Enterprise Agility

Why is Transformation so Hard?
Enterprise Agility: Why is Transformation so Hard?

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Research Background
Why is Transformation so Hard?

Challenges Experienced Adopting & Scaling Agile

- Company philosophy or culture at odds with core agile values: 63%
- Lack of experience with agile methods: 47%
- Lack of management support: 45%
- General organisation resistance to change: 43%
- Lack of business/customer/product owner: 41%
- Pervasiveness of traditional development: 34%
- Insufficient training: 34%
- Inconsistent agile practices and process: 31%
- Fragmented tooling, data and measurements: 20%
- Ineffective collaboration: 19%
- Regulatory compliance and governance: 15%
- Don’t know: 2%
What is Enterprise Agility?

Different viewpoints
“characteristic of the interface between a system and its external environment… flexibility acts as a filter, buffering the system from external perturbations. Flexibility thus functions as an absorber for uncertainty.”

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“The Sensing of Unknown Futures”

Seizing – Mobilisation of resources"

Transforming – Continued renewal”

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”Top management viewpoint”

- “many companies fail, not because they do something wrong or mediocre, but because they keep doing what used to be the right thing for too long”

- “companies now need to transform their business models more rapidly, more frequently and more far-reaching than in the past”

➤ Continuous Business Model Renewal

- “(Strategic agility is) thoughtful and purposive interplay’ on the part of top management between three ‘meta-capabilities"

1. Strategic sensitivity
2. Leadership unity
3. Resource fluidity

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Flexible strategic and operating capabilities permit the firm to rapidly retool existing products, change production volumes, customize service offerings etc. However, the firm consistently misses emerging opportunities because it doesn’t know where to apply its strengths (lost) or it applies them to the wrong opportunities (leaping).

Well-developed sensing capabilities allow the firm to detect environmental change caused by new technologies, legal/regulatory change etc. Strong strategic and operating capabilities allow the firm to commit the appropriate resources to seize the opportunity in a timely manner.

The firm lacks both the ability to sense relevant environmental change and the ability to respond to it in an agile manner.

Well-developed sensing capabilities allow the firm to detect environmental change and identify emerging opportunities. However, the firm fails to capitalize on these opportunities because it responds too slowly, not at all, or in an inappropriate manner.
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“Software Engineering viewpoint”
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“The Subtle Art of Enterprise Agility Transformation”

Internal/Operational aspect
Human development, communication practices, commitment, team empowerment, self-management, process efficiency, consistency, predictability…

External/Strategic aspects
Innovation, effectiveness, new resources, resilience, customer involvement, product quality, experimentation…

Transform, renewal, shifting

Seize, Respond Readily and Appropriately

Sense Environmental Change

Organisational Values, Leadership etc.

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“Transformation Approaches”

Scaled frameworks / operational scaling of agility (Scrum, Large Scale Scrum, SAFe… etc.)

Step A  Step B  Step C

Business-driven / strategic transformation (continuous business model renewal)

BUSINESS MODEL A  BUSINESS MODEL B  BUSINESS MODEL C

Sustainable excellence driven transformation (organisational culture, values, leadership… )

HOLACRACY  Beyond Budgeting  Management 3.0
Case Study
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Research context

- Large (>9000) and distributed organisation in higher education domain
- New strategy & transformation objectives 2017: Adaptive organisation, learning material production speed, efficiency (cheaper, faster), customer orientation etc, etc…
- Organisational structure including researchers, lecturers, IT people, media production (online learning modules)…
- Qualitative data collected in meetings with managers, interviews with change agents/coaches, participation to “Agile Discovery” sprints (5 months research period)
- Thematic analysis “What are the challenges related to transformation?”
Case Study

Research and data collection activities

- Interviews, internal documents, meetings.
- “Agile Discovery” teams:
  - Agile Principles -team
  - Scrumban -team
  - Kanban -team
  - AgilePM (DSDM / Agile Project Management) -team
  - Agile Teams and Organisation -team

Discovery sprint/increment reviews:

Discovery sprint sessions Nov 2017-April 2018
Conclusions
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Case study findings – Transformation challenges

- **Existing organisational cultural traits (Legacy of Hierarchy)**
  - Bureaucracy in processes, organisational silos / tribes, handovers between units... ->
  - Limited organisational adaptability, innovation and efficiency
  - Slow customer feedback cycles
  - Slow and expensive product improvement cycles (planning and budgeting of large projects, activities spread over multiple organisations)

- **Most acute challenges in renewal of production processes**
  - “Orchestration of transformation activities” - Multiple agile transformation activities were launched but top-down management synchronisation and alignment was considered still challenging.
  - “Accumulation of bottom-up agile transformation innovations” - Sharing of experiences and best practices related to team/project level transformation,
  - “Establishing of long lasting Agile Team structures” – How to work like an Agile Team in an organisation with various media production specialist, content editors, academics etc.
  - "Change towards minimum marketable products” – How to change people mindset, quality criteria, and working practices towards rapid incremental delivery and continuous product improvement.
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Summary - Why is Transformation so Hard?

The Subtle Art of Enterprise Agility…

● Shaping of new company philosophy, organisational culture and values
  ➢ Understanding of existing organisational “actual values” -> Organisational culture diagnosis/assessment (survey etc.)
  ➢ Creation of action plan for shifting from Hierarchy culture (control and efficiency) towards Adhocracy culture (innovation, dynamic capabilities)
  ➢ Setting of short/ and long-term goals for change of organisational values and behaviours. Agreeing of what to Try / Keep / Change

● Leveraging of experimental approach for “sustainable transformation”
  ➢ Alignment of bottom-up (subject matter experts) knowledge and Top-down (senior & middle management) activities, innovation, support, empowerment
  ➢ Transformation knowledge management (organisational brain, knowledge repository for transformation, sharing of best practices)

● Management of multidimensional change (maintaining a right level of control & seeing the big picture)
  ➢ Balancing of cost for transformation and existing business activities (revenue)
  ➢ Operational agility / Strategic agility
  ➢ Enterprise internal/external stakeholders
  ➢ Leadership
  ➢ …
More information

Agile Business Consortium

https://www.agilebusiness.org/
Thank You!

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