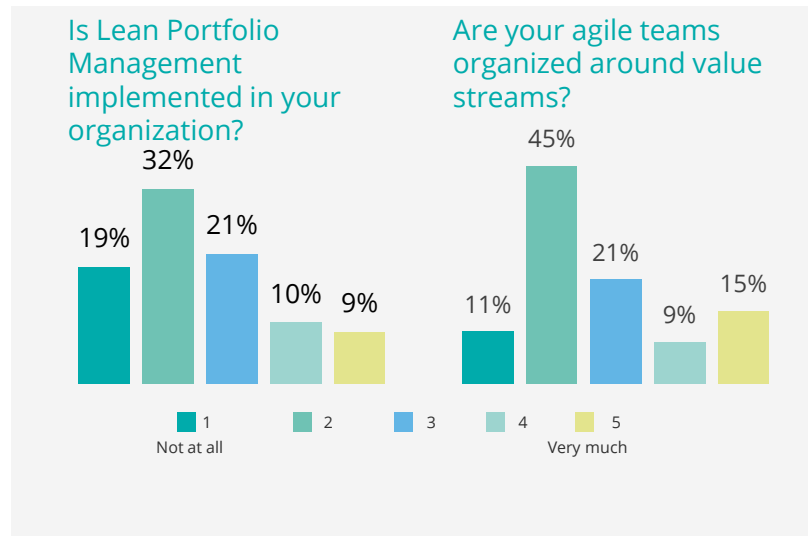
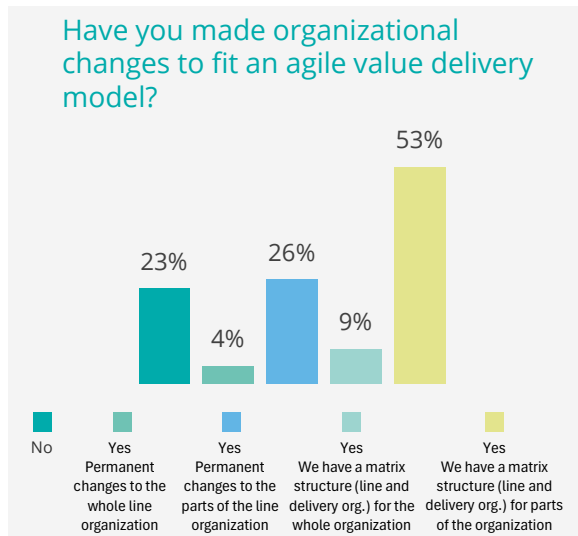


There is an untapped potential for Business Agility improvements by optimizing design of Value Stream and lean governance

As part of the Business Agility journey, it is essential to ensure that organizational design, governance structures, and team structure are engineered to empower and enable a successful transition and continuous ways of working. The overall decision on how to organize will have a significant impact on the realization and configuration of business agility.

While more than 50% of organizations have begun to make organizational changes, there is still evidence pointing towards a lack of governance adoption through Lean Portfolio Management. Furthermore, more focus is needed on designing and organizing teams around value streams if companies wish to unlock the flow of value and increase their time to market.

Moreover, the design of value streams requires a contextual understanding of perspectives to ensure a correct design. The end goal of a company's perspective on design should be to provide better products and/or services to their customers. At the same time, many companies utilize value streams for internal deliveries, predominantly designed for products or systems.



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Most organizations are designed with a dual-operating model with ambitions to fit an agile value delivery model



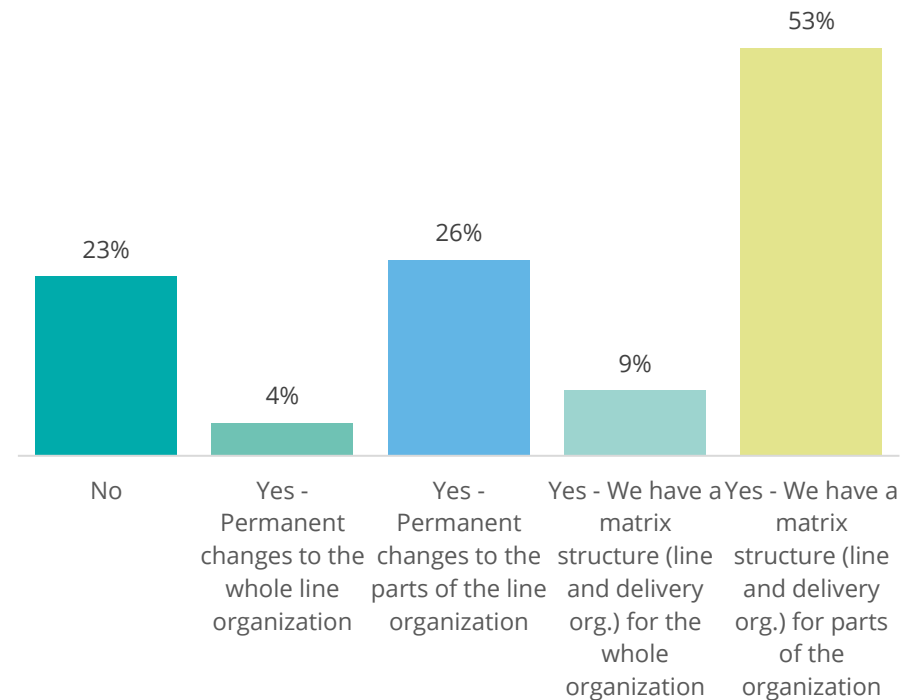
In order to achieve business agility, companies may need to implement organizational changes. By adopting an agile value delivery model, organizations can enhance their ability to efficiently deliver value to customers, increase quality, boost employee engagement, and maintain competitiveness in a constantly evolving business environment.

Nearly 80% of respondents reported that their companies have implemented organizational changes to align with an agile value delivery model.

Almost 1 out of 4 see no organizational changes in order to better be designed for a value delivery model.

The results suggest that companies are adopting an agile approach by making local adaptations to specific parts of the organization, rather than implementing it across the entire organization.

Have you made organizational changes to fit an agile value delivery model? [1].



[1] This question allows multiple choice responses

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Organizations are missing governance through Lean Portfolio Management, reducing chances to align strategy and execution

The Lean Portfolio Management (LPM) framework enables organizations to make informed decisions on what to build, how to build it, and how to measure the impact of their investments. It provides a holistic view of the portfolio, enabling organizations to focus on delivering the highest value to their customers while optimizing the use of their resources.

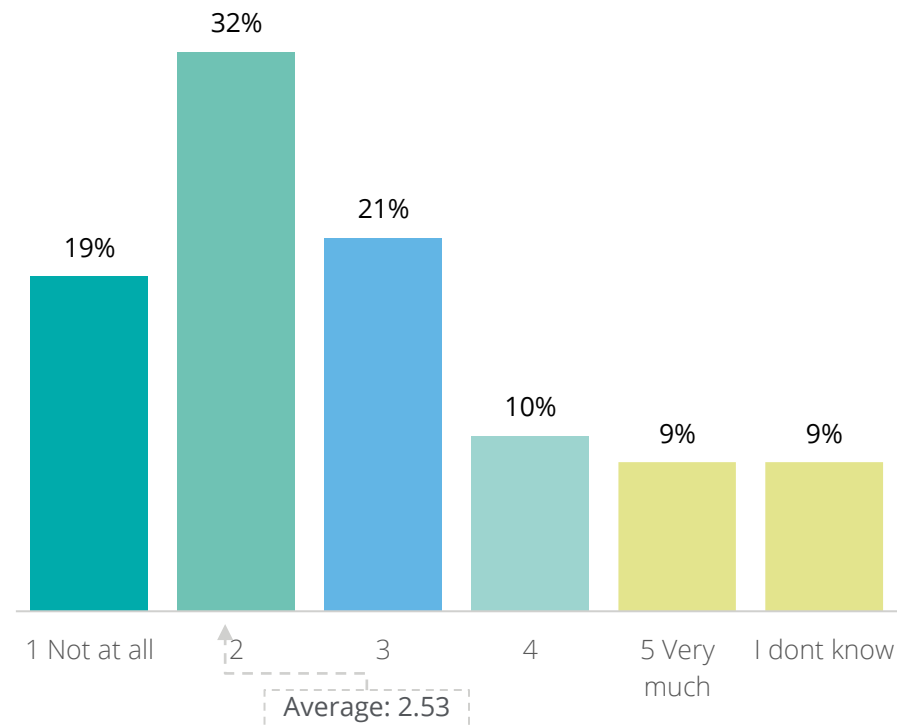
Without LPM, organizations may struggle to align their strategy and execution, leading to a lack of focus and direction.

Most respondents (51%) have not implemented LPM in their organization. Organizations may lack the knowledge, expertise and necessary resources such as time, money or personnel, to implement LPM effectively.

Some respondents didn't know whether LPM is implemented in their organization or not, indicating a lack of internal communication and awareness of LPM implementation and its benefits.

Without suitable portfolio management, companies may encounter challenges when scaling their agile teams and ways of working. It may become hard to connect and align the flow of value deliveries rather than projects with the overall strategy and vision of a product portfolio.

Is Lean Portfolio Management implemented in your organization?



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A majority of organizations are yet to design and organize around value streams

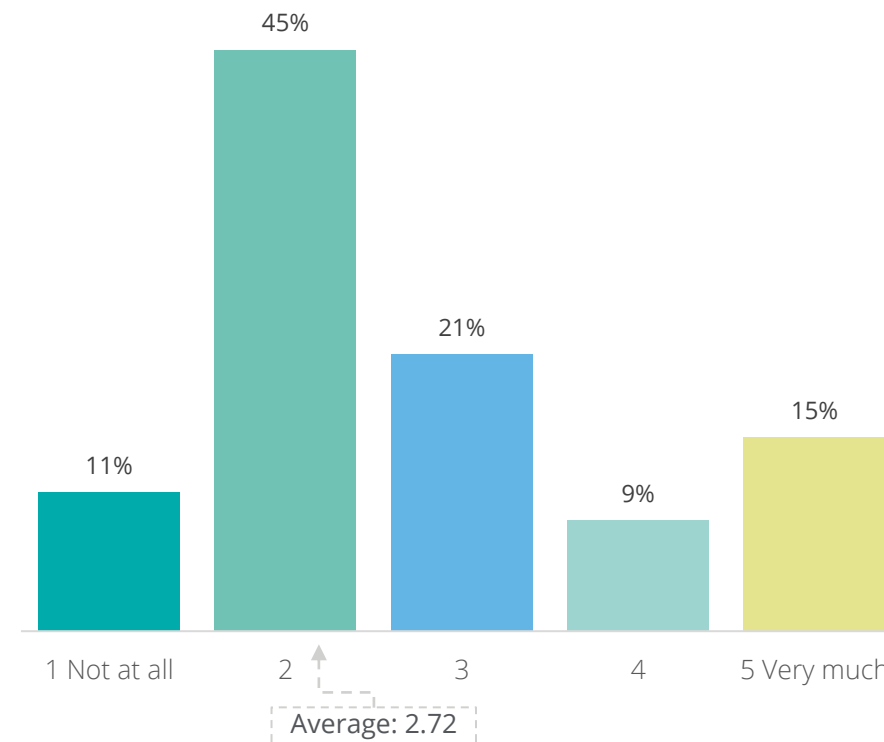
Organizing around value streams enables organizations to establish a customer-centric culture that prioritizes delivering value and meeting customer needs. Aligning teams around value streams can lead to shorter time to market, higher quality, and increased adaptability in deliveries, ultimately driving greater success and competitiveness in the market.

Despite companies adopting agile ways of working, it is crucial to recognize that without well-designed value streams, it remains challenging to eliminate deliveries that require multiple handovers. This can lead to extended lead times and potential bottlenecks in the workflow

Approximately 25% of respondents reported that their organizations have implemented organizational changes to enable their agile teams to perform in value streams.

The majority of respondents (56%) indicated that their organizations have not yet adopted value streams as a means of delivering value.

Are your agile teams organized around value streams?



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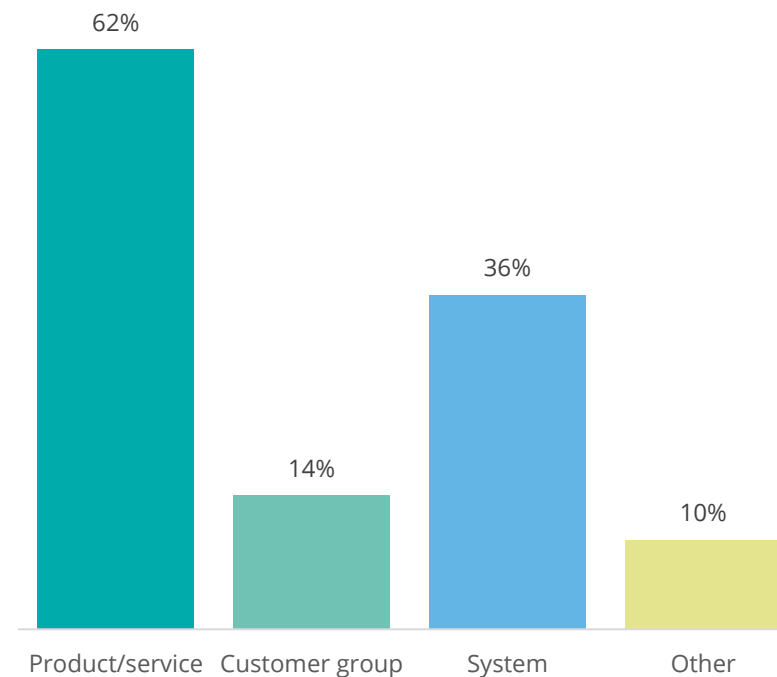
Most organizations design value streams from a product/service perspective

Designing value streams is a crucial element in creating an efficient and effective value delivery process. With that said, there is no single solution that can be considered as the optimal design. The design of value streams should be tailored to meet the unique characteristics and goals of the organization, while always prioritizing the customer's needs and expectations. Hence, multiple combinations are to be found across different organizations based on their satiation and future strategy. The key resides in continuous learning and adoption as the organization evolves, configuring according to suppliers' and customers' feedback.

More than 60% of respondents have their value streams designed from a product/service perspective, enabling value delivery in a targeted and efficient manner. Nevertheless, a question that might arise in this design can be "who is our customer?" as many serve or enable internal stakeholders which is common in system-orientation.

Incorporating the customer into the design of value streams is crucial for creating a customer-centric approach that delivers value and meets their needs. At the same time, many companies utilize value streams for internal deliveries, predominantly designed for products or systems.

Which perspective are your value streams designed from?^[1]



[1] This question allows multiple choice responses



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Patterns

What patterns or “best practices” have you observed in your organization’s transformation journey?

Organizations are complex adaptive systems and there is no one way of working that suits every context. However, from the shared learning from the agile, lean and DevOps communities we have observed there are common **patterns** – responses to situations – that are effective and **improve desired outcomes**.

Furthermore, there are **anti-pattern**, which is a common response to a situation that often is **ineffective** and risks being highly **counterproductive**. Anti-patterns are approaches that have been seen many times to not optimize for outcomes, sometimes setting an organization back many years in their journey.

We asked the organizations which the patterns and anti-patterns they have identified in their context are, based on the most observed patterns by Sooner Safer Happier [1].

[1] *Sooner Safer Happier, Anti-patterns and Patterns for Business Agility* - <https://soonersaferhappier.com/>



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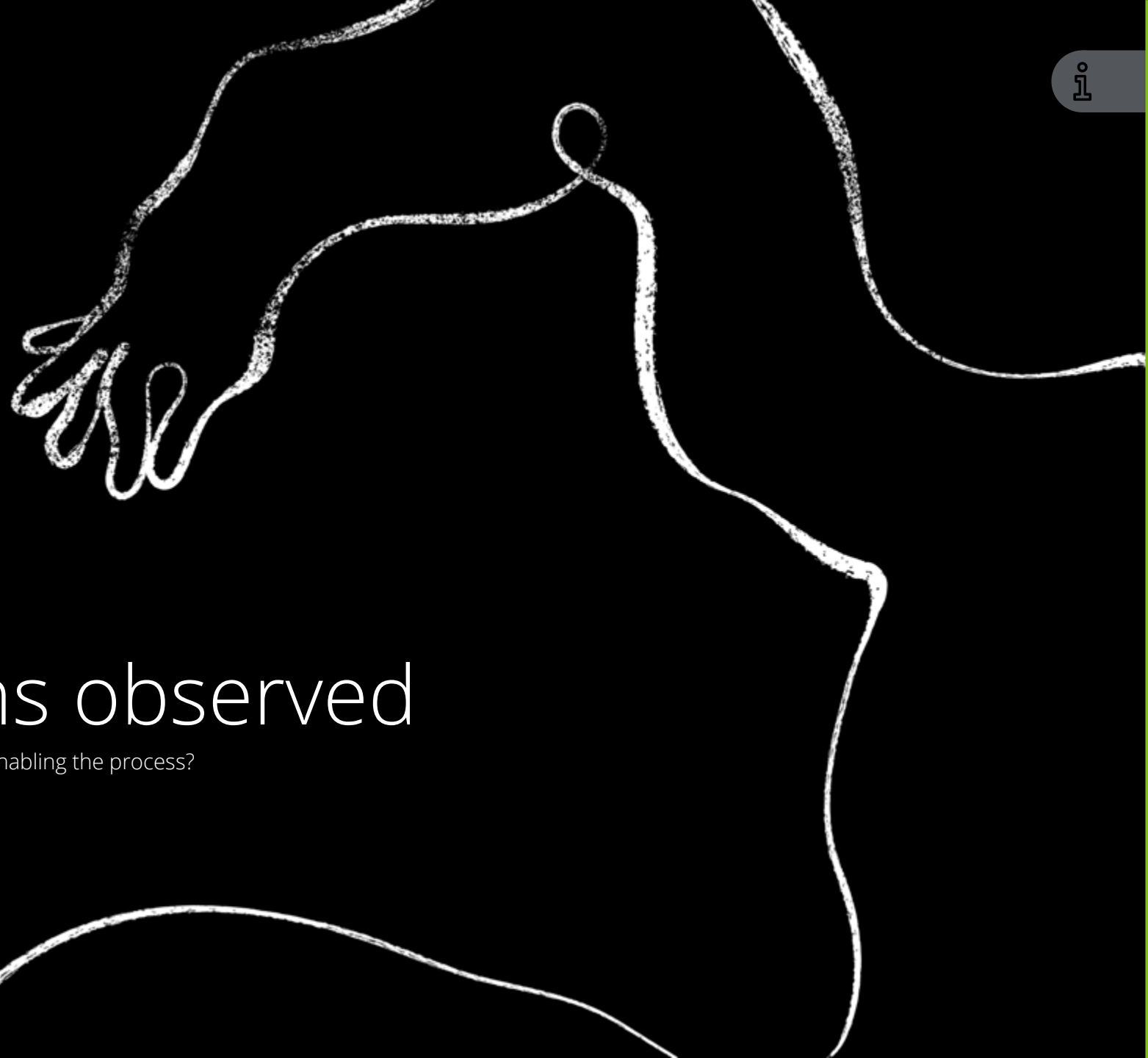
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Patterns observed

What is working well and enabling the process?

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What patterns or “best practices” have you observed in your organization’s transformation journey?

What patterns have you observed at your company?



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Top 4 patterns observed



1 Think big – start small

- **Change is introduced iteratively** using small scale experiments before scaling to wider organization.
- Allows **for easier learning and adaptation** during the journey.
- Find ways that fit the unique context of each organizational unit and team.
- Proper guidance is needed to ensure the organization works effectively.
- This approach is an excellent opportunity to **lead by example**.

2 Engagement and support

- **Cross-functional collaboration** and engagement enables support for improving business agility.
- Establishing a voluntary Business Agility Community of Practice across organizational silos has been a general best practice.
- In many organizations, agile adoption often starts from IT. It is a great benefit if **IT can help drive and support adoption** in other areas of the organization.

3 Voluntary community of practice

- The Voluntary Community of Practice is an excellent approach to achieving **collaboration and engagement**.
- Agile adoption in a company can be facilitated by voluntary initiatives.
- Employees can learn Agile methodology and processes in a safe environment by **consuming and developing knowledge** to drive the business towards becoming more agile.

4 Flexible approach

- **Teams are empowered** to flex their approach to optimize results.
- Breaking old habits of control and allowing teams **more freedom** can be challenging and scary.
- Guardrails are necessary to ensure work is heading towards desired results.
- Teams should **operate within guardrails** while still having the freedom to achieve results in their own way.

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● Patterns observed

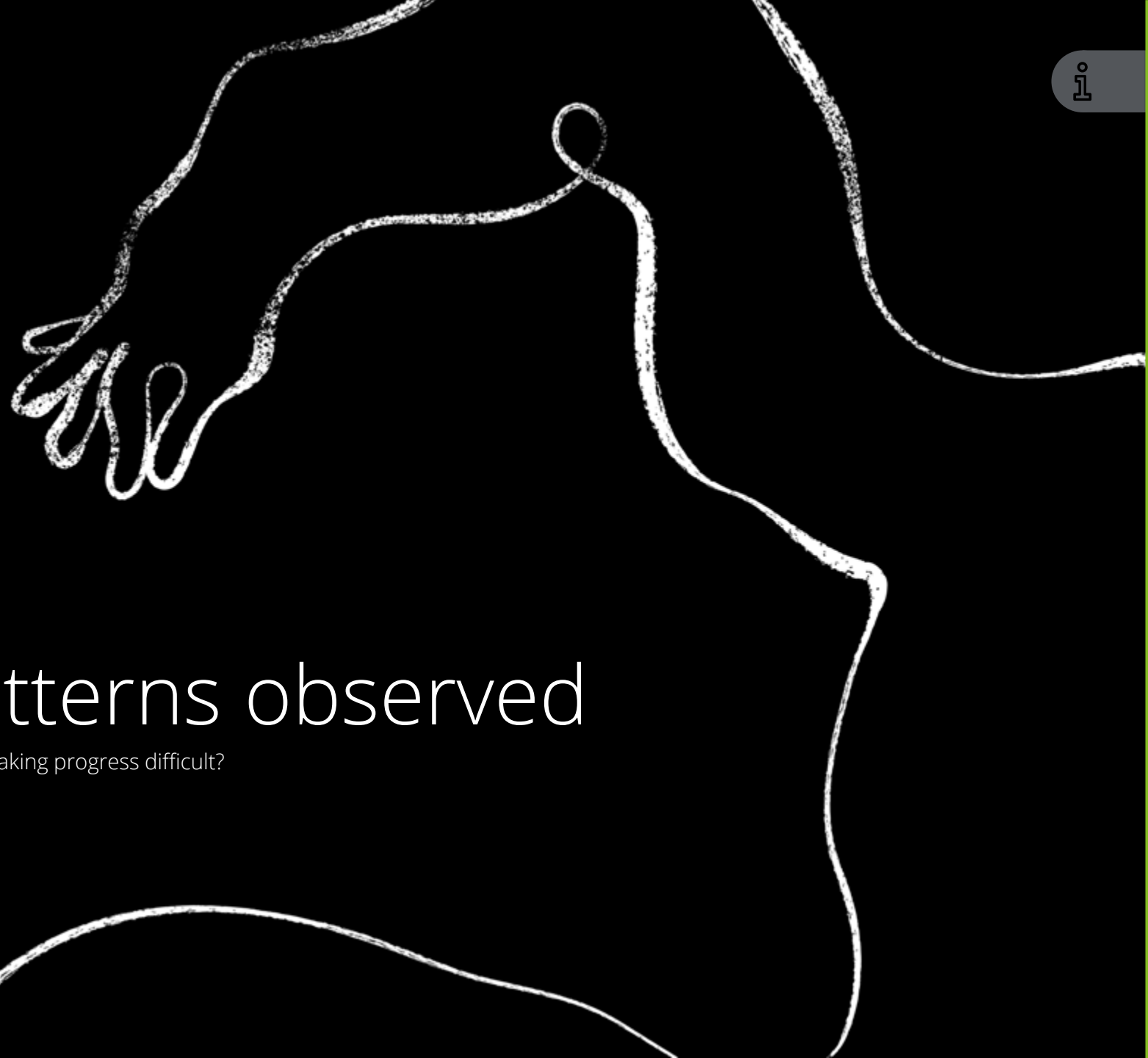
● Anti-Patterns observed

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Anti-patterns observed

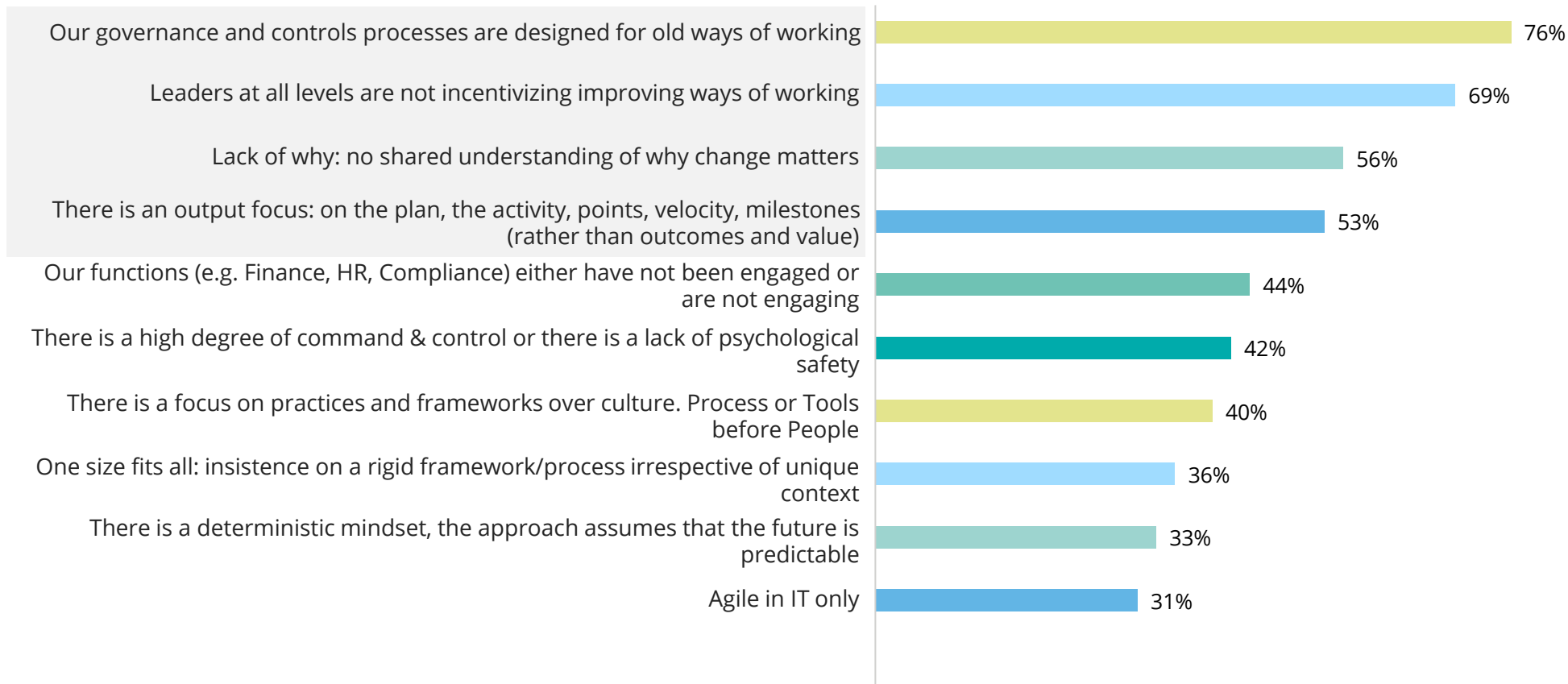
What are the challenges making progress difficult?

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What anti-patterns have you observed in your transformation journey?

What anti-patterns have you observed at your company?



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Top 4 anti-patterns observed



1 Traditional governance

- **Change is introduced iteratively** using small scale experiments before scaling to wider organization.
- Allows **for easier learning and adaptation** during the journey.
- Find ways that fit the unique context of each organizational unit and team.
- Proper guidance is needed to ensure the organization works effectively.
- This approach is an excellent opportunity to **lead by example**.

2 Leaders not incentivizing

- Many organizations do not incentivize improving new ways of working.
- **Intrinsic factors** of mastery, autonomy, and purpose play an important role in motivating employees.
- Agile thinking warns that individual reward systems may damage team ownership culture and employee engagement. Something worth considering when looking for the right way to incentivize.
- Leaders must **shape performance management**, recognition, and rewards mechanisms to encompass more than just financial aspects.

3 Lack of why

- There is **no shared understanding of why** the change matters.
- Leadership should establish **clear vision** and clearly articulated desired **business outcomes** – the ‘why’ of the transformation.
- Without a well defined and communicated purpose, the engagement and commitment will likely be mediocre resulting in failure of achieving the full potential of business agility.

4 Output focus

- Agile ways of working aim to achieve business outcomes and deliver value.
- Yet, a majority of survey respondents experience focus on outputs rather than outcomes.
- Focus on output typically implies tendencies of **doing agile instead of being agile**.
- Utilizing adaptability to achieve business outcomes in unique contexts is more important than the output itself.

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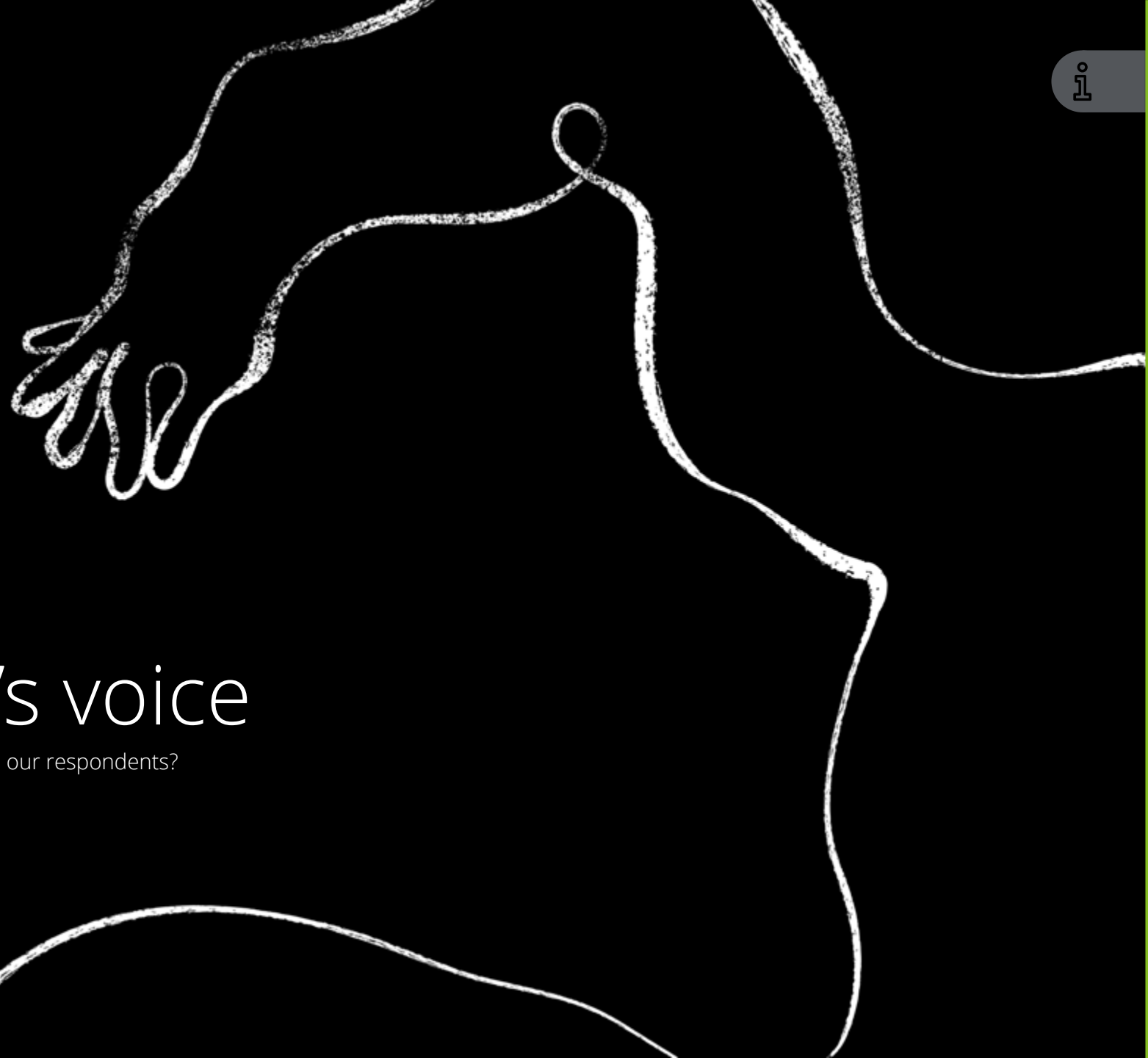
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People's voice

What else do we hear from our respondents?

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People's voice – in your own words, what is...



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+ WORKING WELL

- A lot of people are interested and **want to work agile**.
- **Starting small, learning and adapting and scaling from there.**
- High **commitment** from IT Management.
- Solutions are created with the customer experience as the front goal. **We innovative and create change in the municipality.**
- **Team level and stakeholder engagement** is working well.
- When we started, the focus was very much on **behavioral change** and values supported by new ways of working.
- Steering and planning - aligning the organization in common goals - is working well and improving a lot. Especially **transparency and inclusion.**

- NOT WORKING WELL

- **The leadership is not driving the change.**
- The IT transformation is going well. **The rest takes a more "adapt if you like it" approach, creating a slitted situation in the company.**
- Those who should create the space and environment are also the biggest blockers/constraints.
- Management **leveraging legacy control methods and practices** that have not been adapted to a new WoW.
- **The support from agile coaches etc. was reduced** and we left team and leaders to find their own way much too soon.
- **Didn't reinforce the "why"** throughout the organization.
- Not good enough at having a "backlog" approach to prioritization.



Recommendations

How to accelerate the transformation journey towards Business Agility?

Based on the survey results, our experience, and commonly observed best practices we have listed four areas as recommendations for **accelerating the transformation towards business agility**.

- 1) **Establish lean governance,**
- 2) **Define a strong “why” and verbalize it,**
- 3) **Outcomes & measures, and**
- 4) **Organize around value.**

We believe these four areas will help firms to not get stuck merely ‘doing’ agile things and launching new agile projects – an illusion of being agile – rather than making **fundamental changes to their business model** in their attempts to become an agile enterprise with a definitive purpose.

As we see that many organizations have already applied many of the recommended best practices, we still believe there is a **big potential for improvement** for many organizations.



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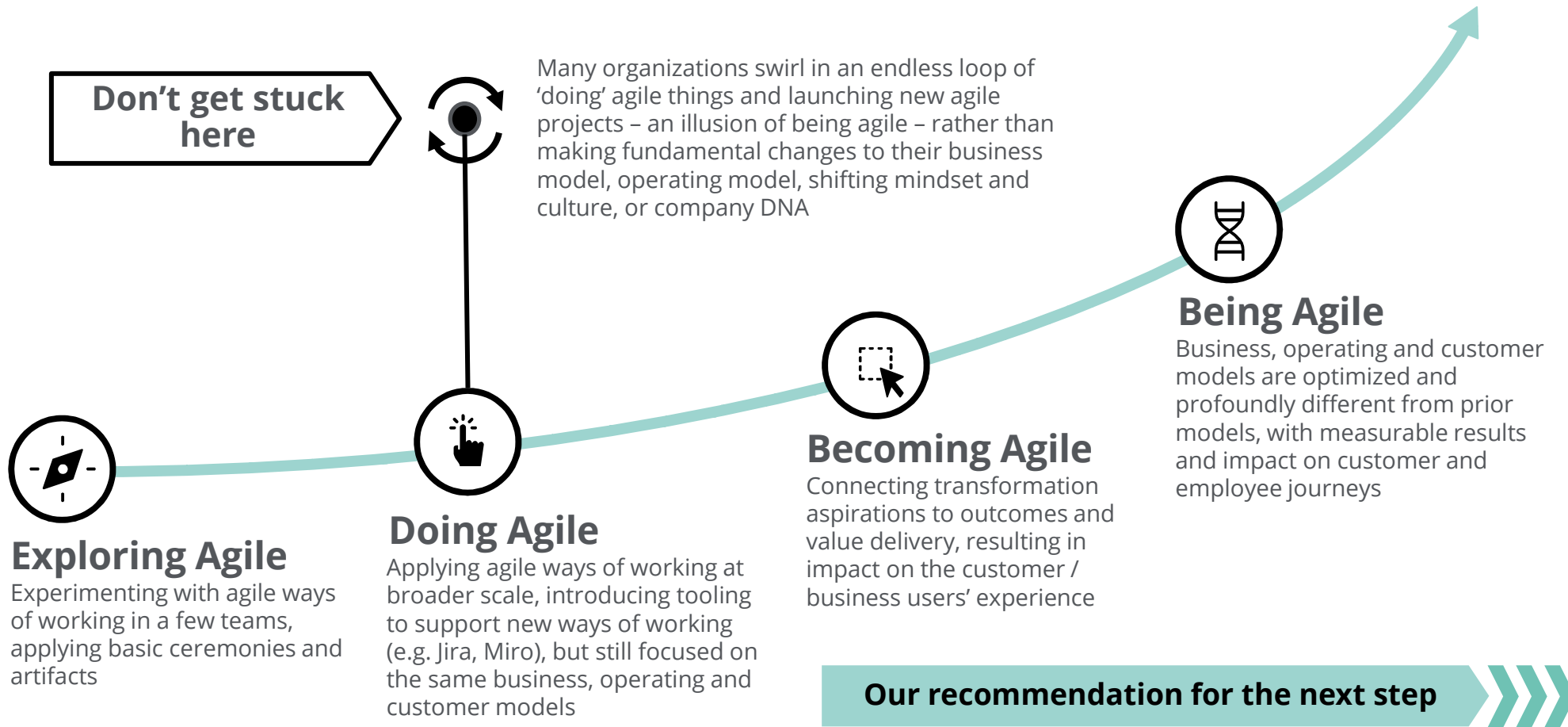
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To move from “doing agile” to “being agile”



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We recommend four key areas for companies to focus on in their agile transformation journeys to ensure not getting stuck only “doing agile”.



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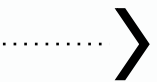
Establish lean governance



Companies should consider **revising their traditional governance** structures to fully capitalize on a product-oriented agenda and enable wide organization adoption successfully – this could include **considering implementing Lean Portfolio Management and review roles & responsibilities, portfolio thresholds** to enable continues delivery & shorter time to market



Define a strong “why” and verbalize it



Without a defined strong why, it will be difficult to sustain larger and longer transformations. This, in fact, is the essence of business agility, as the beginning might be a start, but the rest is a continuous journey with no end – **once the why is defined, remember to verbalize it continuously**



Outcomes & measures



Communicating the desired outcomes of business agility and **empowering the why** is vital to facilitate organizational engagement and awareness. Continue to measure the progress towards objectives, for the purpose of tracking progression, but also to **enable continuous improvements**



Organize around value



Doing agile for the sake of agile is not sufficient. It is crucial to have the teams and departments **organized around value** or **products** to fulfil and deliver actual value – this could **include revising current value streams, team-structures, and potentially designing new ones**



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 Country lead for agility

Business Agility at Deloitte

- We challenge organizations to reach beyond the mechanics of agile to focus on outcomes enabled by agility – to deliver better value, sooner, safer and happier.
- The enterprise-wide adoption of agile and DevOps capabilities is complex. Deloitte enables organizations to stay competitive and deliver value with accelerated speed-to-market, enhanced quality and agility at scale.
- Deloitte has the experience to help positively impact organizations throughout their path to increased agility. Through our highly experienced transformation specialists, trainers, coaches, and skilled delivery resources, we promote cultural and behavioral changes. We help develop high-performing teams to improve business and technology delivery from concept to cash.
- At Deloitte, we specialize in empowering businesses to achieve business agility through our offered services. With our extensive experience in agile transformation, we offer support to clients at various stages of their journey.

Services

- Lean Portfolio Management
- Value Stream Mapping
- Agile Delivery
- Training and Certification
- Agile Coaching
- Agile Testing

Capabilities

- Strategic Direction
- Organization Design & Change
- Teams and way of working
- Technology Enablement
- Leaders & Talent

Read more about our approach, services, methods and tools:
<https://www2.deloitte.com/us/en/pages/consulting/solutions/agile-devops-advisory-transformation-delivery.html>



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