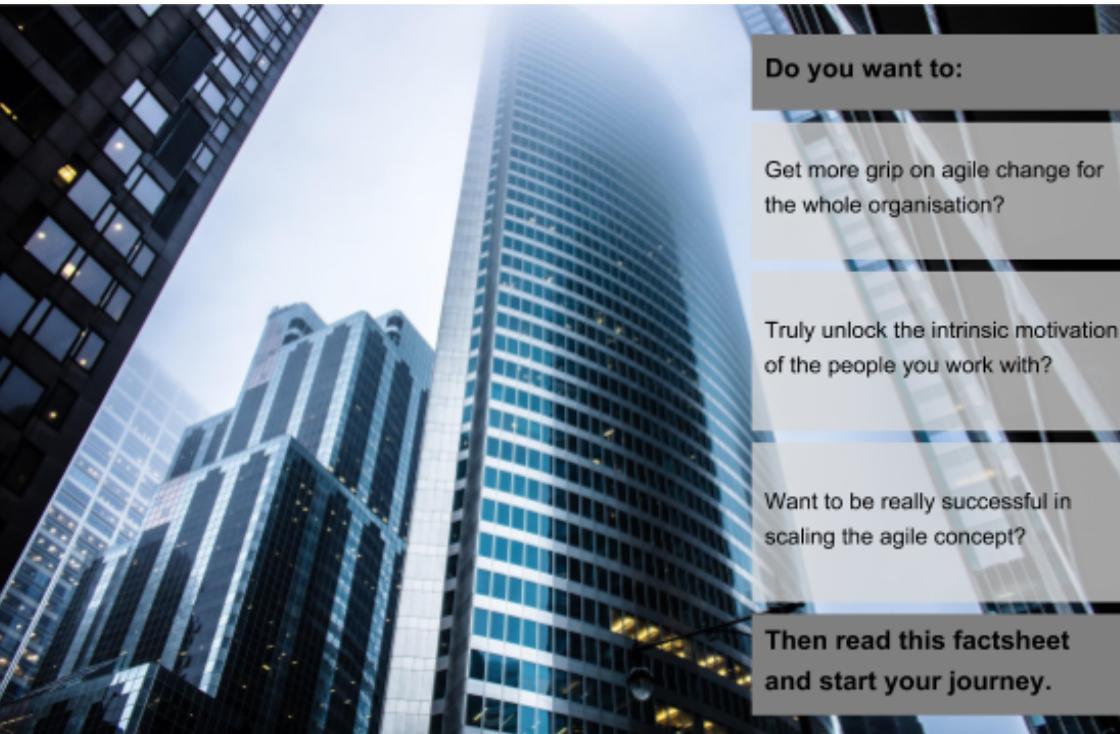


Factsheet

The Agile Enterprise

How to be more successful on agile change for the whole organisation?



Do you want to:

Get more grip on agile change for the whole organisation?

Truly unlock the intrinsic motivation of the people you work with?

Want to be really successful in scaling the agile concept?

Then read this factsheet and start your journey.

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Introduction

Companies struggle to be more dynamic, to be able to respond to environmental and internal challenges. Relatively small companies, start-ups, can change almost as they go. Larger, more established companies, are and have to be more bureaucratic to capture the economies of scale and to be reliable and predictable.

So, the main question is: how to do both? How to maintain stability while being able to respond swiftly to changes in the environment? A bank e.g. has to pursue operational excellence in its payments processes while experimenting with the channels to keep the customer's attention.

Digital Transformation

Meanwhile, we're in the midst of the Digital Transformation. IT is (going to be) everywhere. This is a tremendous help in getting more speed into the business processes and gain competitive advantage. IT is an enabler of change, yet IT is a factor which brings its own complexity and issues of legacy, security, performance, stability and predictability. In the queeste for a more dynamic organisation IT can be an enabler as well as a blocking factor and has to be taken into account seriously.

Lean and (Scaled) Agile

Lean and Agile are business concepts that enable companies to become more dynamic, both in different ways. Lean helps to reduce waste from the processes. Lean's focus is on **stability** and continuous improvement.

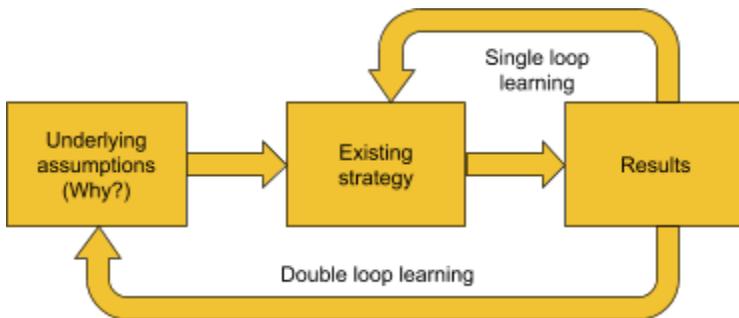
Agile embraces a set of principles to improve the management of the software development process, i.e: that's how it started in 2001. Agile embraces **flexibility** and shifts the power to the execution: the development team and the customer; instead of formal documentation and procedures.

Within the agile concept the Scrum framework conquered the world. A fairly easy way of self organising for teams. Sametime, models were introduced to scale the agile concept to the enterprise level. Agile/ Scrum became so successful that it grew outside of its IT 'boundaries' and set foot in business domains. Now entire companies strive to become an Agile Enterprise. A great development since a smart implementation of the principles will increase the speed and agility.

The main challenges

Scaling the agile concept is a great thing to do. Scaled agile combines both Lean and Agile and adds a lot of best practices which actually can significantly improve the performance of organisations, both IT as well as business. Well implemented it combines both stability as well as flexibility.

But, implementation is always complex and comes with a number of new challenges.



Dogmatism

The main challenge is the dogmatism. Companies tend to think and act within existing boundaries of the existing strategy and corresponding way of working (single loop learning). The same goes for Scaled Agile (and other business improvement concepts). This means that we tend to follow the rules instead of following the underlying principles (the ‘Why’). And that is not sufficient for a successful change.

Too much support

Large companies make use of too many consultants (both internal and external) to support these new business concepts. Some support, however,

while learning and adopting a new concept, is useful. Too much support is unnecessary and weakens the company. It prevents people from thinking of their own. And that's just what we want. We want people who understand the Why of the organisation and are able to act accordingly.

Not enough attention on the change process

Improving of a business concept is change management. The focus of most improvements and transformations is often on the new business model or the framework itself and not on the change process. But that is a serious mistake. Implementing change is only sustainable when you truly unlock the intrinsic motivation of the people you work with. The only way to do so is to pay attention to both the business goals and underlying assumptions as well as to the individuals and their motivation, culture, behaviour and attitude.



How to do better?

Focus on strategy and the change process

The main question is: how to respond fast to change while maintaining organisational stability?

Our advice would be to focus more on **strategy** and the **change process** itself than on the business concepts or models to implement. The latter is

important, but it is more important to make the change really happen instead of just adding some rules.

Strategy is important to describe the *Why*, the goals of the future organisation and the way the change is going to take place. This provides clarity for the people in the change process. The change process itself can shake things up. The strategy gives the organisation a guiding point. This is especially essential in an era where change is and should be managed more bottom-up instead of top-down.

The change process must facilitate the transformation in such a way that the Board of Directors is able to steer and control the transformation to a certain extent. At the same time a true transformation must be a bottom-up search process in such a way that people are able to reinvent the organisation, to be able to respond swiftly to changes in the environment. A proper change process combines these two. That's why we recommend to follow these 6 principles below.

6 principles

#1 - Work on basis of a vision (i.e. the strategy)

A vision is a means for communication and expresses the *Why* of the change. A vision encompasses (1) appreciation for the current situation and the accomplishments; expresses (2) the reason for change; (3) the goals; and (4) the transformation strategy.

#2 - Work with all people

For any company, no matter what size, this applies. Find a structure to get people involved. They have to be able to own the change and to influence, at a certain level, the outcome. Solely large interventions where the Board of Directors informs the people will not do.

#3 - Create a rhythm for change

The main 'enemy' for organisational change is the pressure from business as usual. Business as usual is urgent and important. Change is 'only' important and can be done tomorrow as well. To create a proper balance between

change and going concern working in a rhythm for change will help. This rhythm can be found by creating incremental steps of 3 months each.

These steps are sprints. Within each sprint you will have the opportunity to choose what to do given the chosen strategy. This creates flexibility.

Each sprint is planned with the team(s) working in the sprint. At the end of the sprint the team(s) will look back and discuss the results and lessons learned in order to grow better each sprint.

#4 - Dare to change

Change requires a helicopter view and courage. People must have an overview of the whole chain or area they work with. Focussing only on their own team will create sub optimisation. Next to this overview it is important to develop a culture where it is possible to propose enhancements to the system, either in attitude, behaviour, process, means or organisation.

#5 - Make the change visual

The key success factor of successful change is making the change process and results visual for everyone. Teams should develop dashboards to keep track of their performance, either up or down.

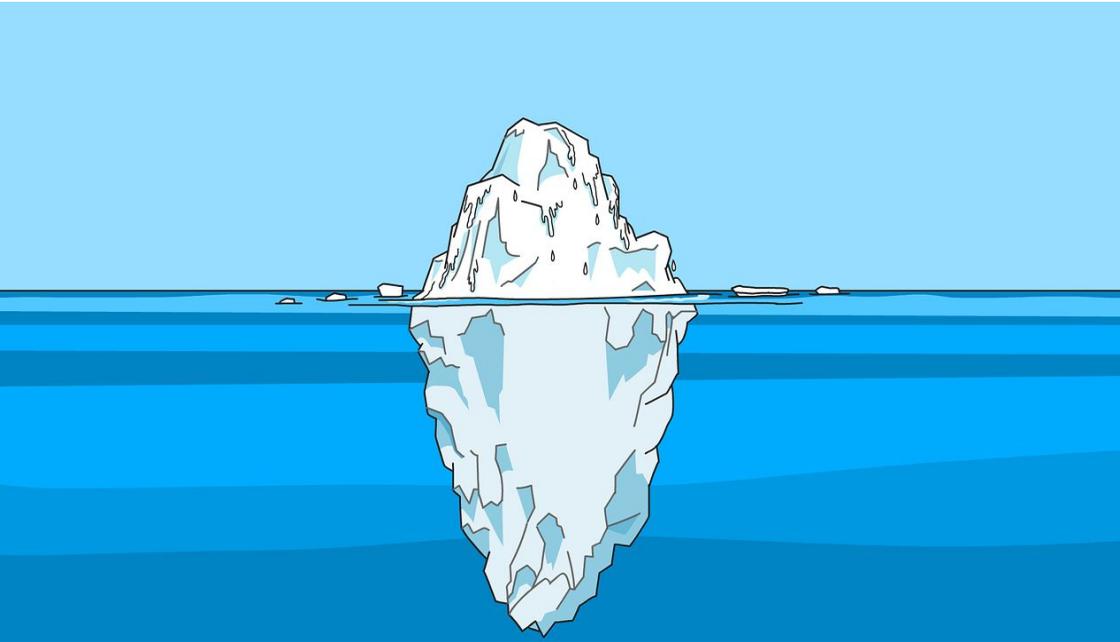
#6 - Anchor the change

It is human to do what you did yesterday. It's the easiest thing to do with the least amount of energy although we did agree otherwise. Therefore it is vital to anchor the changes made at any level in the organisation.

How does it work?

Real change must be sustainable. Since people are the most important component of the organisation, the focus of sustainable change must be on people. Do we have the right people on the bus? And how to influence culture, attitude and behaviour in the desired direction?

Problem in this area is that not all is visible, most of this is not. What we see is behaviour, what we don't see are the underlying patterns and assumptions in the various groups; the chats at the coffee machine, the informal networks,



etc. To really make the change you will have to move the whole iceberg. A single Board of Directors can't do this. Nor can a group of change leaders. But the whole organisation can.

Precondition for this movement is that all people must move in the same direction. Creating a shared vision will help. Next thing to do is to start working in that direction by adjusting/ transforming and removing the barriers along the way.

Challenge here is to make this a bottom-up movement while being able to control this movement to a certain distinction top-down. The 6 principles above will help. But, please bear in mind, change comes with a lot of challenges. It is not possible to write them all down and give solutions for all of them. The 6 principles will help, but it requires craftsmanship to guide an organisation through these challenges.

Questions? Let's talk

Please contact us. Contact details are at the bottom of this page.

And, yes, we have a framework to accompany these principles. And we do think the framework is important, but we value the above set of principles more. For further reading please we would like to refer to our website: www.ribbonwoodconsultancy.com.

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