Designing an Agile Technology Organization
Modern Markets Face Unprecedented Uncertainty

Traditional IT was designed for stability and incremental growth based on long release cycles. But faced with unprecedented uncertainty, businesses now more than ever need their technology leaders to be resilient, agile, and future-focused.

Technology organizations are constantly trying to stay on top of new technologies, new market entrants, increased business integration, and ever-changing customer expectations that come along with a global competitive environment. There is no better example of that than the recent COVID-19 outbreak and the global rush at technology and non-technology organizations alike to adjust and adapt to an entirely new market and new way of working. This time of evolving market, economic, and social conditions is the time for transformational, not incremental, change.

Technology leaders are positioned to drive this change, as a recent report by Deloitte and WSJ Intelligence found that 50% of CEOs said their CIO or tech leader will be the driver of business strategy—more than those who named the CFO, COO, or CMO as their top partner combined.¹ By reimagining their role and relationship with the business, by reorganizing to partner directly with the business and with customers, and by adopting agile and DevSecOps processes, technology organizations can lead the way in adapting to the pressures around them and creating a resilient organization ready to react with speed and flexibility to evolving global pressures and customer demands.

¹The kinetic leader: Boldly reinventing the enterprise

To learn more about Deloitte Human Capital’s response to COVID-19 and how we can help you navigate this unprecedented challenge, take a look at the following resources:

- Navigating your organization through uncharted territory
- COVID-19 workforce strategies and considerations
- Practicing inclusive leadership in times of crisis

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1 The kinetic leader: Boldly reinventing the enterprise
When Agile Wins

Agile refers to a new way of working and behaving that enables a specific set of values within an organization: collaboration, flexibility, and customer-centricty.

Agile is brought to life through a range of frameworks that typically share a time-boxed, iterative approach to project management and software development that helps teams deliver incrementally and react to evolving customer needs. Its effectiveness in helping organizations to deliver projects faster, more flexibly, and with more customer value is widely recognized, and many organizations both within technology and without are eager to harness its power and see the same benefits.

But while organizations have been quick to adopt new agile practices, they often skip the structural changes that are needed to enable these agile methodologies. Simply infusing a few Scrum practices into a few teams and pockets of an organization is not going to create significant change.

Instead, driving the principles of agile delivery into the broader organization can help create a faster, more flexible organization that is more adaptable to constant change and volatility, enabling organizations to pivot, reprioritize, and course correct when needed.

Technology leaders have an obligation not only to lead agile development initiatives but to be the catalyst for enterprise-wide agility, and to do this, they should not only inject agile processes but also prepare to transform from a structural and cultural level across the organization.

Features of an Agile Org Design

A truly agile organization involves reevaluating many facets of the ways that an organization works, from culture to process to structure.

Organizations should consider looking beyond a handful of Scrum ceremonies and consider their maturity across the full Adaptable Organization framework. While this framework is not exclusive to agile, it is uniquely structured to allow agility to reach the five layers of an agile organization:

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2 The adaptable organization: Harnessing a networked enterprise of human resilience
The Agile Technology Ecosystem

Agile organizations encourage leaders and employees to constantly scan for real-time insights into changing market conditions or other impacts to the business or its customers.

This helps the organization stay in tune with external influences and adapt to help stay ahead of market shifts and changing customer needs. Environmental sensing enables technology leaders to take quick actions to respond to impacts on their business.

Agile organizations can respond to change and remain competitive, connect with workers, customers, communities and societies-at-large and have a shared purpose and customer focused missions which leads to higher levels of innovation and retention.

Questions to Ask:

- How do I stay in tune with other parts of my organization, and with other technology functions in like organizations?
- How can I assess the health of my vendor relationships?
- How will my organization respond to threats within our ecosystem?
- What lessons learned can I take around market sensing based on my organization’s response to COVID-19?
The Agile Technology Organization

In the organizational layer, capabilities are organized away from deep hierarchy and silos towards a network of multi-disciplinary organizations. Formal and informal structures are aligned to customer-focused missions rather than to just products or services.

All organizations have a hidden informal network of interactions that may undermine formal structure to get work done, and in an agile organization work is organized in a way that makes people behave naturally to increase opportunities to drive experimentation and innovation.

Moving towards a multidisciplinary organization helps to unlock the latent power of social dynamics and connected teams that helps to manage complex changes. Informal networks help organizations to assess how individuals and teams align to identified customer missions and manage efficiency and flexibility through centralized and decentralized teams.

An agile-inspired governance structure also puts greater decision-making accountability into teams which means cross-functional teams can provide value faster and have a deeper impact on the communities they serve resulting in higher employee and customer satisfaction. The current COVID-19 situation requires daily prioritization and a continual commitment to action. Business planning should evolve continuously to respond to potential shifts. An agile organization with a strong digital foundation could then dynamically rewire itself to focus on delivering that response.

Questions to Ask:

• How can we embrace multidisciplinary approaches in a technology organization and ensure it is successful?
• How do we maintain segregation of duties?
• How do we manage tension between agile teams and non-agile teams during a phase-wise agile implementation?
The Agile Technology Team

The typical agile team structure consists of 7–9 people. The common rule developed by Jeff Bezos is that an agile team should be small and nimble enough that it can be fed with two pizzas. The team should have within it the range of skillsets needed to do their work, without being dependent on outside functions.

There may be situations where that structure does not make sense. For example, even agile organizations may need a Help Desk team that consists of hundreds of team members standing by waiting to take customer calls, in which case, agile frameworks like Kanban might be explored.

An agile team is not fixated on adhering to a single structure or framework, but on being flexible and organizing in such a way as to enable agile values like reducing dependencies, communicating quickly and clearly, feeding curiosity, and fostering innovation in a safe environment.

Agile organizations also foster a collaborative, team focus by rewarding performance at the team level instead of the individual level.

Questions to Ask:

• How do we leverage the open talent economy to engage talent from a variety of sources to meet an agile organization’s needs?
• How do we foster a culture of collaboration in our agile teams?
• How do we manage talent management processes in agile teams to enable collaboration and collective focus?
Teams in agile organizations are empowered. Team leaders relinquish old command and control habits and instead enable team members to identify improvements, take risks, and hold each other accountable without constantly relying on superiors for decision making. Leaders shift from measuring teams on transactional metrics and instead measure agile teams on their outcomes.

Agile technology leaders inform their teams of business priorities and customer context, and then push decision-making downwards and empower their teams to make decisions, given that they are the ones closest to the work. Leaders of agile teams operate as servant-leaders, providing strategic direction to their team members but allowing the team to self-organize and determine how to tackle the work.

Decision rights should be pushed downward from the leadership level and placed as close as possible to individuals performing the work and with the most access to information. This will allow for high-quality decision outcomes that are both faster and higher quality than when decisions are made up the chain and away from the work and the customer.

With decisions pushed down the team and individual level, agile leaders are free to focus on helping their team understand business priorities and is empowered to act accordingly. Agile leaders focus on outcome metrics as opposed to output metrics, getting alignment around those metrics and then motivating people to want to change them.

Questions to Ask:

- Do we have leadership who can establish high-performing teams in the organization?
- Are leaders in our organizations enabling their teams to work at their highest potential?
- How can we enable our leaders to be effective coaches and servant-leaders rather than commanders?
- How can we push decision-making downwards and embed decisions with the teams who are closer to the customer?
- How do we shift the focus of our leaders from output to outcomes?
The Agile Technology Individual

Perhaps the most fundamental shift an organization can make to become more agile is to focus on the talent and skillsets it is bringing into the organization.

Individuals in agile environments leverage differences and find common ground, explore possibilities, and design outcomes that benefit customers. They craft their responsibilities with ownership to align to the outcomes and mission-focus of the organization.

Moreover, there is no fixed talent profile, and individuals in agile environments shift from fixed individual roles to changing roles with cross-functional experience and knowing how to activate networks across the organization.

HR should consider evolving to support agile teams and individuals by flexing its processes to fit the rapid, iterative culture enabled by agile. Examples of this might include introducing bi-weekly check-ins between individuals and leaders and driving performance and rewards decisions downwards, enabling leaders to reward their people directly. Especially in traditional organizations with pockets of agility, HR may benefit from introducing incremental experiments to find how they can support the performance and career needs of their people, and they should not be afraid to adapt based on what they learn in their experiments.

At the end of the day, individual resilience is the bedrock of agile organizations. In the face of constant change and especially during these extraordinary times, the need for organizations is to nurture resilience in its people to navigate through the current times and embrace the new normal.

In agile environments, talent management programs evolve to nurture individual resilience and create a learning organization. Roles are more fluid and are based on competency and potential than merely on tasks. People craft their responsibilities to align to the outcomes rather than output. In turn, recruitment shifts to purpose and cultural fit, in addition to skill fit.

Questions to Ask:

- How can we ensure our Talent Management programs reinforce a holistic mindset among employees to support an agile environment?
- How do we balance autonomy with business alignment for our individuals and teams?
- How can we empower our individuals who are closest to the work and to the customer to own decisions?
- How does HR support agile performance and career management?
How to Get Started

Even when technology leaders understand the importance of transformation, with 54% of technology vanguards focused on implementing new business models, getting started can seem overwhelming.

Here are a few questions a CIO can ask to identify where to get started:

• What is the desired level of agility for your organization? What does agility look like for you?
• Where in your organization you can introduce one or multiple pilots and start to lay out a roadmap for your transformation journey?
• How might we need to change our metrics to enable our workforce to focus on our desired outcome?
• Once the pilots are in flight, how can you take the lessons learned from pilot teams and apply those learnings to scale across the rest of the organization? How can you galvanize your organization’s leadership, skills, and talents to facilitate full transformation?

↑ The kinetic leader: Boldly reinventing the enterprise
How We Can Help

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