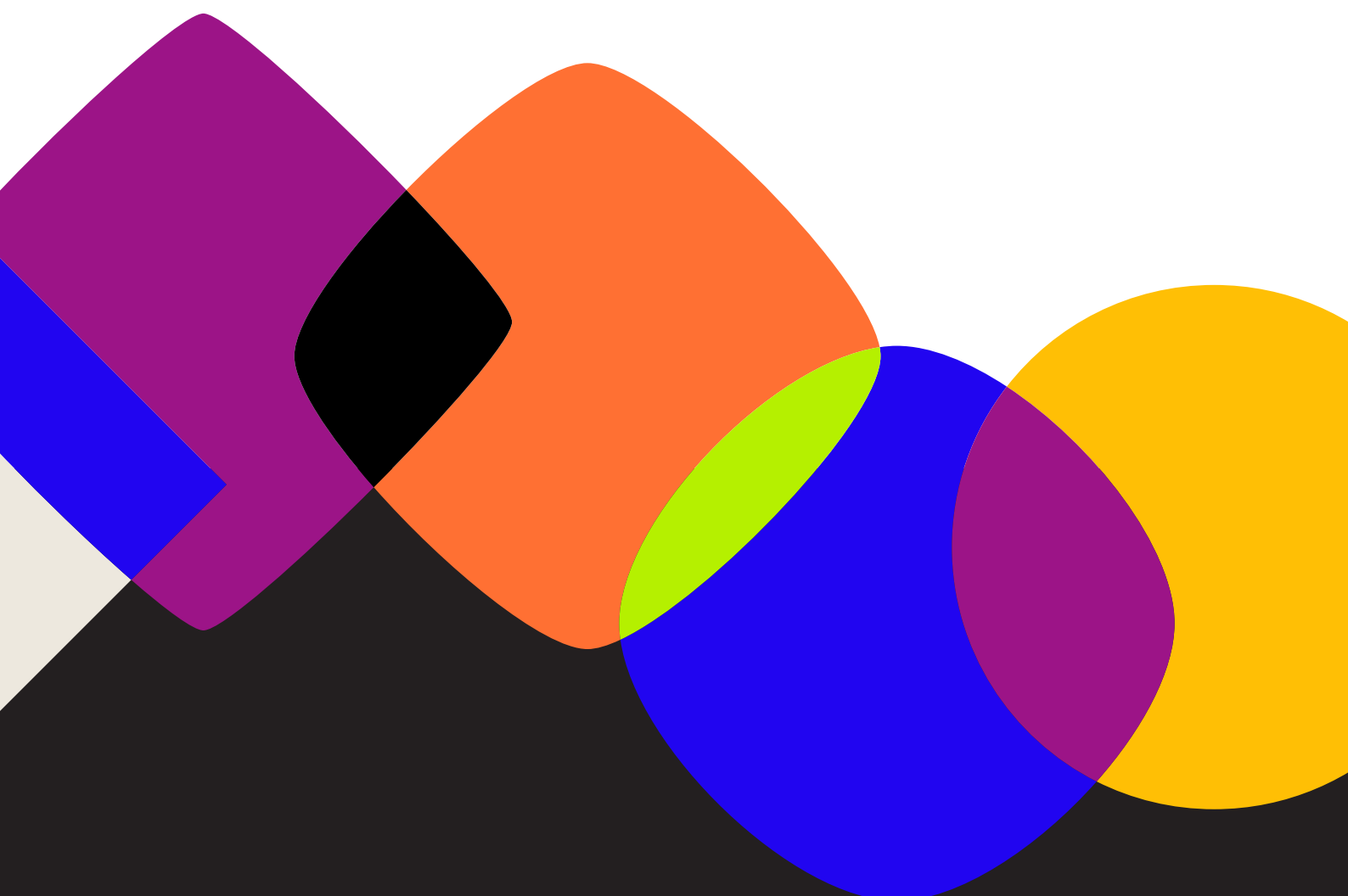


Insights from the Agile Business Awards 2023



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Introduction

This insights report is based on the learnings gathered from the Agile Business Awards 2023, organised by the Agile Business Consortium, the independent professional body for business agility ([Appendix C](#)).

As part of the Awards process, organisations are reviewed and receive feedback on their business agility by a group of independent reviewers. The Framework for Business Agility (FBA) serves as the basis for the review. More detail is provided in [Appendix A](#). The FBA provides an independent, agnostic, inclusive way to assess the business agility of an organisation, a department, an enterprise, or a project or programme. It is independent of methodology, technology, agile framework, or sector in which it is used. More on the Framework for Business Agility in [Appendix B](#).

This report by no means can describe the current status of business agility. It is only based on the information we have received from organisations that have been reviewed. Most organisations entered the Awards, because they felt they had a (positive) story to tell about their agility journey, wanted to be open and transparent about it and welcomed feedback from peers. If nothing else, this report therefore describes what ‘good practice’ looks like, when it comes to business agility. Rather than a quantitative report in which large numbers of organisations state their views, this report is high in its qualitative insights, gathered through a thorough process in which organisations record their learnings in a formatted way, with independent expert reviewers then qualifying and commenting on them. Nevertheless, we will also provide you with some numbers and their interpretation.

We had applications from many parts of the world, from entire organisations both large and small, from departments, functions, or project teams within organisations. We had organisations that have been becoming more agile for over 5 years, and some organisations that had embarked on their journey just over a year before. There is learning from every kind of organisation throughout its journey. In this report, we strive to provide you with as much information as we can, without disclosing any information about the individual applications and applicants, whether they were successful in the awards process or not.

Quantitative assessment

When we look at the categories and how they score overall, we see:

Scoring Categories (low->high)	Average scores (0-100)
Strategy	62
Governance	71
Culture	78
Foundations	79
People	80
Leadership	80
Outcomes (overall)	81

Striving for business agility is not a purpose per se. It should always be a means to an end. So it should always be about providing value for the customer, the people, and the ecosystem in which the organisation lives. From that perspective, it is great that the best scoring category is the Outcomes section, as this indicates that the outcomes achieved are prioritised in the agile transformations and for the agile organisations.

We can see Leadership and People scoring highly as well. Many organisations in the 2023 awards reported leadership to be the most influential area when it comes to successful transformation.

Foundations was another high scoring area. In the assessment model, foundations indicate which principles were used, and which processes were affected and introduced or improved to increase business value. So the score for foundations also indicates how the organisations assess themselves in how well they have been using frameworks and tools. The above score indicates that these are important, but – as the agile software manifesto indicates – *we have come to value individuals and interactions over processes and tools*. (Reflected in the scores for people and leadership).

Many discussions in the agile world over recent years have been about the difference between ‘doing’ agile and ‘being’ agile. In the Overall Business Agility category of the awards, applicants often refer to the agile mindset. Some applicants also refer to a ‘growth mindset’. We can see from the numbers above that although culture and mindset are considered to be important, the reviewers found the applicants’ scores in these categories to be lower than the scores for other areas. Perhaps the lower score is an indication of the difficulties in addressing ‘being agile’ rather than ‘doing agile’. Or perhaps this lower score is an indication that organisations tend to use the approach of ‘doing agile’ with some additional work on ‘being agile’, rather than choosing ‘being agile’ supported by ‘doing agile’. We will address this more in the details.

The score for strategy is the lowest (see table above), although at 62 is not completely off the grid).

The fact that we found strategy to be lower scoring, shows it is an area that needs attention. It was evident that for some applicant’s agile strategy was something they considered *later* in their business agility journey and this indicates that the maturity of organisations when it comes to agile strategy is still lower than it could be.

Qualitative assessment

Application

The applicants this year – as can be seen from the success stories of awarded organisations published on our website – spanned the charity sector, financial services, and physical infrastructure. Some organisations applied based on their entire organisation and some based on just a part of the organisation (a country or a department). They spanned many parts of the world, with organisation' sizes between 50 and 1000 people. Some were on their agility journey somewhat over 1 year, some were on their journey for more than 5 years.

What we can learn from this is that business agility is maturing. It is no longer only related to organisations with a heavy IT software development component. It is no longer purely related to organisations focused on new product development / product adaptations. Organisations become successful in adopting agility principles in order to advance their value to their customers, their people and their ecosystems.

We can see that while doing that, these organisations have had to cut their own path, using well-established tools, techniques, methods and frameworks, adapting these to their specific needs. *Not one of* the successful applicants just used *one* standard approach, one standard framework, one standard method. Some of them *started* in such a way, only to find out that in order to achieve real business agility, they would have to define their own learning path, step by step, inspired by leadership, trusting their people, building on a changing culture.

The organisations that had been on their journey for longer had had to overcome the most challenges. After the initial successes, the first obstacles arose. These obstacles related back to influential agility – supporting leaders leaving the organisation, or new leaders with a more 'command and control' style becoming part of the journey. Other obstacles were in the area of moving from 'doing agile': focusing on process, roles and structures, to 'being agile': empowering people and teams to do good and find their way of delivering value.

All organisations that entered the awards process, told us that having the opportunity to go out in their organisation, ask for feedback and write about it concisely, provided great learning. Quite a few organisations on their agile journey sometimes forgot to reflect regularly and more broadly. Reflections within teams are quite commonplace, but real reflections including people outside of direct influence, involving customers and ecosystems seem to still be rare. If your purpose is to provide value to customers, people and ecosystems, if the 'why' behind your journey is to deliver more value, we would expect this feedback, or feedforward, or retrospective, to be more normal. This is one area where organisations in general might want to see how to improve. How is your organisation performing in this area?

These organisations applied for the awards because they wanted to share their stories. Because they valued open and honest feedback from independent reviewers. And because they thought they did something extraordinary. What we found interesting was that although their journeys were indeed extraordinary, we think and trust that most of what they did, what they learned, and what they shared, can be used by many other organisations as well. Quite a lot of it might work for your organisation too!

Foundations

We have used this term to indicate the agility of the 'operating system' of the organisation and to see what the basis was for this agility — principles, processes, etc. In the new Framework for Business Agility (see appendix), this reflects the 'operations, change, support' ring.

The successful transformations by-and-large were supported by principles and values in their core. Some adopted the agile manifesto (with some adaptations), some created their own values and principles. We saw evidence throughout on how these principles formed the guard rails for the transformation. We also saw that there was a vision, a North Star, guiding the transformations. The North Star provided the guiding light for where the organisation (or department) needed to go, which valuable outcomes the organisation needed to produce for customers, people and ecosystems, and what their purpose was. This North Star and the guard rails provided

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the right context. In some applications, these were really very much top of mind, visible, and important and in others, less so. From the applications we could not assess what was better in which situation. Overall however, we can safely assume that these two things are a core part of a successful transformation.

In all applications, training, learning and reflection was done on a regular basis. Rather than being a case of 'implement and learn', it was more 'experiment to learn'. It was about ensuring proper foundations and common language in training, and facilitating learnings through reflection. While one basic language and vocabulary was used, all applications showed that there was definitely no 'one size fits all' approach to the use of methods, frameworks, ceremonies and techniques. There was a proper balance between high-level uniformity and lower-level applicable diversity. This was underpinned by trust throughout the organisation. Trust that the organisation would be successful. Trust that there would be mistakes that would be overcome and that would support learning.

All organisations used frameworks and methods to support their journey. They also adapted these to their specific needs, never 'implementing them' per se, never having 'method implementation' as a goal. All have also indicated that 'implementing these frameworks' needed to support the mindset/culture/leadership journey. A number wrote that they had actually had to *abandon* the implementation of certain well-known and much used frameworks and models, because these got in the way of their business agility journey.

Implementing the new rules, structures, roles and processes replaced one rigid approach with another equally rigid one, never leading to adaptability, agility or value for customers, people and ecosystems. This is the difference between Agile and agility, between 'doing Agile' and 'being agile'. Unfortunately, we still find evidence everywhere that organisations start implementing frameworks, which they hope will lead to anticipated results and then blame 'Agile' or 'the framework' when it doesn't work. As you can see from our framework for business agility, there's much more to agility than processes and structures.

For the successful applications in 2023, next to vision and guardrails, we saw that the change, or improvement, was considered to be crucial. For some it was called strategic. Hence, there was support and involvement throughout all layers of the organisation, including management layers (where applicable). Becoming agile requires that every person in that organisation adopts new mindsets and new behaviours. Agility is not done *to* people, it is done *through* people. Through *everyone*.

Some larger organisations used a sort of transformation team, which was the embodiment of the transformation, the place where the agile coaches resided, the place where learning was gathered and more learning was initiated. Where communication and guidance were concentrated. Different, effective ways of organising this have been described and, based on the applications we were able to see the value of having such a concentration of expertise.

People

In all the applications, there was a lot of emphasis on allowing people to learn, on empowerment, and on explicitly sharing purpose.

Most stories shared reflected on *individual* learning when it comes to people. We have not found many stories on *team* learning, team-based evaluations, and competences for whole organisations and teams as opposed to individuals.

Some of the applications described a transition journey that was still young. Where there was newness, the energy was still flowing, and not many impediments were encountered. The organisations that were further along on their journeys however sometimes struggled to maintain that energy and had to uncover new ways to sustainably improve.

in some cases, HR support, and changing HR functions and processes, was crucial in the success of engaging people in the transformation. HR became a coach, a mentor, a facilitator, with the HR department also adapting itself as part of the journey. Some organisations went from using KPIs (Key Performance Indicators) to OKRs (Objectives and Key Results) to measure and discuss people's successes. One of the things we would have

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expected to see more however, is that with these OKRs (or KPIs), more focus would be on actual value creation for customers, people, and ecosystems. So still, many organisations are primarily focused on internal performance instead of external value creation.

In some applications, we saw cross-functional teams were used as a way to organise; in other applications, we still saw functional teams, but with much enhanced collaboration, communication and transparency. More cross-functional teams in general will provide more agility, but we recognise that every organisation needs to find a solution that fits it best. The awards are not about who is *the most agile*; they are about who has used agility in order to become a better organisation, providing more value for customers, people and ecosystems. Business Agility in itself is not a purpose, it should serve the purpose of the organisation by helping it to be resilient, competent, flexible and able to adapt. It should help the organisation to constantly increase value to customers, people and ecosystems.

Some applications have shown the benefits of much closer contact with customers, even bringing them inside teams, and have demonstrated how that was a breakthrough in their performance. We recognise this cannot be done in all situations, but encourage every organisation to investigate the possibility of this. Really establishing one-to-one relationships with those that you are providing value to is really the shortest and most agile learning loop.

Culture

Whether ‘doing agile’ or ‘being agile’, culture is key, all applicants recognised this and had different approaches to growing towards a more agile culture, which is good, since no organisation is the same and there is not one ‘best’ way.

When agile transformations fail, culture or leadership are often seen as the culprits (besides blaming ‘Agile’ itself). On the other hand, many transformations do not address these critical areas from the start. All applications in this year’s awards DID have culture and leadership as core themes within the transformation, from the start, or soon after. Perhaps this was a predictor of their success?

In establishing an agile culture, some were more explicit than others in what should be established and why. Most mentioned that culture was addressed explicitly in ceremonies, some more regularly (monthly) than others (yearly). Specific aspects of culture mentioned were autonomy, trust and transparency, safety, feedback, diversity and ethics. The most commonly used examples were leading by example and role-modelling (not only by those in a formal leadership position but by many, including coaches and consultants).

One of the problems mentioned by several applicants was backsliding (over time). When certain people (culture bearers) left, going back to normal was a huge risk. Keeping a close eye on and involving the group in dealing with this aspect in particular helped to overcome this.

One of the applications mentioned an interesting viewpoint. Because everything was focused on a growth mindset, a certain level of group-think started to exist and diversity of thinking began to deteriorate.

Moving from a more siloed and potentially divisive culture, to a ‘collaborate and cooperate’ culture in some cases was done using gaming, role-playing and by having open and transparent discussions. Some applicants came up with fun examples. Fun is a good way to facilitate safety and open up room for learning, as long as it’s not fun simply for the sake of it. Also, in some of the serious gaming approaches described, a form of competition was used. While competition will drive change, as we all know, is it really competition that is part of the ‘new’ culture, or is it more collaboration, and could competition be harmful?

If you want to be successful in becoming more agile, keep focusing on culture. This will increase your chances of success. Postponing culture might lead to more effort, or failure further down the road. And of course, culture is difficult (‘culture eats strategy for breakfast’), in the eyes of some. You cannot “implement” culture like you can “implement” a structure of process. It requires *constant* attention, trust, open conversation, and show don’t tell.

Leadership

All our applicants embraced the importance of the role of leadership in the change and in the agility of the organisation. Although one of our [Nine Principles of Agile Leadership](#) is 'Leadership lives everywhere in the organisation, we saw that many applicants really expected leadership to come from the top of the hierarchy. This seems to be a widely held view even within agile organisations, and a myth which is hard to dispel. Some applicants actually mentioned how difficult it was to break old habits, the old hierarchy, not just for the people at the top of that hierarchy, but throughout the whole system! And of course if the powers that be don't actively support the change, do not show leadership, or obstruct it or sit back and do nothing, successful change will not happen, regardless of the implementation of any new processes, structures or other changes

Some organisations made agile leadership an explicit topic within their agility journey, with workshops, training, feedback sessions etc. All organisations with a hierarchy have shown that successful transformation needs support from the top (strategy sponsor), from the bottom and from the middle. Finding the right balance at all levels, ensuring commitment in some organisational form (a guild, a team, a leading coalition, or whatever) seems to be crucial if you want to be sustainably successful.

At the core of leadership sits trust. Trust is relatively easy to give and receive when you're in a situation when all is going well. Some of the applicants also had the opportunity to test their leadership in less positive times. What happens then? What happens when one of the influential leaders with a high position suddenly leaves? If you are able to continue, then the leadership and cultural journey was successful. If it all hinges on just a few people, action should be taken to change this as soon as possible to build resilience. We also saw some examples of organisations really needing time to recover and get back on track.

The leadership journey is not a one-off event. It truly is a journey, supported by events, by training, by feedback, by walking the walk as well as talking the talk (Agile leadership principle 1: Actions speak louder than words). It is a journey supported by surveys, coaching/mentoring, and sessions. Hence it needs a willingness to learn and a growth mindset from all leaders.

With agile leadership comes transparency, comes honesty. In most applications, feedback was safe to give and safe to receive. Admitting to mistakes and admitting insecurity was also explicitly mentioned in some applications (not in all). Again, we come back to agile leadership principle 1.

Given the assumption that leadership is crucial on the journey, we have not found a lot of evidence of the leadership journey being a planned, deliberate approach. In some of the organisations it was more haphazard than by design. If it is so important, it cannot be coincidental if you want to be successful. Of course, in itself, it can be an agile learning journey. But it should be a purposeful, conscious journey.

Organisations need to be supported by an overall growth mindset, and servant leadership. It is all about being agile, not (just) doing agile. It is a learning journey; falling back to command and control, to convincing instead of listening, to setting the tasks instead of setting the purpose and priorities., Investing in a culture of trust, honesty and transparency and allowing mistakes is crucial to keep the journey alive. Translating the right mindset, the right intentions, in order to elicit the right behaviours can be done. Based on the stories we've seen, it will lead to organisational success through enhanced sustainable agility.

Governance

Governance is an area in which we see the applications are still a little immature, which is reflected by our own observations in other case studies we have seen and heard. One of the questions this raises is whether there is a pervasive view that governance relates to what people think is 'command and control'. Another question to ask is whether organisations think that within strongly regulated environments there is no room for agility.

Agility in governance reflects a light-touch, flexible approach to decision-making and provides the oversight needed to ensure that the activities of an organisation remain aligned with the values and purpose of its sponsors and regulators.

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In principle, governance is universal, pervasive and scaled. It is based on:

- Empowerment - reliant on informed decision making, at the lowest responsible level, which is responsive and at pace
- Alignment - with the purpose and values of the organisation and any appropriate legislation
- Transparency - easy for people internal and external to the organisation to see what is going on and when intervention is needed. Providing an auditable record of activity where needed to demonstrate compliance and appropriate management of risk

In the applications, we see a shift in decision making from those who have hierarchical power to those that know. Guardrails ensure staying within regulatory boundaries. Most applications focus on reducing impediments for decision making, but fail to take significant steps towards real agile governance, with transparent information shared throughout the organisation. Cranking up the speed of decision making from yearly to quarterly to monthly to weekly and involving all relevant people, based on transparent, timely data, is seen in various applications. Helped by technology, we see more data-driven decisions based on fast information sharing and transparency. Big room (portfolio) planning events are referred to in a couple of applications, showing control while including adaptability.

In the applications, we have seen both KPIs and OKR's being used successfully and referred to in the paragraphs around governance. As mentioned earlier, it is not the technique or tool that makes an organisation agile, it is the people, the leadership, the culture. For KPIs and OKRs it is the same. Using OKRs doesn't make you agile, using KPIs doesn't make you non-agile.

In quite a lot of applications we saw the remnants of unnecessarily centralised decision making; it seems to be difficult to let go of old ways, old habits, old controls, old safety blankets. This reduces agility. The question that then pops up is: Would more agile governance be beneficial for business success? Would it increase adaptability where needed, would it increase value for customers, people, ecosystems? Business agility is not a competition in who is most agile. It is not a competition at all. It is about organising in a smart way, to sustainably increase value.

Strategy

Many of the applicants still had long strategy cycles when starting their agility journey, taking months or years. Then COVID hit and guess what? Successful organisations found out that it is possible to reach high quality strategic decisions in days or weeks, not quarters or years! For several applicants COVID turned out to be the game changer for the agility of their strategy.

Agile strategy implies rapid transparent information flows, and a tightly aligned line of sight from strategy definition to strategy execution, measuring effect and feeding back. Strategy linked to envisioned value to customers, people, ecosystems. Strategy executed by having a set of narratives which engage people. We saw this in only a few organisations.

In the applications, quite a lot of impediments to agile strategy were reported as well. It seems difficult to measure strategy success and to close the feedback loop to learn. Also the flow of information, transparency and facilitating quick responses still seems difficult for many organisations, especially the larger ones. Basing decisions on information and gathering information through experimentation was a third difficulty that was reported. Agile strategy, so it seems, is still a major area for improvement and increasing maturity in the upcoming years.

Some applicants have learned that there are too many portfolios so there is no oversight. Reducing the amount of portfolios and using good capture of data and big room planning events ensures that there is a holistic approach to strategy implementation rather than a reductionist approach.

OKRs have helped some applicants to have the right conversations and create narratives which people can embrace. Almost half of the applicants had these North Star type of strategies and convincing narratives. For agile organisations, we found that having these narratives is important. Some indicated that having SMART

objectives can decrease agility. If they are very specific, measurable, attainable and realistic, they might take away the urge to experiment and learn, to keep on working with customers and ecosystems to increase value.

Outcomes

This is perhaps the most important category, yet one which is often forgotten. What was the value that was created for the customer, staff, the ecosystem? Which improvement approaches to increase value actually worked and in which situations? Which assumptions brought the sought after value? It is important to reiterate here that business agility is a means to an end, the end being a successful business or organisation delivering sustainable value in a VUCA world.

Some of the applicants focused on internal outcomes, but most have written about (measurably!) delivering more value externally, increasing customer satisfaction and market growth, people being happier, projects being completed on time, better comparisons to competition, recognition, increased people engagement etc.

The most successful applicants have focused on people as the true powerhouse of the organisation, enabling them to provide value to customers and ecosystems. By the word 'ecosystem' here, we mean the external stakeholders, the social and ecological environment, the competition, the supply chain, regulators, and technology - all outside factors that are (or should be) important. We've come to learn that possibilities and threats come from this ecosystem, yet many organisations on their business agility journey don't recognise this explicitly. So they are unable to recognise the VUCA-ness of their environment.

Business agility is there to make your organisation more successful. It starts with providing value to your customers, sustainably. Then the recognition comes that you need your people and your staff – so the organisation needs to be valuable to them too! And of course then the next step is to recognise that you can only be as agile as your (business) environment, your ecosystem, allows you to be. All applicants have recognised increasing value for the customer. Most have recognised increasing value for staff. Some have recognised their dependence on the ecosystem and the need to sustainably provide value to this ecosystem. They have reported significant improvements, thereby also supporting the view that business agility success supports business success.

Engaging and collaborating with customers (and where applicable with staff and ecosystems) has proven to be crucial for the success of these applications. Some of the applications explicitly mentioned a collaborative rather than a competitive mindset. Of course, this heavily depends on the ecosystem in which the organisation resides. We are looking forward to seeing how this develops in the coming years and we will engage with our community in many ways to investigate and learn.

Concluding Remarks

All the applicants have agreed business agility is an ever-ongoing journey. Sometimes it takes more effort, sometimes it just flows. In the shared stories, they provided evidence that in their organisations, business agility has led to sustainable increased outcomes, hence better-performing organisations (or departments).

Some, still relatively young, have yet to hit their first real challenge. Others are showing evidence of how to tackle this.

Implementing a framework is not the driver of success. Some have even had to abandon the framework for ongoing success. The core of agility really lies in culture, leadership and governance when it comes to the 'how?'. And it is really about being focused on customers, people and ecosystem value when it comes to the 'Why?'

We have seen cross-functional teams and departmental teams achieving success. So even though most agilists would prefer fully cross-functional teams, it is feasible to achieve agility success within functions. From other evidence, outside the awards, we have seen that when scaling starts to be needed, organisation-wide cross-functionality becomes a necessity.

Scaling is not about scaling a framework, but scaling a mindset, culture, leadership and governance. It is about scaling competencies while keeping focus on delivering value to customers, ecosystems, people. We have seen several approaches towards scaling, showing that there is definitely no 'one approach', neither a scaling approach, nor a scaling framework. All organisations that addressed scaling in their applications recognised the need to go beyond frameworks and techniques in order to be successful.

All successful applicants have shown significant progress in all areas of the FBA. Some of the applicants that did not show great results were focusing mainly on process, or even on technology implementation. Success comes from *being* agile, sustainably. Some success may come from *doing* agile, perhaps in the short term, but in the long run, the benefits will not be sustainable.

Start the journey, it is fun and when done for the right reasons, your customers, your people and your ecosystem will be better served, ensuring your sustainable success.

Appendix A: Assessment Process

Application Process in 2023



The application process opened 1st September 2022. To create a level playing field, the review criteria were fully transparent, and the process clearly explained.

Applications were open to organisations and parts of organisations, recognising that many large enterprises develop their agility in different departments, in different countries, for different functions and at a different pace.

The process for assessment uses the agnostic Framework for Business Agility (FBA) as a basis. This framework is explained in more detail in the next section. Using this model for all categories ensures that what is being assessed is true business agility. Webinars were also organised to help applicants fully understand the model and criteria, allowing them to write a good report while ensuring the review process was rewarding.

Reviewers were selected based on their experience within business agility and agility journeys. Many of them are internationally recognised as experts in their field. They are specialists, reviewing applications in one category. Each application is reviewed by a team of 3 independent reviewers. We ensure that reviewers have no ties with the organisation being reviewed and we strive to have different sets of reviewers per application. Reviewers are not allowed to share information on which applicants they have reviewed and what their comments were. Neither are they allowed to engage in any commercial engagement with applicants after the review. To ensure this, the Agile Business Consortium does not reveal which reviewers have reviewed which application. All reviewers are trained specifically in the review process by the lead reviewers and the review process owner, our Chief Agility Officer.

Each reviewer, without knowing the application's other reviewers, first assesses the application. Each reviewer reviews at most 3 applications. After the individual assessments, all information is gathered, and the scores, feedback and assessments shared. The reviewers will review the application report only and will not refer to information they can find in other ways (for example using internet or asking peers). Per category, a balancing meeting takes place, where the reviewers choose the organisations invited to present their case at the conference. These organisations will be informed and then supported in preparing their conference presentation.

The feedback from the reviewers is used to create the feedback report, which provides the applicant with independent, balanced feedback and insights from these independent experts.

Appendix B The Framework for Business Agility

Business Agility is a people-centred, organisation-wide capability that enables a business to deliver value to a world characterised by ever-increasing volatility, uncertainty, complexity, and ambiguity. It is achieved by inspiring and harnessing the collaborative, creative ways of working of the people of the organisation in meeting its core purpose.

An agile organisation can respond quickly and effectively to opportunities and threats found in its internal and external environments (be they commercial, legal, technological, social, moral or political).

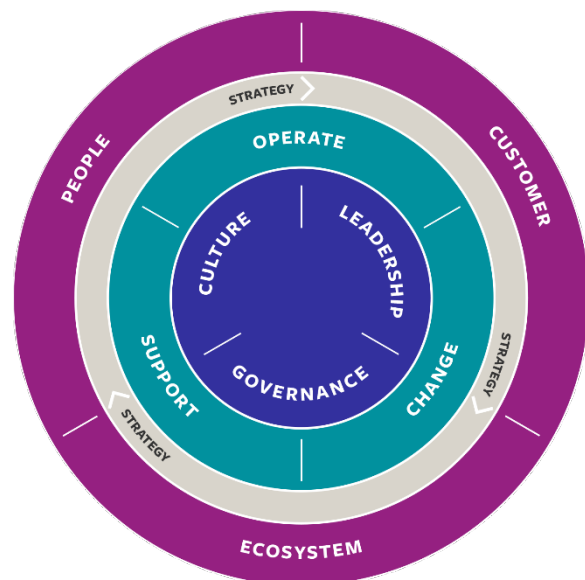
An agile organisation has the ability to:

- **Adapt quickly to market changes** - internally and externally
- **Respond rapidly and flexibly** to customer needs
- **Lead change** in a productive and cost-effective way without compromising quality
- **Sustain a competitive advantage**

The Agile Business Consortium has developed the Framework for Business Agility (FBA) to help organisations to get a holistic, agnostic view of the agility of their organisation, or any part of it. It can be applied to an organisation, or any part of an organisation, to assess its business agility.

Agility in an organisation's culture, leadership and governance enables
Agility in its capability to operate, change, and support its business and optimises
Agility in its delivery of value to its customers, its ecosystem and its people

Agility in strategy ensures that the organisation maintains a focus on delivery of value



Blue Zone

Agile Culture

- An organisation's culture reflects its personality – one that's influenced by a range of factors, including its size, geographic spread, beliefs, and values. People and events also affect an organisation's culture.
- An agile culture provides an organisation with a set of core values, behaviours and practices that allow it to prosper in a world characterised by volatility, uncertainty, complexity and ambiguity.
- Its success also comes from promoting, encouraging, rewarding and harnessing the flexible and innovative behaviour of people within the organisation, by nurturing the three components of intrinsic motivation: autonomy, mastery and purpose.
- There are seven elements that combine to form the DNA of an organisation's agile culture, for which there is a Development Matrix for Agile Culture describing five levels of agility for each of the seven elements.

Agile Leadership

- Individuals within an organisation are typically identified as leaders as a result of one or more of: Their knowledge and experience related to what they are leading; their competence as a leader; and/or their position within a hierarchy.
- To create and sustain flexible, resilient and adaptable organisations, agile leaders seek to develop others as leaders at all levels, believing that everyone has the potential inherent in a growth mindset to deliver on a shared purpose.
- To be credible and effective, agile leadership requires a willingness from those who lead to ensure that they extend their own competencies, capabilities and thinking to 'being' agile rather than just 'doing' agile.
- There are nine principles for agile leadership that are aligned with the agile themes of communication, collaboration and commitment. These principles should be embraced by any leader wishing to harness the power of collective effort – regardless of the scale of the change or the authority they inherit from organisational structure.

Agile Governance

- Agility in governance reflects a light-touch, flexible approach to decision-making and oversight needed to ensure that the activities of an organisation remain aligned with the values and purpose of its sponsors and regulators.
- The term sponsor depends entirely on the organisation context: For an entire business, the sponsors are its shareholders; for a charity, its trustees; for a government body, its citizens etc. At a smaller scale, in subdivisions of the organisation, the sponsor may be an individual, a team or a committee with devolved authority.
- In principle, governance is universal, pervasive and scaled. It is based on:
 - Empowerment – reliant on informed decision making, at the lowest responsible level, that is responsive and at pace
 - Alignment - with the purpose and values of the organisation and any appropriate legislation
 - Transparency - easy for people internal and external to the organisation to see what is going on and when intervention is needed. Providing an auditable record of activity where needed to demonstrate compliance and appropriate management of risk
 - Agility in Governance values: radical transparency, trusted autonomy, collaborative responsiveness and Informed judgement. To be effective overall, this should be applied through all levels of devolved accountability.

Teal Zone

Operational Agility

- Agility in business operation, business change and the internal support of these are at the heart of every business that is able to survive and thrive in a VUCA world (one characterised by Volatility, Uncertainty, Complexity and Ambiguity).
- Operational agility allows the organisation to respond, day-to-day, to the ever-changing needs and demands of their customers, their people and their ecosystem.
- In a VUCA world, what is considered to be valuable is constantly changing, so the processes delivering value need to be adaptive in order to ensure sustainable, cost-effective value delivery.
- Much effort over the last decades has been into reducing the cost of delivery and increasing efficiency – optimising for a 'steady state' that often does not exist in reality. Organisations need to balance operational efficiency with the ability to respond rapidly to changes in what is perceived as valuable.
- An organisation's operational agility is largely dependent on the agility of its culture, leadership and governance.
- Note that where pressure for change exceeds the capacity and capability of operational agility, a special response may be needed. This is achieved through agility in business change that exists in a continuum with operational agility.

Business Support Agility

- Agile support processes enable the organization to deliver value to people, customers and Ecosystem. They don't directly deliver value themselves.
- Agility in the way business support functions (such as Finance, HR and Procurement) work will allow the organisation to:
 - Recognise and respond rapidly to business opportunities and challenges.
 - Keep and grow people and customer relations by supporting a growth mindset.
 - Rebalance and refocus if and when needed while stabilizing and maintaining focus where that is appropriate.
 - Achieve its purpose by adding value to customer, people and ecosystem.
- And overcome issues that often hinder the organisation in its business agility:
 - Inflexible financial and planning processes prohibit pivoting and reassigning people and resources.
 - Restrictive HR policies and processes may prevent people from focusing on collaborative and innovative stakeholder-centric delivery of value and building new competences to do this.
 - Heavy process-driven approaches to procurement do not allow for relationships to change if the situation requires it.
 - Overly structured marketing & sales processes might cause blindness to new wishes, new opportunities or new markets.
 - Inflexible facilities management policies and practices may inhibit collaborative working and the essential focus on delivery of value.

Business Change Agility

- Where pressure for change exceeds the capacity and capability of operational agility, a special response may be needed. This is achieved through agility in business change that exists in a continuum with operational agility.
- Examples of such changes may include: Changing the way the organisation operates to comply with new regulations; bringing new products or services to market; moving existing products and services to new markets; and transforming the business – either to meet a new purpose or to achieve an existing purpose in a significantly different way.
- In order to be successful, these larger changes, often need to be organised alongside the day-to-day operation of the business in a way that allows the value of the change to be delivered incrementally and as early as possible but without creating turbulence that risks overwhelming the operation.
- Transformational initiatives to develop significant new products, services or capabilities and ensure that the value of these are fully realised, e.g. by changing operational value delivery processes, support processes, and/or bringing about change in culture, governance and leadership often need to be managed as agile projects or programmes.

Purple Zone

Value Customers of the organisation

- The primary focus for the delivery of value for most organisations should be their customers.
- The most successful organisations will be those that sustain delivery of value in a VUCA world (characterised by Volatility, Uncertainty, Complexity and Ambiguity)
- To survive and thrive in this regard it is important to organise in a way that enables the business to constantly deliver value to customers, in a changing world, with changing customer needs.
- Everyone in the organisation needs to:
 - Know the customer and the value they deserve so that all decisions are focused on adding to that value.
 - Understand the customer's "why", to help anticipate their needs. In public sector organisations, the citizen is the valued customer.

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- Sustainable shareholder / stakeholder value can only be achieved as a result of knowing, understanding, championing and serving the customer. That is critical to the success of the organisation and must be the primary driver.

Value the People within the organisation

- People are the powerhouse of every successful agile organisation – one that is able to survive and thrive in a world characterised volatility, uncertainty, complexity and ambiguity.
- Trusting people, allowing them to develop and show their talents in the organisation, and engaging them through purpose, is critical to ensuring the sustainable success of an organisation.
- Collaborating talents, happy with their work, focused on delivering value, and supported, but not constrained, by processes and technology, are the core of a resilient, responsive, agile and thus successful organisation.
- People learn and adapt faster than systems: They
 - Learn and adapt most easily when they feel safe
 - Are more creative when powered by diversity
 - Grow naturally when learning from each other

Value the Ecosystem in which the organisation exists

- No organisation exists in isolation. It lives in:
 - An organisational ecosystem of regulators, suppliers, competitors, partners, innovators and innovations.
 - A social ecosystem of individuals, communities, rules and customs.
 - An ecological ecosystem of resources, energy, and nature.
- To survive and thrive requires an organisation to understand its role in its ecosystem with success defined by how it delivers customer value while contributing positively to the ecosystem in which it lives.

Grey Zone

Agile Strategy

- Agile Strategy connects the operation of the organisation, and the way that is changed and supported, with the delivery of value to its customers, its people and its ecosystem
- It consists of a set of guiding principles that is communicated and adopted in the organisation, to generate a desired pattern of formal and informal decision-making needed to maintain a focus on delivery of value, allowing for learning in a VUCA world
- In an agile organisation, strategy is not defined, fixed and implemented, but is in a constant flow of defining, realising, measuring, and adapting. This requires open eyes and ears, and open and rapid flow of information.
- Agile strategy is therefore about how people throughout the organisation are expected to make decisions and allocate resources in order to accomplish key objectives.
- To make this a reality agile strategy requires effective agility in culture, leadership and governance.

Appendix C.

Agile Business Consortium

We are the independent, not-for-profit, professional body dedicated to advancing business agility worldwide in accordance with a defined set of professional standards, competencies, and a code of practice. We do this by:

- Supporting the development of professionals through, formal and informal learning recognising knowledge, practice, and experience that is evidenced through assessment and ongoing CPD
- Providing access to: relevant, trustworthy content; a range of events and special interest communities; a network of like-minded professionals
- Commissioning and engaging in research, thought leadership, and market-wide collaborations to extend knowledge and develop good practice

We encourage an inclusive, agnostic and people-centred approach to organisational agility, including the use of a wide variety of agile methods and frameworks.

We are the brains behind [DSDM](#), [AgilePM](#)[®], [AgileBA](#)[®], [AgilePgM](#)[™], [AgilePfm](#), [AgileDS](#)[™] and AgilePM for Scrum as well as the originators of [the Framework for Business Agility](#) - including the Nine Principles of Agile Leadership and the Agile Culture Matrix.

What's coming up from the professional body?

Framework for Business Agility (FBA)

As part of our work supporting business agility professionals, organisations, and communities, we're constantly gathering data to ensure the Framework for Business Agility (FBA) continues to reflect the latest thinking across the field.

The FBA proved to be an invaluable model for our Awards Reviewer Panels. You can familiarise yourself with the FBA to understand more about its value for you and your organisation on this link: <https://www.agilebusiness.org/business-agility.html#fba>

Support for Business Agility

We see the FBA as the North Star for almost everything we do! Effective business agility needs an agile approach to governance, culture, people, strategy and leadership – and our work supports great thinking across all of these domains.

On our website you'll find business agility tools to do self-assessments in several areas of the framework: for example, leadership and culture. You can use these as individuals entirely free of charge. Please [contact us](#) or email info@agilebusiness.org for access information to use the tools for groups and teams.

In addition, if you would like advice or consultancy, you may like to check out our list of accredited delivery partners. These are organisations that meet the standards of the professional body and will be able to supply you with business agility guidance you can trust. You'll find more information here: <https://www.agilebusiness.org/community/accredited-delivery-partners.html>

Professionalising Agility

It's time to professionalise agility!

We heard from organisations that looking at people's qualifications isn't always a guide to their competence – and we responded with the introduction of Professional Level membership.

Join us as an Associate member if you want to find out what's going on in the agile world, but don't identify as a Business Agility Professional. Our membership offers access to a wealth of resources and our calendar of free member events.

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If you're on an agile career path, you'll prefer to join our Professional Level membership. Your application allows our expert assessors to benchmark your experience and your knowledge, so you can be awarded a Professional Level that allows employers and peers to understand more about your capability. We'll also support you on your career path so that you can grow in the field of business agility.

Join us as an **Associate** – <https://www.agilebusiness.org/community/membership.html>

Join us as a **Professional** – <https://www.agilebusiness.org/professional-agility.html>

Join us as a **Corporate Member** and support your people and your teams to build organisational agility – <https://www.agilebusiness.org/community/corporate-membership.html>