



## 4Cs to Successfully Attain Business Agility in GBS Organizations

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 Accelerator™

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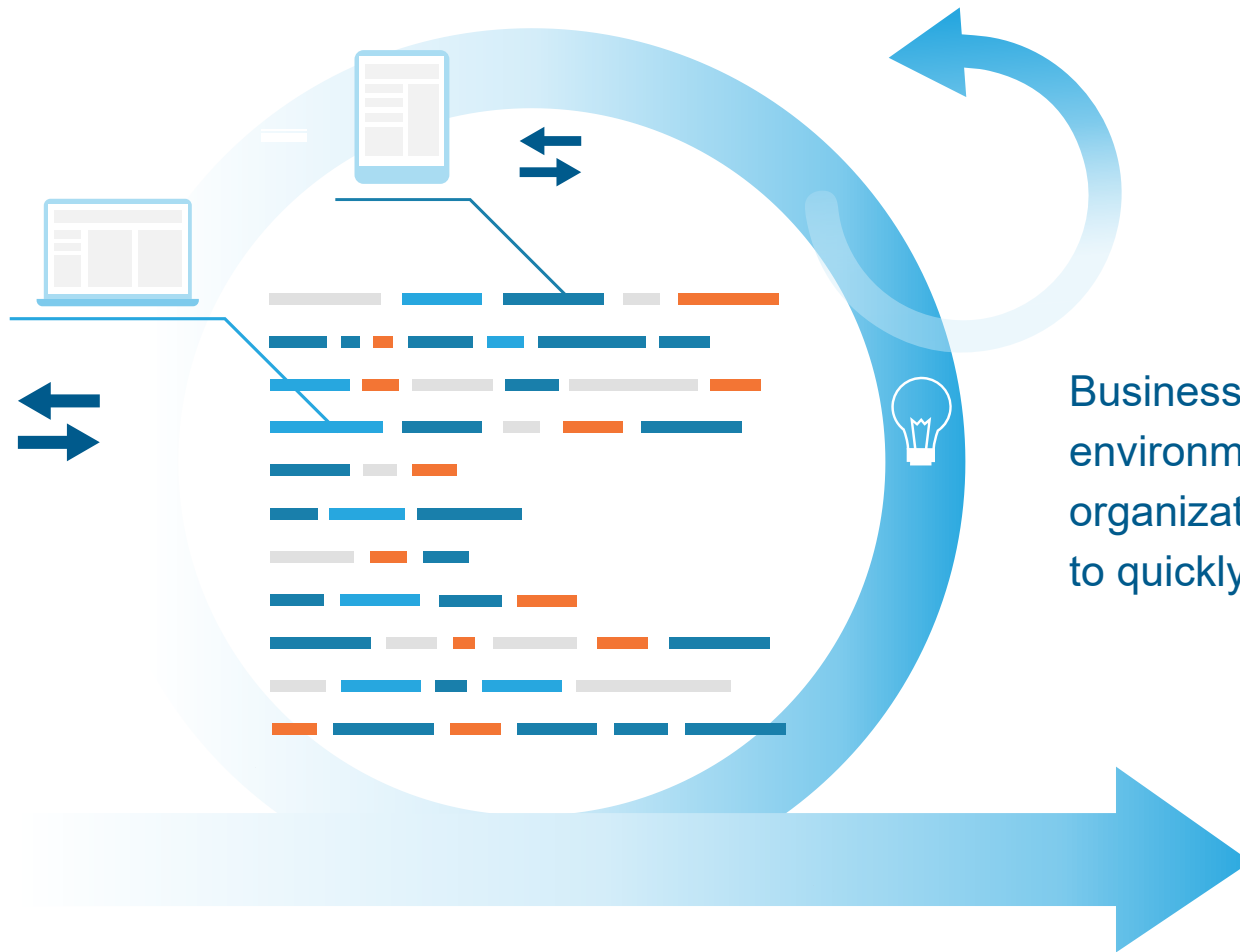
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## Defining business agility

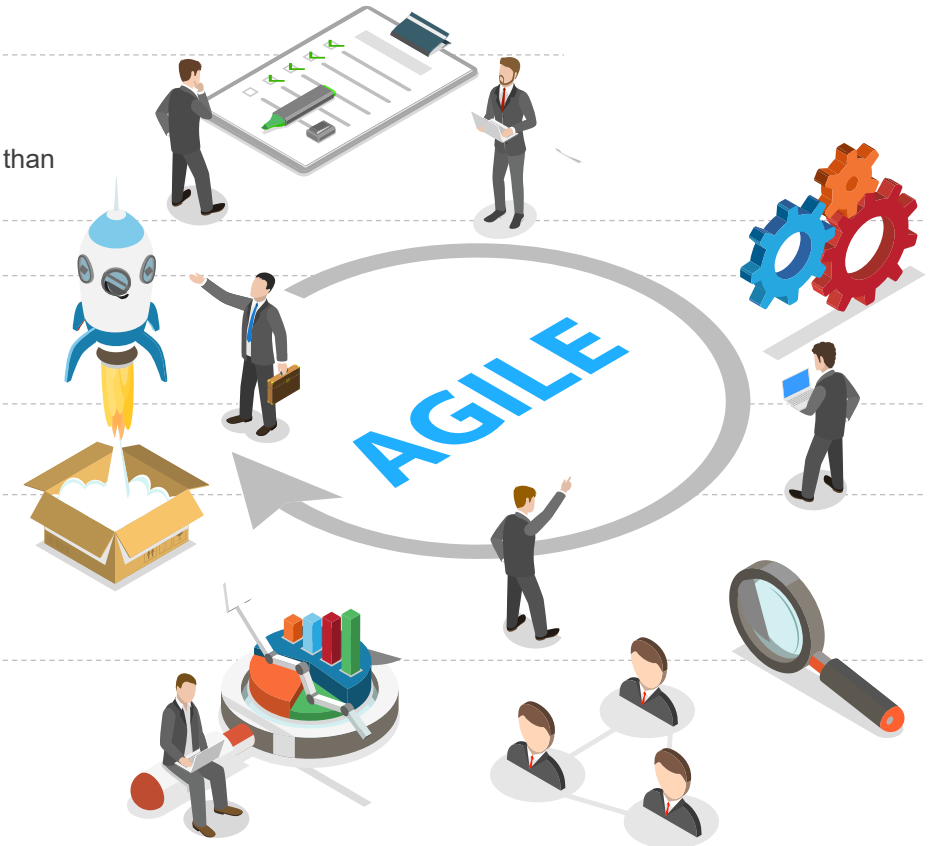


Business agility is an organization's ability to rapidly adapt to market and environmental changes in a productive and cost-efficient manner. Agile organizations showcase a Lean-Agile<sup>1</sup> mindset and dynamic capabilities to quickly identify and adapt to new challenges and opportunities.

<sup>1</sup> A truly Lean-Agile process incorporates elements of both continuous delivery and continuous improvement, optimized across the entire value stream.

## Characteristics of an agile GBS organizations

- Strategy**
  - Purpose and vision aligns with the parent organization, for providing strategic guidance and direction to teams and employees
  - Flexible approach toward value creation and resource allocation, and continuous market evaluation to identify and capture value-addition opportunities
- Organization structure**
  - Flat structure, with a strong leadership and decentralized governance for effective organizational response
  - Multiple communication channels to engage all levels in decision-making
  - Empowering environment driving a greater sense of ownership among employees
- Leadership**
  - Acts as a visionary and coach
  - Provides guidance to achieve the parent organization's vision
  - More focus on talent and culture management, innovation, growth and strategy development rather than operations management
- Teams**
  - Cross-functional teams, with clear accountability and autonomy to take decisions
- People**
  - Empowered and collaborative employees
  - Entrepreneurial drive to identify and pursue opportunities to contribute to organizational goals and enhance skill sets
- Innovation**
  - Opportunity-seeking and alert organization, which constantly evaluates and applies learnings to innovate existing systems, structures, processes, teams, and other organizational components
- Business processes**
  - Dedicated focus on most valuable work by prioritizing and sequencing workstreams rather than multi-tasking
  - Flexibility in operations to counter ambiguity and with continuous and rapid iterations
  - Focus on performance improvement and continuous learning
- Technology**
  - Acts as an enabler in creating a flexible and alert organization
  - Facilitates quick responses to business and stakeholder needs
  - Progressively incorporates innovative technologies, e.g., AI, RPA, analytics, and blockchain



# Recipe for successfully attaining business agility in GBS organizations



## Commitment

- Need to focus on mindset change and increasing tolerance towards risk (over 50% of the companies believe their resistance to change impedes progress towards complete agility)
- Culture change to enable scalability of agile model



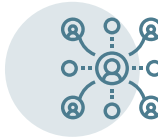
## Competence

- Talent management, i.e., focus on the empathy-based approach to leadership and hire team players
- Invest in roles of the future and nurture specialist talent



## Collaboration

Leverage internal social tools to drive transparent collaboration across the organization



## Construct

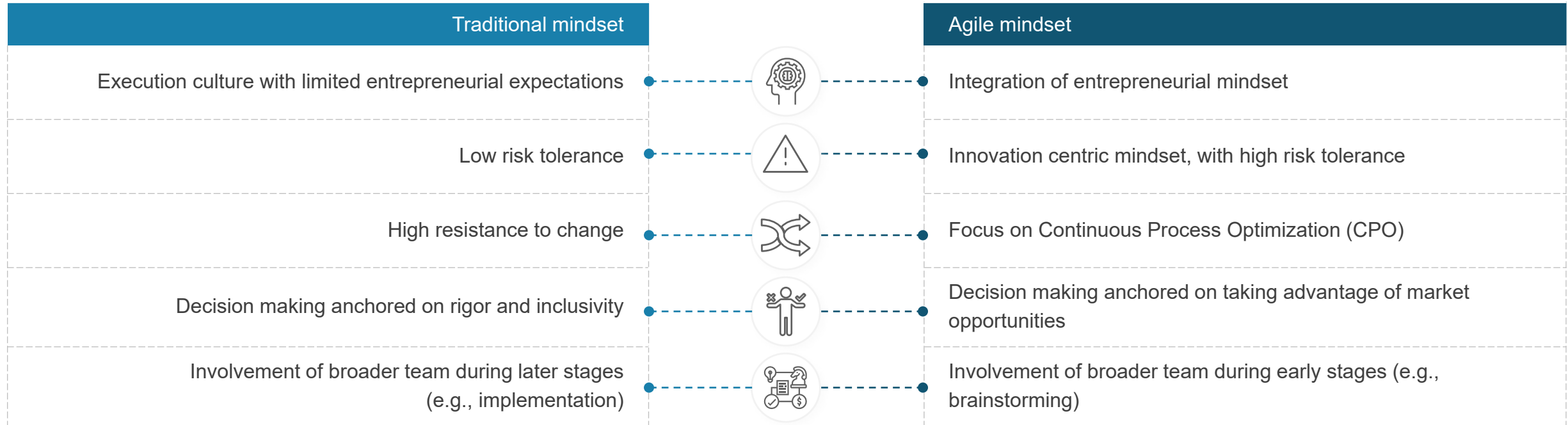
Need to ensure autonomy, evolve the operating model, establish open communication channels, and/or build a bottom-up communication channel (enterprises end up straight-jacketing themselves in existing operating models and are unable to innovate to realize the true potential of agility)

# Commitment | changes in mindset and culture to enable scalability of agile model

## Steps to boost employee commitment



## The shift



## Commitment | case study

A leading US-based bank created a culture conducive to agility by effectively initiating a mindset change among employees

A US-based multinational bank succeeded at adopting agile methodologies for reducing time to deliver solutions and dependencies on key personnel in the technology team



### Brief description of the initiative

- The **Director of the technology team and senior leadership were at the forefront** of the initiative to adopt agile methodologies
  - They commenced the journey by showcasing a mindset change among themselves and **openly communicating about the need for change**, and the associated benefits to get the employees on board with the process of transformation
  - They set an upfront example by **undergoing the Agile training themselves**, before chalking out a comprehensive plan for the entire team, hence creating a more conducive culture of change for the employees
- They sought external support by investing in **Agile coaches** to assist the staff in inculcating unconventional ways of thinking and working
- **Transparency regarding the initial hiccups and chaos** was maintained throughout the process, and the expectations of the employees were managed accordingly
- Teams were encouraged to efficiently **manage their time and utilize 20% slack time for learning and conducting team experiments**; they were not overburdened with stringent timelines
- Agility was taken up as an expected outcome of **continuous improvement** over a period of time, rather than being perceived as an overnight realizable goal

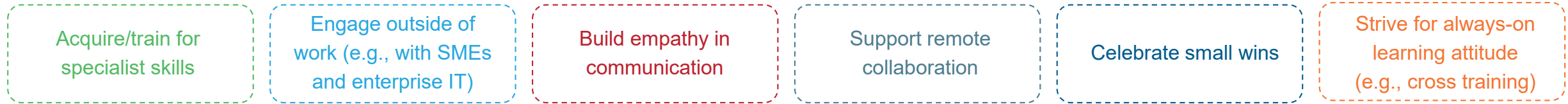


### Key Impact

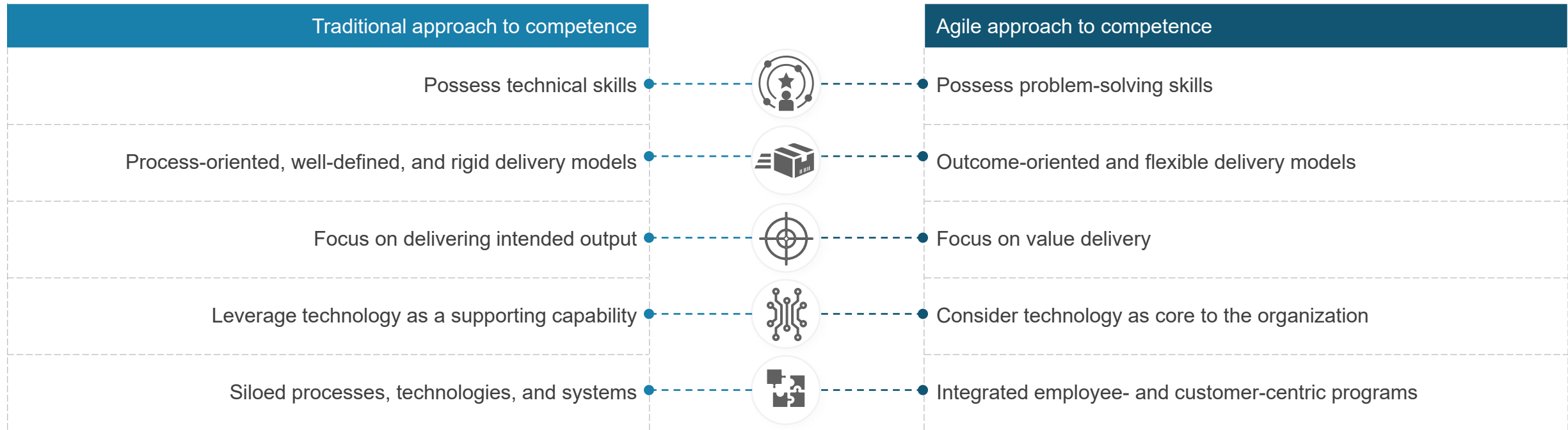
- The adoption of the Agility framework offered an **organization-wide methodology for continuous improvement**
- The team was successfully able to **reduce time to deliver solutions by >50%**
- **Risks related to the involvement of key personnel were eliminated** as each employee was given training across multiple functions/processes

# Competence | empathy-based approach to talent management

## Steps to boost employee competence



## The shift





## Competence | case study

A robust talent management strategy enabled a leading biotechnology company to accrue tangible benefits in productivity through agile methodologies

A US-based biotechnology company improved its productivity and accelerated the qualification for Safe Quality Food (SQF) Level 2 certification by leveraging agile methodologies



### Brief description of the initiative

- The company invested in **training of employees** for better and smooth inculcation of lean methodologies in day-to-day business
- **Scrum coaches** were deployed to provide specialized coaching; the coaches guided the managers and the teams through the transformation process and helped in developing requisite competence among the employees
- After a two-day coaching session on Agile and Scrum, **suggestions on making the company more productive were invited from the employees**
- Post the ideation, executives published a **prioritized list of ideas and established small pilots** in various departments such as cellar operations, winemaking, distribution, bottling, quality, and plant maintenance; **the pilots turned out to be highly successful**. Consider for instance
  - To take out time from Business-As-Usual (BAU) tasks to be able to focus on innovating special products, the distribution unit also began testing processes to conduct daily work faster
  - They also proactively allocated 10% of the time to effectively deal with interruptions from the mother brand
  - This resulted in ~10x increase in the efficiency of the distribution team
- During the entire process, the company encouraged the employees to inculcate the **values of team spirit and collective excellence**; they valued the employees by involving them in the early stages of brainstorming and decision-making



### Key Impact

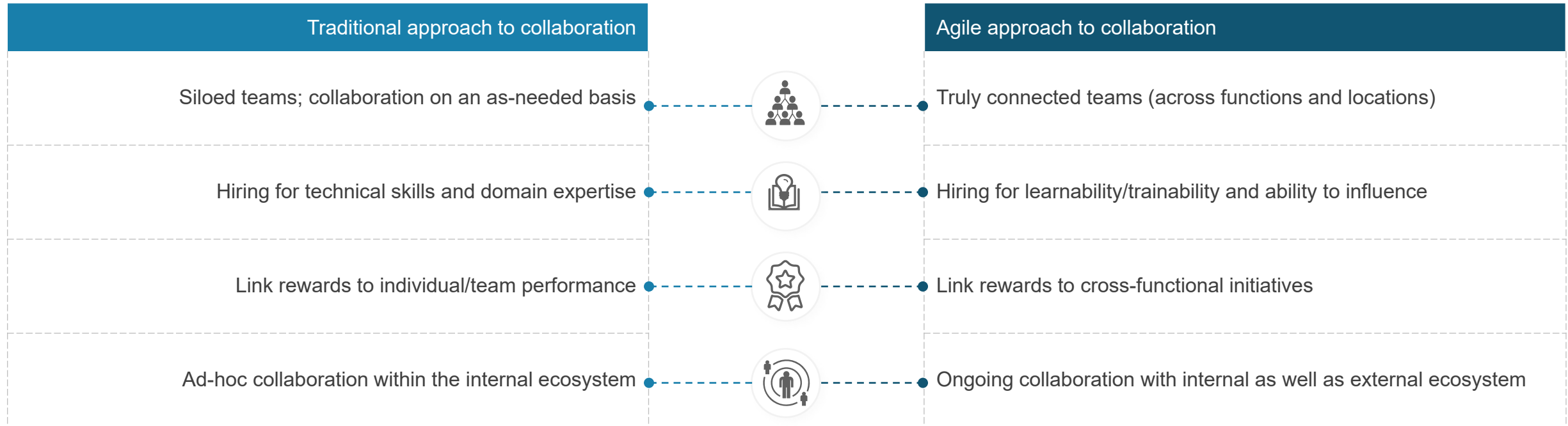
- **Improvement in productivity levels with 90% increase** in accuracy of annual finished goods over three months
- **Completion of ISO 9001 recertification with zero exceptions**

# Collaboration | drive transparent collaboration across the organization

## Steps to boost employee collaboration



## The shift



## Collaboration | case study

### A leading European bank leveraged collaborative teams to create an agile structure in response to changing consumer behaviors

A leading European multinational banking and financial services company successfully created multi-disciplinary teams to adopt an agile organizational structure to achieve higher customer satisfaction



#### Brief description of the initiative

- The bank anticipated **rising customer demand for digital solutions** (e.g., omnichannel experience) and increasing incursions by new digital competitors (e.g., FinTechs) in its retail business
- To address this, the bank started following a **new agile organizational model with no fixed structure – it constantly evolved**; the agile organization structure reorganized the bank’s traditional teams into “**tribes**” and “**squads**”
  - 13 tribes, each consisting of 150 FTEs, were created to address specific domains (e.g., mortgage services and securities). Each tribe has a lead to establish priorities, allocate budgets, and ensure knowledge-sharing within and across the tribes
  - Each tribe further has squads of 9 or fewer people to address specific customer needs by creating new products and services
    - ◆ **These squads are cross-disciplinary, typically a mix of marketing specialists, data analysts, user-experience designers, IT engineers, and product specialists**
    - ◆ One squad member acts as the product owner, responsible for coordinating activities and setting priorities
    - ◆ The squad stays together as long as is required to meet the customer need from start to finish (e.g., improving user experience on the mobile app); completion of tasks may take two weeks to 18 months
- By working in teams from various disciplines, squad members could **quickly resolve issues that would previously bounce from department to department**; information sharing was encouraged through mechanisms such as scrums and daily stand-ups



#### Key Impact

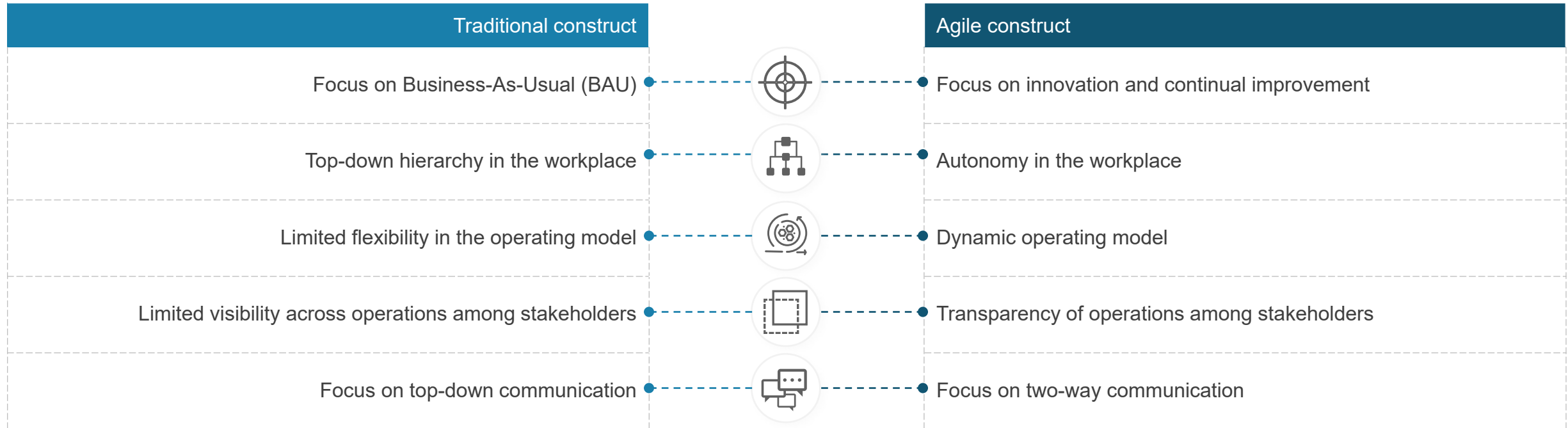
- The bank has rolled out this new way of working for the 40,000+ employees outside its home country
- **Customer satisfaction and employee engagement** have both increased; the bank has also achieved **higher speed to market** with new products
- At an overall level, the bank has achieved **more than 40% efficiency gains**

# Construct | enterprise commitment to evolve to realize the true potential of agility

## Steps to boost employee construct



## The shift



## Construct | case study

A leading travel company's legal affairs team became a lean operational group by enabling autonomy, establishing open communication channels, and focusing on innovation

An Australia-based travel company's legal team adopted lean and agile methodologies to accelerate innovation and improve productivity



### Brief description of the initiative

- In terms of context, the company's **legal team plays a vital role** in the organization. Apart from everyday work, such as managing contracts, they manage the overall organizational risk and advise a business strategy for various legal entities in the group
- The primary **challenges faced by the legal team were the exhaustive day-to-day demands and constant rework, leading to lower morale and rapidly declining job satisfaction**. Additionally, internal clients often set unrealistic deadlines forcing constant reprioritization
- To overcome this challenge, the legal team adopted the right combination of **Agile, Kanban, and Scrum**
  - They **autonomously conducted continuous end-to-end system reviews to focus on three principles – delivering value, reducing waste, and continuously improving the performance**
  - An **agile whiteboard was created to enable transparent and open communication** across the organization
    - ◆ The entire workload on the legal team was put on the board under different categories – **blocked, done** and **in-progress**, with no hidden projects in the pipeline
    - ◆ Using unique printed cards (tracking effort spent), internal and external stakeholders could track and monitor their work closely
    - ◆ The team independently prioritized the work received from other teams based on the nature of work (e.g., revenue-focused)
    - ◆ As a result, unrealistic planning of long-term goals was abandoned to redirect the team's energy into the innovation of processes
- With the help of agile whiteboard, the team was able to openly and more independently communicate without any need of reporting to multiple external and internal stakeholders, thus focusing more on innovation



### Key Impact

- Implementing this methodology took 100 days, and the team was able to **improve its productivity by 25%**
- **Reporting to internal stakeholders reduced** as they could see exactly where their work is prioritized on the board
- The team has been growing its **internal Net Promoter Score (NPS)** consistently
- The initiative has led to **increased commitment** towards work and higher accountability within the team

## Best practices to drive 4Cs of success to attain business agility



### Commitment

Transparency needs to be ensured across all stakeholders – internal and external. This would reduce chaos, help meet the expectations of both clients and employees, and allow for realistic long-term planning.



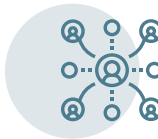
### Competence

**Training and learning** should be given higher weightage, especially with technical and lean skills growing in demand. Firms are investing in training across all levels to inculcate learning and growth in the organization.



### Collaboration

**Internal and external collaboration and dedicated connection networks** are critical in helping organizations leverage teams across multiple disciplines, with a varied skillset, to resolve multi-dimensional complexities.



### Construct

**Communication and decision-making** need to be multi-directional, engaging, and inclusive of every stakeholder in the process. This helps in providing autonomy and eliminating micromanagement.



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