

White Paper



Business Agility

CGI

Business agility for public sector and similar organizations, or how your organization can achieve an agile transformation

Synopsis

This white paper addresses public sector and similar organizations, including federal, national, state, and municipal organizations, service providers, and banks and their national organizations. Agile approaches are still the exception rather than the rule in these contexts; so far there have only been tentative and isolated efforts to implement projects involving agile methods, for example in the field of IT.

This white paper goes into depth on “business agility”, an approach with which organizations of the kinds addressed here can successfully implement an agile transformation while taking their unique structural and organizational parameters into account. It explains that business agility is a holistic methodology for transforming an entire organization, something that is impossible to achieve with any single measure. Sensible steps for introducing business agility are described, and crucial success factors presented and explained.

What is business agility?

A new wind is blowing in today's business world compared to, say, 10 or 20 years ago. This statement also applies to public sector and similar organizations: these days, technology is driving what is done and how, how interactions with customers and residents take place, and how business processes unfold. Services are going digital. And this trend is accelerating. Agilization – driven by IT practices and methods such as Scrum, Kanban and the like – has been going on for many years and increasingly also reshaping parts of organizations that aren't specifically devoted to IT.

Business agility puts a name on this approach. It's driven mainly by ideas that put the customer at the center of business activities, flexibly promote innovations that grow organically out of the organization, and establish a process of continuous change on both macro and micro scales. Apart from dealing with the ongoing pandemic, one of the biggest challenges now facing organizations in the marketplace is how to transform themselves and reap the associated benefits as quickly as possible.

But achieving business agility doesn't just mean changing how work is performed. A far more important aspect is altering the mindset of everyone in the organization: from agile teams and office workers all the way to the uppermost levels of management. In other words, business agility doesn't involve a single approach or address a particular part of an organization such as the IT department. Rather, it embraces all of an organization's parts and processes: its people, culture, knowledge, structures, ecosystems, innovations, processes, and technologies. The list could go on.

Business agility is an integral part of the DNA of many startups, but established organizations understandably find it hard to rock the foundations on which their business, public service, or mission rests. While acknowledging that something needs to be done to change the status quo and adapt to evolving market conditions and customer expectations, in many cases they lack the knowledge required to paint a comprehensive picture of their future or develop an appropriate strategy for making it happen.



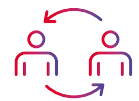
People



Knowledge



Structures



Culture



Ecosystems



Innovations



Processes



Technologies

General Requirements for Introducing Business Agility

From an organization's standpoint, what are the requirements for achieving business agility ?

It's essential for everyone involved to rethink how they view the organization's operations, business activities, and technology. They must learn to view them not as isolated silos, but as a unit around which innovation, continuous change, and the organization's ongoing activities revolve.

In other words, it's necessary to understand the organization as a dynamic system that exists, acts, and generates success via internal and external links. Connections are indispensable for success. The prerequisites for forging them are:

- A common language
- A shared definition of who makes which decisions where and how
- Criteria for prioritizing decisions and organizational tasks
- Shared principles of communication

In addition, there must be a willingness to open up to new or modified work processes and acknowledge and overcome (unconscious) complacency. This last step in particular requires everyone involved to take a brave step forward. This can be encouraged by consciously creating or selecting new role models within the organization. Top management can lead the way in this.



From a strategic perspective, it's essential to consider and analyze three dimensions, which we call the direction, the operating model, and delivery. Certain questions need to be asked about each one.

Direction

- What physical assets are available to the organization in its current state (status quo)?
- What are the relevant market and sectoral trends, and in what direction does the organization want, need, or have to evolve?
- How can the organization strategically align its existing resources as it embarks on its voyage of transformation?

Operating Model

- How can the organization become more innovative and develop new solutions within the scope of its current internal and external constellation?
- How can the organization enable appropriate changes?
- How can the organization systematically promote internal and external cooperation and leverage it to generate value?

Delivery

- How can the organization beneficially deploy technical developments such as cloud technologies?
- How can the organization purposefully cultivate partnerships and create ecosystems to generate greater value for customers?
- How can the organization consciously take advantage of available data and information (insights) to gain a lead in terms of knowledge and boost efficiency, for example by automating processes?



The Importance of Connections for Successful Business Teams

Business agility arises from an uncompromising focus on customers and their needs.

All of the organization's activities must focus on satisfying customer needs and generating greater value for them.

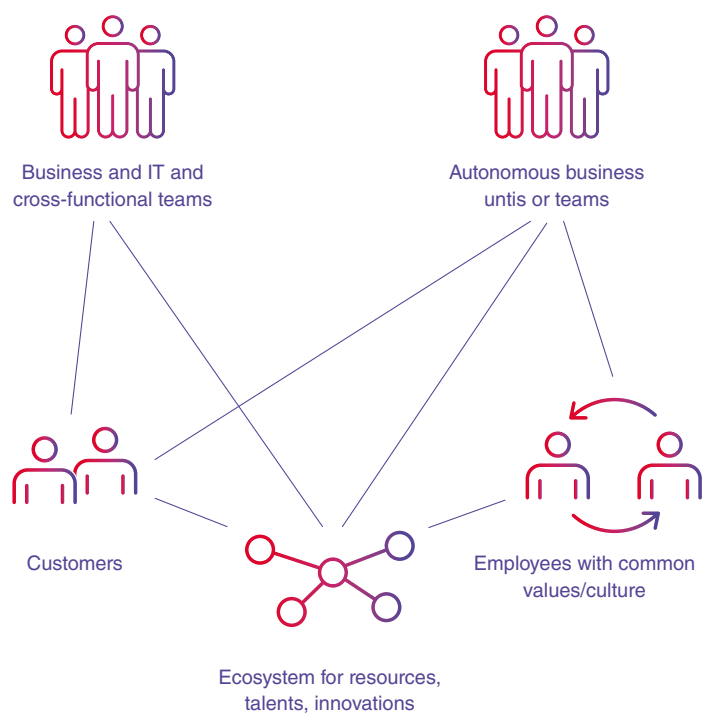
It follows from these basic principles that the organization must be as familiar as possible with its customers and their needs. In some cases, the organization may know so much about a customer and possess such a large volume of relevant data that it is able to fully satisfy its needs and add the required value. However, this is not the rule at either private enterprises or public sector or similar organizations. It's therefore essential to interlink units and/or individuals who have captured and stored customer-related data, information, and knowledge. These connections typically vary depending on the situation. Dynamic links are therefore needed within and/or beyond one's own organization.



Relevant units and individuals (experts) that are often or constantly involved should belong to an core team (business team) that includes, as a minimum, individuals from the three areas of business, organization, and technology (see page 4). Within this core team, its members share and communicate rapidly and intensively, working on products or services depending on priorities and customer needs and making required decisions, possibly while involving the customer. The goal is for the organization's decisions to be consistently geared to the customer to enable fast, flexible action and responses.

For the organization as a whole, it's vital to determine the appropriate degree of centralization and decentralization, in other words how many decentralized and largely autonomous core teams and how many central units there should be.

Human connections unlock the power of business agility



Success factors for Business Agility in Public Sector and Similar Organizations

To achieve agility, organizations must make profound changes.

The essential prerequisites for public sector and similar organizations to successfully practice business agility are a cultural shift, persistence, and scalability. These success factors are discussed in detail below.

Other success factors relevant to these types of organizations are also discussed.



Cultural Shift

The single most important prerequisite for achieving business agility is a cultural transformation within the organization.

Over the course of decades, hierarchical structures have grown deep roots in public sector and similar organizations, often influenced by politics. The people in these organizations have learned to comply with clearly defined rules in their areas of responsibility. Connections within the organization are naturally taken advantage of for developing products and services. But as a rule, decisions are made centrally: by individuals who are quite remote from the actual recipients of the services provided, in other words customers or residents.

In an agile approach, decision-making powers are less centralized and closer to customers. For this to work, it's necessary to create new decision-making paths and establish new decision-makers, possibly while disempowering existing ones. In the public realm, such an approach is almost revolutionary. It therefore takes a strong will and a great deal of courage on the part of an organization's leaders to tackle this challenge, since there can be considerable resistance to the changes. A business agility initiative launched without sufficient resolve and vision can quickly lead to the exact opposite of what is intended. Business agility is therefore something that needs to be carefully planned and implemented on a long-term basis.

Besides strategic considerations, the operational dimension is critical for the cultural shift and thus for every single one of the organization's employees. The agilization process overturns roles and ways of working, timeframes and work instruments, reporting paths, and result types: in other words, everything that staff have become accustomed to over the course of many years. Going forward, everyday work is now characterized by sprints lasting only a few weeks, sharing in Scrum teams, use of Kanban boards, or brief daily meetings, in addition to backlogs, interactive whiteboards, and various other work instruments and tools.

The rewards of this cultural transformation at public sector and similar organizations include:

- Products and services that are clearly geared to customers' needs
- Avoidance of products and services that don't add any value
- Available staff who can devote themselves to tasks for which no capacities were previously available
- Reduced project costs
- Innovations based on systematically accumulated knowledge, data, and information
- The ability to change and adapt ways of working depending on customer orders and requirements
- Faster completion of projects
- Intensive sharing and communication within and beyond the organizations (connections)
- Value added by sharing data and information (while complying with legal requirements)
- Value added with modern (IT) tools, e.g. for automating tasks

Duration of Implementation

As mentioned, business agility isn't an isolated measure but a holistic process. Before public sector and similar organizations start down this path, they should therefore also devote thought to its duration. The agilization process never completely comes to an end. Instead, a state is achieved that is acceptable to the organization. This will inevitably be different in each case.



To get a feeling for how long this process can potentially take, it's a good idea to start by assessing the organization's current maturity level in terms of business agility. The findings will help management choose appropriate measures and assess how long it will probably take to implement them. The organization's maturity level should be determined in cooperation with a suitable service provider, with the process culminating in a previously defined result format, for example a report with suggestions on how to raise the ascertained maturity level.

Sufficient time should also be allotted for studying best practice models applied in the market. Attention should be paid not only to business agility models, but also to related methods, concepts, approaches, and blueprints. Examples include system thinking, design thinking, business model generation, Lean, and SAFe.

After completing the planning work and preparations, the organization should set aside some time for piloting and validation. It's also important to include periods for any required major structural or other adjustment. Minor tweaks, for instance regarding work tools and data sources, can be made later while actually practicing an agile approach.

Scalability

Once the planning, preparation, piloting, validation, and adjustment work has been completed, the new agile world can be widened to embrace the entire organization, naturally while making sure that staff achieve a new mindset as described above.

Agilization enables public sector and similar organizations to scale up and down as required. This means, for example, (re-)purposing individual business teams depending on customer needs to develop and provide appropriate service packages. This eliminates the need to build large additional capabilities across the organization.

To the extent that new customers arrive or overall demand increases, it's possible to assign "free" staff to the new tasks. Another approach is to build new core teams based on the hands-on experience that has already been gained. In case it's necessary to trawl the marketplace for more personnel, the search will be facilitated by clear role definitions and descriptions of the required skills.

Other Success Factors

Besides the three factors already described, various other things can support the successful practice of business agility. They include:

- Directors or top management setting an example by practicing agile principles in their own work
- Support from external experts and agile coaches
- Reporting based on predefined criteria
- Measurements and definitions of success for agile measures
- Suitable metrics and tools for measuring the effectiveness of collaboration
- Identification of internal and external partners and their systematic inclusion in ecosystems
- A culture of information sharing
- Adaptable and malleable processes and work routines
- Exploitation of opportunities to automate processes

Introducing Business Agility

When a public or similar organization wishes to design an initial strategy for achieving business agility, it's sensible to do so in three phases (“sprints”).

Each sprint is structured so that existing information and new ideas are exchanged and systematically considered before selecting and prioritizing them.

The sprints normally take place one after the other over a period of three to four months. In business organizations, two or three months are usually allotted for them.

Sprint 1 – Discovery

- Opening up the mindset
- Being creative and innovative
- Exploring choices made
- Finding your current business reality
- Identifying business imperatives and crucial information

Sprint 2 – Ambition

- Defining the ambition
- Identifying the initial steps
- Assessing value contributions
- Prioritizing and aligning the project's scope
- Selecting tactics and hacks

Sprint 3 – Align and Plan

- Developing, aligning, and agreeing on a strategic plan
- Identifying and solving conflicts
- Ensuring the plan is feasible
- Building a decision-making framework

Sprint 1 – Discovery

The first sprint is mainly about opening people's minds to enable and foster creativity and innovation. One important part of it is looking at agility-related decisions made by leading organizations and their results and/or impacts. This exercise is conducive to identifying internal and external factors and influences that impact the existing organization. Trends, internal plans, architectures, capabilities, value drivers, and customers are considered, as well as the expectations of one's own staff and possible opportunities for introducing improvements. Stakeholders from various areas or departments should be involved in the first sprint.

Sprint 2 – Ambition

In the second sprint, a vision is defined along with intermediate steps toward achieving it. It also includes describing the value that these contribute and setting priorities. The scope of each intermediate step is essential; for example, it should include defining business requirements and critical information.

Various methods, models, and techniques are applied to develop the vision. Like in the first sprint, stakeholders from various areas are involved.

Sprint 3 – Align and Plan

The third sprint pursues the goal of aligning the strategic plan with the overall organization, resolving any conflicts surrounding it, and finally defining a joint strategy. Its success depends crucially on establishing a decision-making framework for measures and intermediate steps by clearly defining dependencies, dates, validities, and accountabilities.



Summary

Business agility is a holistic approach that puts your customers at the center of your activities, systematically promotes innovation, and establishes a process of continual change in your organization. The goal is to shift where decisions are made in your organization as close as possible to the customers, in order to permit rapid, flexible actions and responses. In this context, it's essential to rethink business, organization, and technology as constituting a single entity around which your innovativeness, constant change, and continual performance revolve.

The essential prerequisites for success include, in particular, the cultural shift that business agility involves, keeping the time required to complete the transition in mind, and the potential unleashed by the new organization's scalability. It's important to take dynamic connections into account, not just within the organization but also with external entities. These make it possible to flexibly adapt to changing ecosystems.

The strategy development process for achieving business agility normally involves three "sprints": Discovery, Ambitions, and Align and Plan. They all take place over a period of three to four months. The process culminates in a strategic plan, geared to the organization and its particular environment, for attaining a unique goal. There is no generally valid blueprint for public sector and similar organizations to follow. Rather, each organization defines for itself the level of agility that is required from the customer standpoint. External experts on business agility can help define this level and identify the required degree of maturity. The crucial aspect is trust between the organization and the external service provider. Over the course of several months, this joint effort gives rise to a new organization that typically differs dramatically from the existing one.



About the Author

Dr. Finn Breuer leads CGI's Business Agility & Consulting Practice. Having spent more than 13 years working in business and IT, he has accumulated broad experience in analyzing and developing business strategies, business models, and business and IT processes.

Dr. Breuer spent more than seven years advising our banking clients before switching to support public sector organizations in 2019. In recent years he has established a solid reputation as a business consultant and agility expert, assuming key roles across strategy development, conceptual, and implementation phases.

If you have any questions on business agility for public sector and similar organizations, he will be happy to advise you.

Email: finn.breuer@cgi.com



About CGI

Established in 1976, CGI ranks among the world's largest providers of IT and business process services. Our consultants and other experts possess deep technology and industry expertise and are specialized in identifying practical solutions to complex challenges. We develop blueprints that apply our proprietary roadmap to model the architectures of organizations in your industry and appropriately adapt solutions to meet your particular needs. Business agility is one of our clients' chief business priorities. Insights gleaned from our annual customer survey show that highly agile companies generate significantly better results than their competitors in terms of profitable growth. We therefore pursue a holistic approach that embraces their corporate culture, complexity, and business orientation.

For more information, please visit us at [Business Agility](#).

