



The State of Business Agility 2017

Executive Summary

Organizations need to be able to speed up performance to remain competitive.

Today's fast-moving markets present threats and opportunities at every turn. Whether a large enterprise or a small startup, it's no longer enough to simply practice agile development. To survive—and thrive—in this disruptive environment, modern businesses need agility throughout the organization, especially if they want to be first to respond to customers' needs.

Agile business processes give companies greater speed and flexibility throughout the enterprise and that's critical. It's not just about the IT, project management and service and support teams, which most people already imagine are agile. A truly agile business needs every department—from research and development to sales and marketing, from operations and manufacturing to corporate communications and PR, from legal to accounting and even HR—to adopt an agile mindset and principles.

Building agility into an organization means sensing, creating and adapting to change, quickly and confidently. Organizations need to be able to speed up performance to remain competitive. They need to know what their highest value initiatives are and able to move them from ideas to outcomes. They need a disciplined approach to managing change and building responsiveness.

Between March and June 2017, Gatepoint Research invited selected executives to participate in a survey called "Business Agility Throughout the Enterprise," which resulted in this first annual "State of Business Agility" report. Respondents are predominantly senior decision makers: 19 percent hold the title CxO, 15 percent are VPs, 36 percent are directors; the remaining 30 percent are managers. Survey respondents had already demonstrated an interest in business agility through browsing history and downloads related to the topic.

This eBook focuses on survey respondents' answers to several questions, including questions about:

- The agility of their companies
- Why they want to increase agility
- Challenges they have faced in increasing agility

What Does Being Agile Mean?

Agility enables the right people to access the right information at the right time.



According to a Forbes article,¹ business agility describes the nimbleness of a company, meaning its ability to adapt quickly to factors such as evolving technology, increased globalization, changing regulations and more.

Thus, "agile" is not just a methodology—it's a shift in thinking and delivering value to customers. Market strategy and market innovation are transformed. When an organization is agile, it enables the right people to access the right information at the right time. Universal access to information eliminates barriers between teams. An agile organization is able to create change, not just react to it.

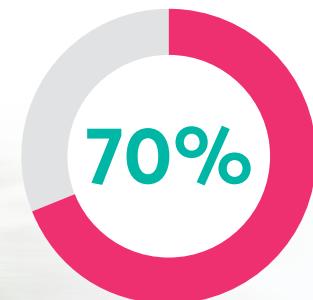
Agility is the **strategic response** to the rapid rate of change in the modern business environment.

Survey respondents grasp the multidimensional advantages of agility. Seventy percent of those surveyed know that agile organizations can respond rapidly and effectively to dynamic business conditions, and 41 percent use agile development methods to create and market products competitively. But if more than two thirds of respondents know what agility means, why are fewer than half using agile to develop products? And wouldn't it make sense to use agile practices in other departments, too?

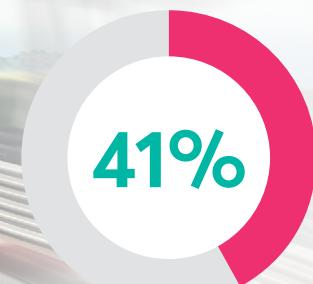
There is clearly a need for business agility to permeate the organization, far beyond IT.



Survey respondents understand the value of being agile.



know that agile organizations respond quickly to dynamic business conditions



use agile development methods to create and market products competitively

The Need for Business Agility

There is endless market pressure to improve and offer more digital products.

Since the rise of the app economy, customers have gained tremendous buying power. This means there is endless market pressure to improve and offer more digital products. Now every business is required to be a software business, but being a software business adds an extra layer of complexity.

More and more, the buyers' journey is becoming digital. While the customer experience is changing quickly, an organization's engagement model is not as fast to adapt.

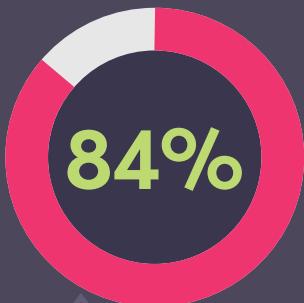
Today's workforce looks, feels and acts drastically different compared to previous generations.

People are not always working in traditional offices, and because of that, employee methods of connecting have changed. Additionally, people change jobs more often and have different ideas about loyalty than in the past.

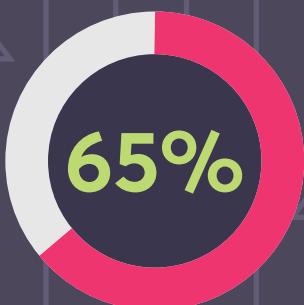
When asked what improvements they would like to see from greater agility, 84 percent of respondents stated that they would expect to be able to act on new opportunities faster. Sixty-five percent said they would expect improved customer satisfaction and retention and 58 percent expected higher employee productivity and retention. Other anticipated benefits include reduced organizational costs and competitive differentiation or new revenue sources.

Fast Company suggests that businesses must "adapt or die":² Organizations that are agile and resilient will be better equipped to experience sustained success.

What improvements would you like to see from greater agility?



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expect improved customer satisfaction and retention

The Benefits of Improved Agility

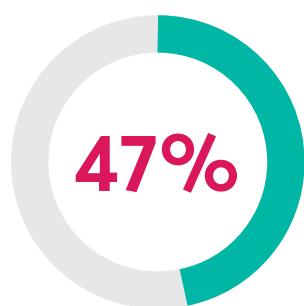
Current methods are inadequate to manage projects, maintain teams and communicate at the rate business is demanding.

Survey respondents draw a clear picture: They see current methods as inadequate to manage projects, maintain teams and communicate at the rate business is demanding. They are simply not able to adapt to customer needs—they want to deliver products the customers actually ask for, and do it accurately.

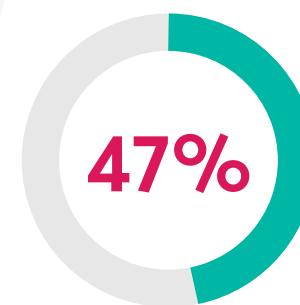
Respondents to the survey expect that with better business agility, they would have fewer fire drills (51 percent), more efficient processes (47 percent) and better visibility into cross-functional work (47 percent). They also want the ability to collaborate more effectively (45 percent). Forty percent would like to be able to meet the specific needs of customers and get products delivered quickly (37 percent). Clearly, an organization reaps many benefits by becoming more agile.



Reduce project
derailments
and "fire drills"



Improve
inefficient
processes



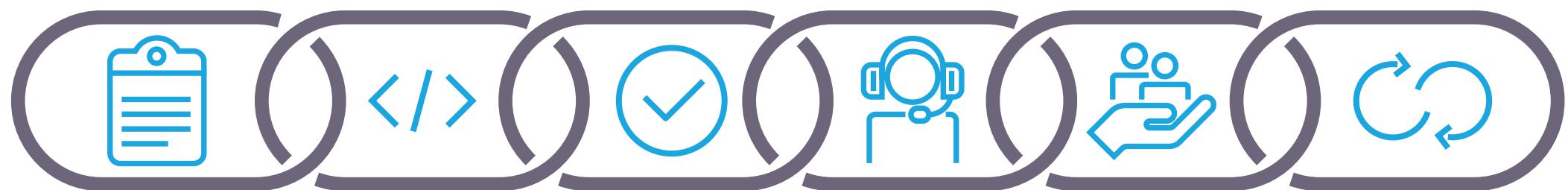
Increase visibility
across functional
groups



Improve
collaborative
efficacy

Only 21 percent of survey respondents believe that business agility could improve alignment among projects, resources, and funding. In reality, tying together the chain—from project management, through development and delivery, to service and support with business agility—has shown to provide stakeholders better alignment between funding strategy and project execution. In a TechValidate survey of CA Agile Central users, nearly two thirds of respondents realized 45 to 60 percent better alignment between strategy and execution.³

Expanding the agile principals from a development methodology into a companywide ethos offers an organization a way of delivering business value faster than the competition as a matter of everyday business. They are better able to pivot and change as conditions do, which helps them take advantage of market opportunities.



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Organizational Barriers to Business Agility



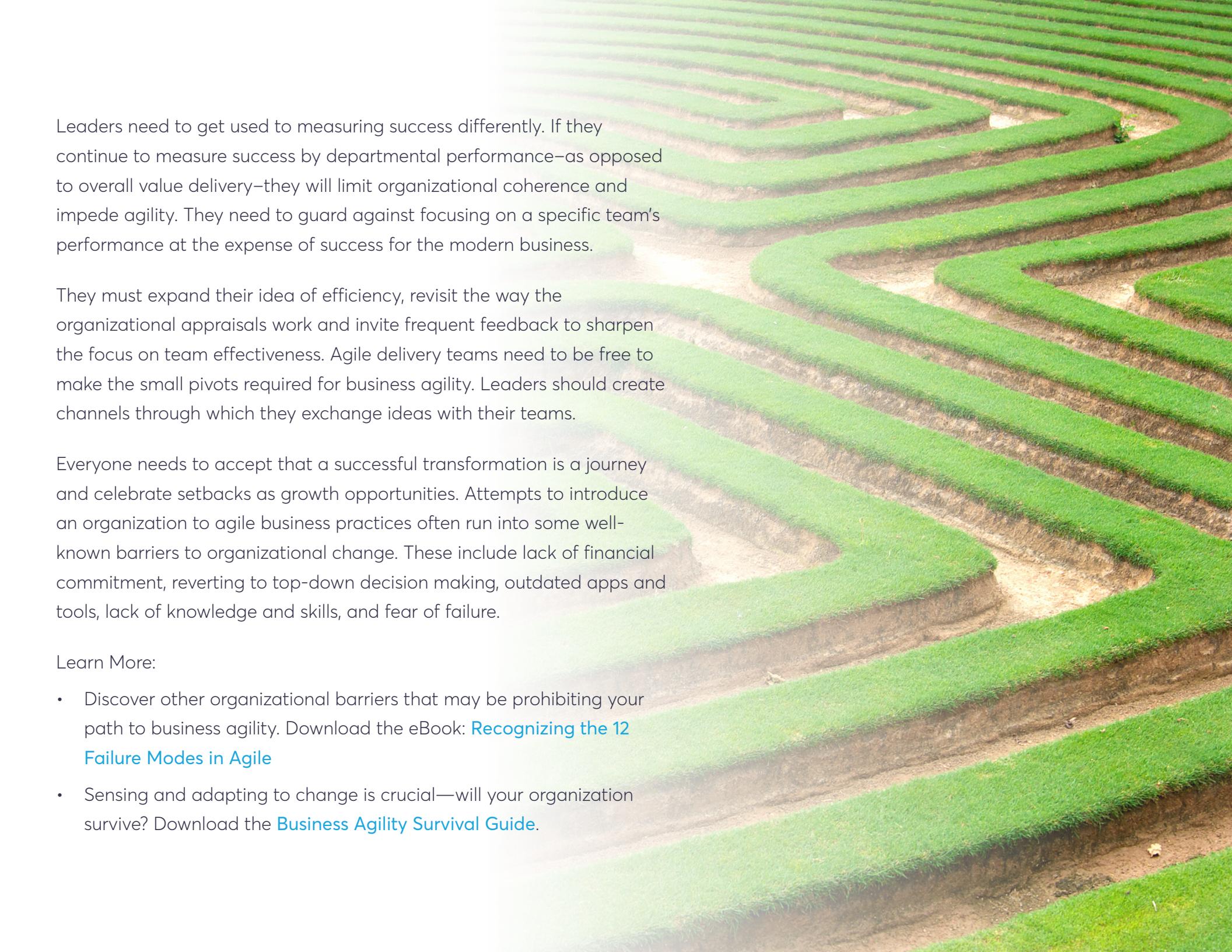
Teams often report feeling unprepared to leap into widespread organizational change. Respondents stated that their top two barriers to adopting an agile methodology are environmental complexity (64 percent) and cultural or political barriers (58 percent). Cultural change is key to business transformation and connecting people fuels change from within.

Once an organization has committed to its business agility transformation, it needs to make the required investments— not only in technology, but also in people. The business culture needs to change alongside the organizational infrastructure. Old ways of doing things may no longer work. Businesses should consider leveraging agile coaches or transformation consultants to guide them through this process.

True agile transformations push the boundaries of existing organizational hierarchies. In an effective agile transformation, everyone associated with the value delivery has visibility into the current state of the value stream, including its blocks. They see the goal as successful delivery of value to the customer, and they coordinate as a whole to deliver that value.

Barriers to adopting agile methodologies



A large, green, grassy labyrinth with multiple concentric paths and several openings. The labyrinth is built into a hillside, with the paths winding through the grass. The image serves as a background for the text on the left.

Leaders need to get used to measuring success differently. If they continue to measure success by departmental performance—as opposed to overall value delivery—they will limit organizational coherence and impede agility. They need to guard against focusing on a specific team's performance at the expense of success for the modern business.

They must expand their idea of efficiency, revisit the way the organizational appraisals work and invite frequent feedback to sharpen the focus on team effectiveness. Agile delivery teams need to be free to make the small pivots required for business agility. Leaders should create channels through which they exchange ideas with their teams.

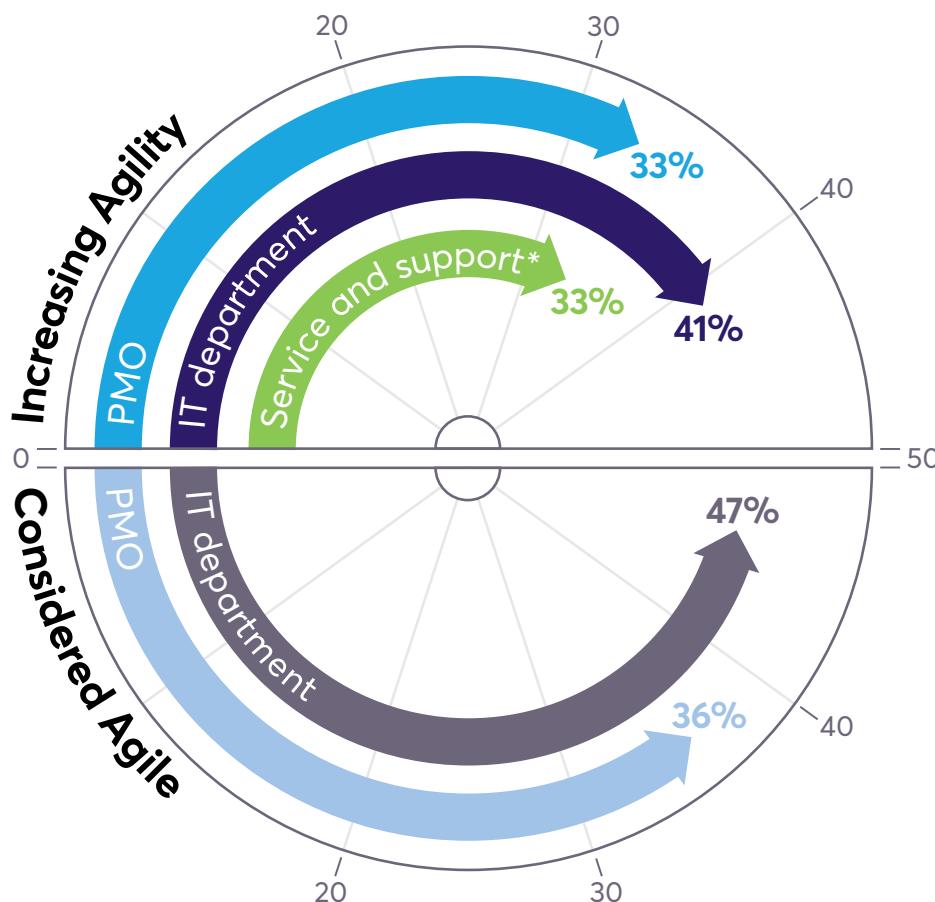
Everyone needs to accept that a successful transformation is a journey and celebrate setbacks as growth opportunities. Attempts to introduce an organization to agile business practices often run into some well-known barriers to organizational change. These include lack of financial commitment, reverting to top-down decision making, outdated apps and tools, lack of knowledge and skills, and fear of failure.

Learn More:

- Discover other organizational barriers that may be prohibiting your path to business agility. Download the eBook: [Recognizing the 12 Failure Modes in Agile](#)
- Sensing and adapting to change is crucial—will your organization survive? Download the [Business Agility Survival Guide](#).

Who Is Agile?

Which departments are agile and which are headed in that direction?



* Showing most momentum: only 21 percent think service & support is agile, but 33 percent say this department is increasing agility.

Close to half (47 percent) of survey respondents reported that their IT department was agile, and 36 percent said their Project Management team was. Marketing, research and development/engineering/product development, operations/manufacturing, and sales trail closely behind.

When asked which departments in the organization are moving toward an agile framework, 41 percent said the IT department and 33 percent said the service and support and project management departments.

The fact that the project management office (PMO) ranked so high in both agility and momentum is consistent with research into the idea of the "Modern PMO" from CA Technologies. As described in "[The Need for a Modern PMO: How to thrive in a rapidly evolving world](#)," companies that for years have taken a traditional approach to initiatives are now implementing agile business practices, which creates new challenges and responsibilities for the PMO. To effectively evolve agile into a companywide philosophy, modern PMOs are departing from the traditional authoritarian approach. Success or failure of the transformation largely depends on the PMO's ability to expand agile from a development methodology into a company-wide ethos.

To effectively evolve agile into a companywide philosophy, modern PMOs are departing from the traditional authoritarian approach.

An organization in which only a few teams have incorporated agility isn't realizing the benefits of business agility: It hasn't tied execution work to business strategy, developed a plan for coordinated scaling or done adaptive planning. Breaking down functional silos is a must to minimize dependencies, reduce waste, improve collaboration and allow companies to respond to opportunities and threats quickly and confidently.

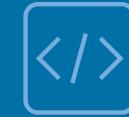
The service and support organization shows the greatest momentum: Only 21 percent of respondents said their service and support organization was agile, but 33 percent said that is the department that is moving towards an agile framework.

Departments that need to play catch up are corporate communications/ public relations, accounting/finance, HR, and legal.

Less than a third consider other departments in their organizations to be agile:



Marketing



R&D/Engr/Product Dev.



Operations/Manufacturing



Sales



Service and Support



Corporate Communications/PR



Accounting/Finance



Legal



Human Resources

Your Journey to Business Agility: How CA Can Help

While an impressive 75 percent of respondents report wanting to move toward business agility in some way, only 39 percent are confidently on their way. Thirty-six percent are either working on a plan but not sure how to get started, or still in the discussions phase. A quarter of respondents are confining their efforts to agile IT.

CA Technologies provides expertise, services, and technology to help customers gain business agility.

A great example of a company that successfully embraced business agility is Vantiv. To deliver new products and services with greater sustainability, Vantiv needed to unify its product and IT teams and accelerate the adoption of scaled agile practices. The company worked with CA Technologies agile consultants to run a series of agile awareness roadshows and adopt agile in key teams. It also deployed CA Agile Central to improve visibility of projects, resources and priorities.

As a result of its agile transformation, [Vantiv has improved](#) employee engagement, reduced the time to market for new products, and met more of its customers' needs with innovative solutions.



Ultimately, what CA does is help businesses turn ideas into outcomes—regardless of industry, problems to solve, or customers to please. CA is known for its “business agilists” who make the transition to business agility visible. Knowable. Attainable. The company can help enterprises make business agility—business as usual.

**Let CA help you transform
your business.
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1 Forbes, Daniel Newman, “[Does Business Agility Depend on Company Culture?](#)” July 2016

2 Fast Company, Faisal Hoque, “[Adapt Or Die: Your Business’s Only Options In An Evolving Economy](#),” Fast Company, May 2014

3 TechValidate survey of 217 users of CA Agile Central, January 2017

Research sponsored by CA Technologies and conducted by Gatepoint Research.