Be formless | Organisational agility

Baringa — Brighter together

We are living and working in uncertain times. Volatile markets, evolving technology and changing workforce expectations are all putting pressure on the modern organisation. Many executives don't how to move forward and stay competitive.

The good news is that change is not only possible but essential in order to operate successfully in the 21st century. Leaning on old methods is no longer an option – the modern organisation needs to take flexibility and adaptability to a whole new level. If you adapt successfully, you'll not only survive, but thrive.

> "Right now, many businesses are frozen by operational rigidity. Developing organisational agility allows you to flow again."

'Frozen' organisations – what's going on?

MARKET VOLATILITY

Many concepts start as great ideas and improvement drivers, but over time, they get eroded – either by their users or by the turbulent environments around them. In recent times, the world of business has reached new levels of turbulence. Organisations today are facing a huge degree of volatility across three fronts:

CONSUMER
- The pandemic has clearly reshaped people's needs, lifestyles and values. These shifts have in turn altered their behaviours and spending patterns.
- The shift to digital is here to stay – even for population segments that have historically lagged behind.
- Product personalisation and market disruptors are affecting companies' core value propositions. Meanwhile, always-on business models are changing the nature of work and the skills organisations need.

ECONOMIC
- Evolving consumer trends have significantly impacted the economy. Some industries are struggling, while others have seen huge surges in demand.
- Changes in fiscal and regulatory policy are increasingly unpredictable and can affect multiple parts of the business.
- Climate risk and net zero are fast becoming the defining issue AND opportunity of this era.

TALENT
- For the first time in history, we have five generations in the workforce. Gone are the days of people joining an organisation and staying for decades. Instead, millennials seek to gather a broad portfolio of experience.
- It's now normal to consider an organisations' societal and environmental impact when choosing where to work.
- Physical and mental health have never been higher on the global and local agenda.

Why agility fails

AT THE INDIVIDUAL LEVEL
- **LEADERS PROTECTING THEIR TURF**
- **UNLEARNING OLD BEHAVIOURS**
- **ALIGNING ON AND ARTICULATING OUTCOMES**

AT THE ORGANISATION LEVEL

LEADERSHIP BEHAVIOUR
Lack of change in leadership thinking, impacting culture

ORGANISATION
Retaining traditional org management systems that aren't fit for purpose

ONE SIZE FITS ALL
Taking a one-size-fits-all textbook approach to change methodology

MASS TRAINING
of agile methods, with the expectation that the organisation will become agile

OPERATION
Changing titles and structures but not roles, skills, ways of working, and career paths

INCORRECT MEASURES
Measures and KPIs in the organisation are not aligned to the company's purpose or business outcomes

75%
75% of organisations have agility in their top three strategic priorities...

<5%
...but less than 5% have achieved an enterprise-wide transformation

> "Many concepts start as great ideas and improvement drivers, but over time, they get eroded – either by their users or by the turbulent environments around them."

How to flow from frozen to fluid
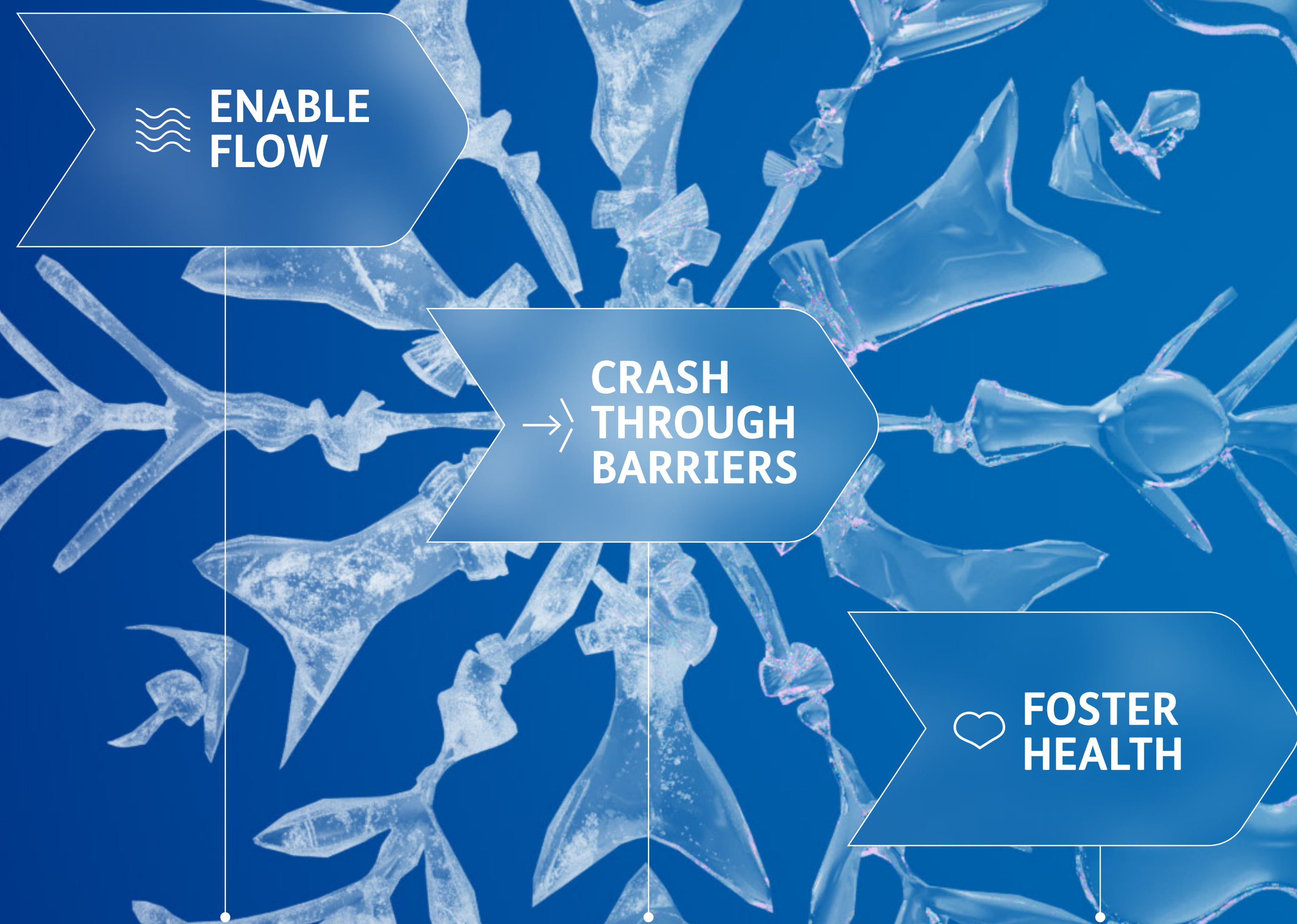
ENABLE FLOW
- **LASER FOCUS ON CUSTOMER VALUE**
- **RUTHLESS RE-PRIORITISATION**
- **SELF-ORGANISING COMMUNITIES**

CRASH THROUGH BARRIERS
- **BREAK DOWN SILOS**
- **MOVE FROM PROJECTS TO OUTCOMES**
- **DECENTRALISE DECISION-MAKING**

FOSTER HEALTH
- **CLEAR PURPOSE**
- **PSYCHOLOGICAL SAFETY**
- **CREATE SLACK** – UNSTRUCTURED TIME TO FOCUS ON CREATIVITY

SIX ENABLING FACTORS
- Tight/loose OKRs
- Decentralised decision-making
- Small incremental releases
- Flexible resource allocation
- Coaching mindset
- Dual operating model

> "There is a recognised need for organisations to be Agile, but many fail to translate this into a necessary organisational capability, namely agility."
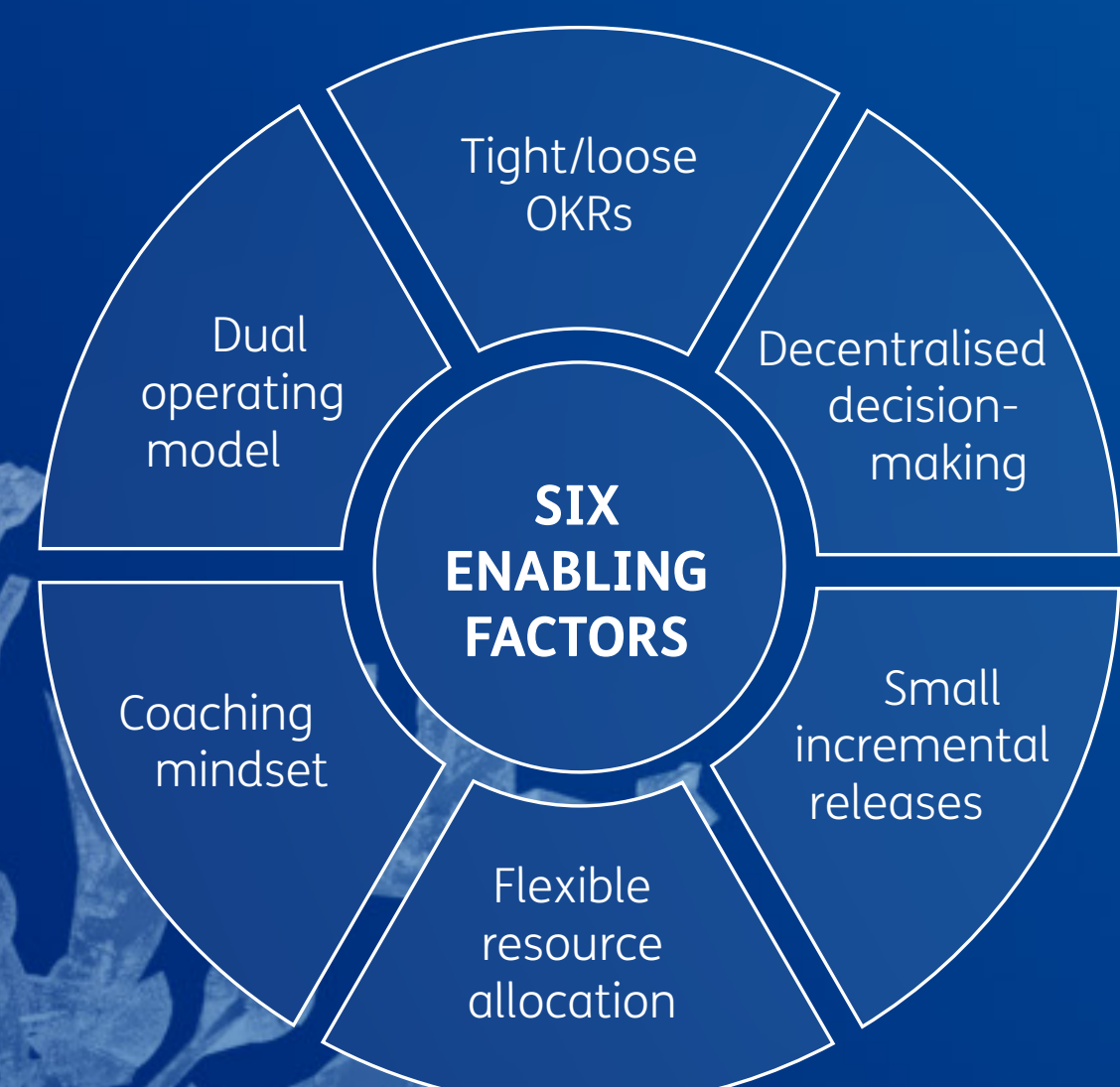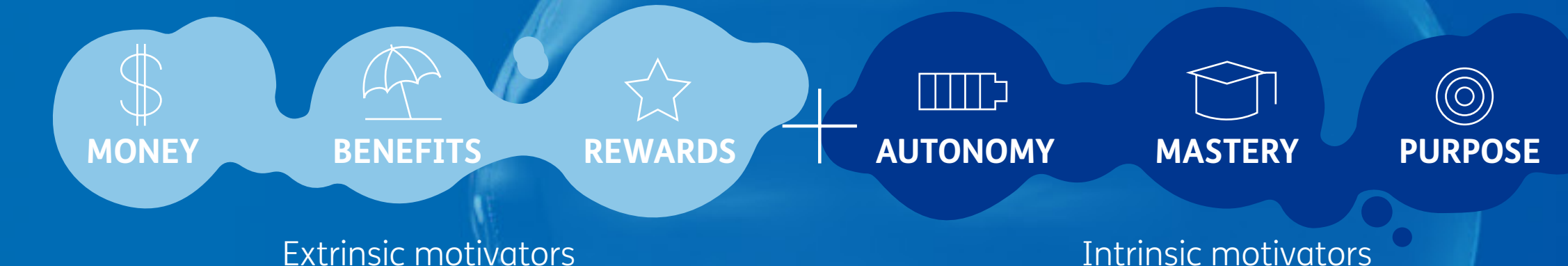
'Fluid' organisations – key elements for success

Let's be honest, a lot of businesses (and not to mention, a lot of consultancies) are talking about Agile and agility, but each one has a different approach to implementation. And while there's no shortage of advice about Agile out there, not all of it is sound. To get off to the right start, executive teams must be aware of common myths and recognise some important truths.

CHALLENGING CONVENTIONAL MOTIVATORS

Most business operating models are built around extrinsic 'carrot and stick' motivators. However, humans yearn to exercise their minds

- **MONEY**, **BENEFITS**, **REWARDS** — Extrinsic motivators
- **AUTONOMY**, **MASTERY**, **PURPOSE** — Intrinsic motivators

THERE IS NO LONGER A TRADE-OFF BETWEEN KEY BUSINESS DRIVERS
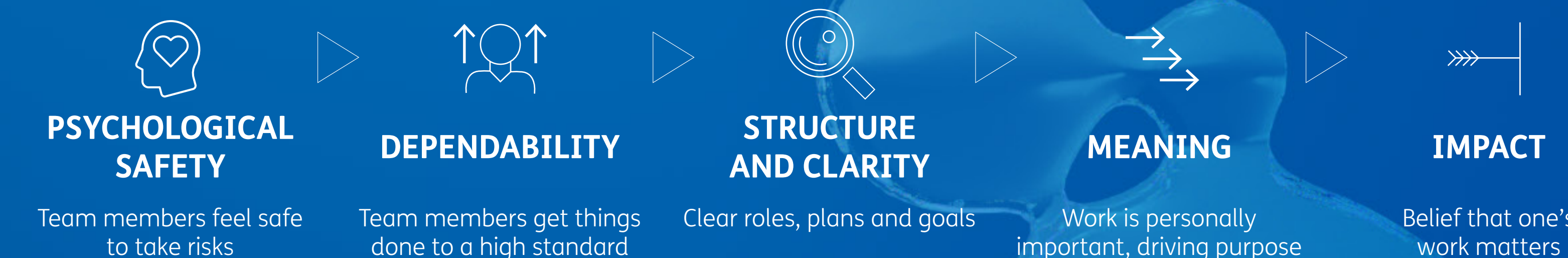
SPEED + **QUALITY** + **COST**

> "To achieve agility, leaders must balance their desire for increased levels of control and compliance while moving decision-making to where the information sits."
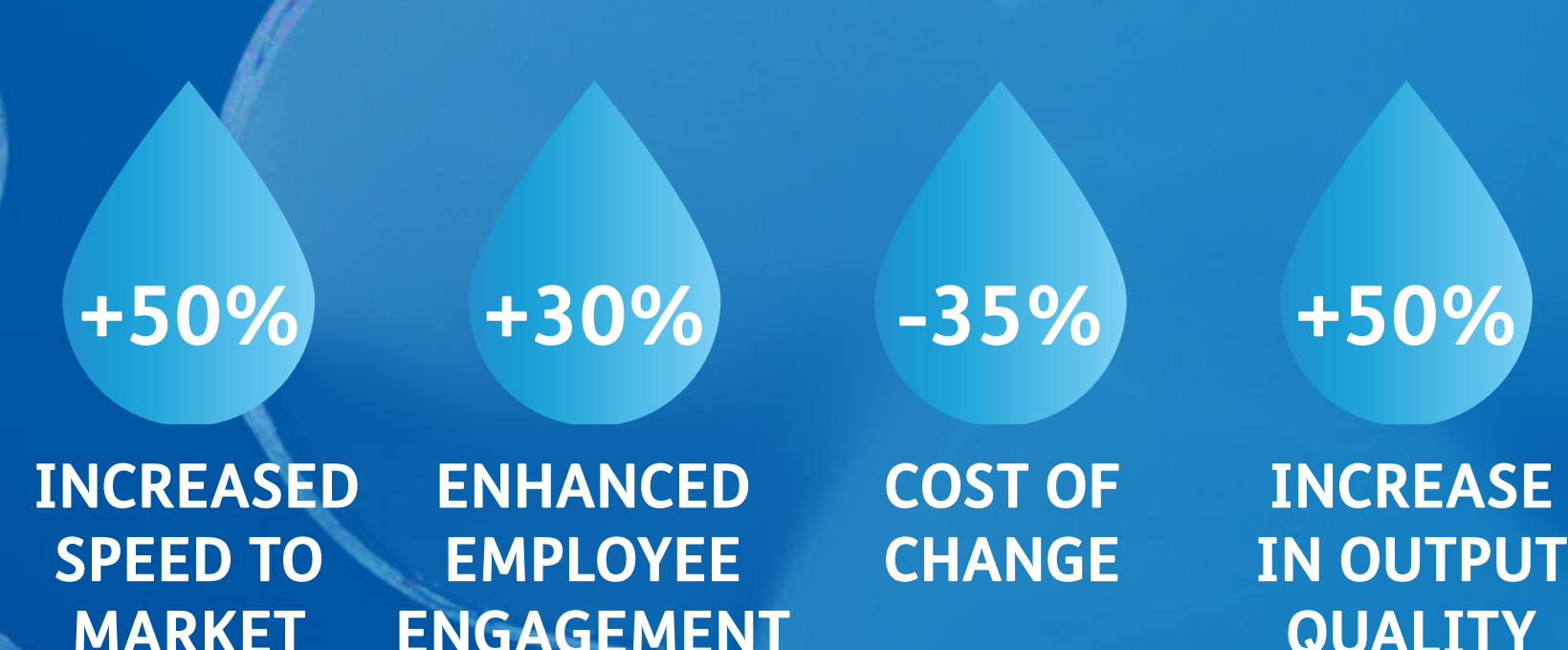
KEY SUCCESS FACTORS
- ✓ **PICK A VALUE STREAM TO START YOUR TRANSFORMATION JOURNEY. DON'T GO TO BIG BANG IMMEDIATELY.**
- ✓ **GO FOR CULTURAL CHANGE TO EMBED THE NEW THINKING.**
- ✓ **PRIORITISE EASE OF IMPLEMENTATION INITIALLY, RATHER THAN THE TRADITIONAL APPROACH OF BIGGEST BENEFITS FIRST.**

Greater agility is proven to provide the following benefits:

CULTURAL BENEFITS

PSYCHOLOGICAL SAFETY
Team members feel safe to take risks

DEPENDABILITY
Team members get things done to a high standard

STRUCTURE AND CLARITY
Clear roles, plans and goals

MEANING
Work is personally important, driving purpose

IMPACT
Belief that one's work matters

OPERATIONAL BENEFITS

+50% INCREASED SPEED TO MARKET

+30% ENHANCED EMPLOYEE ENGAGEMENT

-35% COST OF CHANGE

+50% INCREASE IN OUTPUT QUALITY

> "Trust works both ways. Just as leaders need to place greater trust in their people, they also need to earn their employees' trust."

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