



POINT OF VIEW | APPLICATION MODERNIZATION

Agility: It's Not Just for Application Development

How an agile mindset can bring speed and flexibility to any organization



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In every industry throughout the business world, today's organizations need to move faster, continuously innovate and stay responsive to rapidly changing customer needs. Those universally desirable capabilities can be summed up with one word — agility. It's a word most businesspeople hear often as a go-to term for executives seeking to boost productivity, increase speed to market and gain a competitive edge in today's rapidly evolving marketplace.

Most IT professionals are familiar with agile as it relates to software development. The concept was introduced in 2001 when a consortium of prominent application developers wrote the "Manifesto for Agile Software Development," a set of principles and values they thought would help developers produce better software in less time.¹ Since then, agile — and the many methodologies that subscribe to its general philosophy — has exploded in popularity, gaining widespread acceptance in technology circles worldwide.

Through the years, businesspeople outside IT have also taken notice of agile and its transformative, performance-enhancing effects, and explored how it might apply to their departments. They've discovered that many of the central tenets of agile can boost productivity and deliver efficiency in human resources, finance, marketing and operations. In today's fast-paced and unpredictable business environment, adopting agility throughout an entire organization is more than a novel idea; it's business-critical.

Companies are regularly reminded that change is constant and unavoidable. The only way to remain relevant is to adapt, and to do so faster than the competition. Here's the great news: Agile can help. But simply pledging to embrace agile principles isn't the same as transforming the way teams interact and get work done. This ebook explores what holds organizations back, what agile is (and isn't), why companies should consider leveraging agile outside of IT and how they can ensure a successful implementation that produces measurably better results.

The impetus for change

It's no secret that speed and flexibility are essential to survive and flourish in today's hyper-competitive marketplace. The rapid acceleration of technological advancements over the past two decades has hastened digital transformation in every sector, regularly raising the bar for business performance.

Companies continue to one-up each other with more convenient and intuitive digital experiences that delight customers and empower employees. While many find ways to operate more efficiently, cut costs and outmaneuver competitors, organizations that fail to keep up will end up at the back of the pack, if not obsolete.

Yet even as companies find better ways to work, it seems the potential for disruption is everywhere. On the one hand, digital-native companies introduce innovative new business models that challenge industry norms. On the other hand, unforeseen world events can demand rapid strategy adjustments. The most recent example is COVID-19, which sent every organization scrambling to serve customers and support employees in new and different ways.

Despite recognizing the urgency, most enterprises — especially larger, older ones — lack the ability to pivot quickly in response to unforeseen circumstances. Among the business and IT leaders surveyed in

NTT DATA's recent "Innovation Index," 77% said their organizations aren't prepared for continued disruption.² Even with isolated success deploying an agile framework within certain teams or workstreams, these organizations have yet to achieve the type of company-wide agility that sets today's industry leaders apart.

So, what's holding organizations back and why are many either slow to react to change or unable to seize new opportunities? Common problems abound, many of which are all too familiar to corporate and government employees, including:

- Time wasted on unproductive meetings
- Cumbersome, hierarchical approval processes
- Bloated teams with unclear job roles
- Siloed functions that don't collaborate — often duplicating efforts — or have competing agendas
- Micromanaging leaders who insist on strict adherence to complex plans
- A culture that discourages risk and celebrates adhering to the norm
- Burdensome, manual and time-consuming practices that keep the organization from sustaining a competitive advantage
- An inability to see final products sooner and quickly pivot to meet changes
- Lack of alignment and visibility of strategic goals across the organization

Streamlined web content improves online banking firm's customer experience

After years of additions and enhancements to its website content, one of the top online banking firms in the United States discovered that its customer experience had become complicated and unwieldy. The company knew its site needed to be comprehensively restructured to improve flow and overall ease of use to make it simpler for customers to navigate.

NTT DATA's agility experts pivoted the client's organization to a true Scrum model, providing a Scrum Master and Scrum team with onsite developers, designers and testers. Working closely with the client's project manager and key stakeholders, the team ensured the company understood and had complete visibility into the project's backlog.

Now, customers use the new, streamlined website more — and more effectively — resulting in fewer complaints and trouble tickets. And when internal and external users request new capabilities, implementing these features is faster and easier.

Agile is a mindset, not a methodology



An organization's collective attitude toward change can speak volumes. Traditional companies and their employees tend to treat change as a threat because they know they're unprepared or ill-equipped to extract positive outcomes from change. Agile organizations, on the other hand, view change as an opportunity. They have the insights to see the silver lining in what many perceive as a potentially negative situations and the authority to act decisively, change course and put fortune in their favor.

By adopting the values and principles of agile outside of software development, organizations can begin to build these critical capabilities. But before they do, it's important to understand exactly what agile is, and what it isn't.

Seeking a swift departure from the uninspiring status quo, many corporate teams in IT and beyond have proclaimed their conversion to agile and predicted future, dramatic efficiency improvements. It's a cart before the horse scenario, and this uninformed approach often ends in disappointing results, mainly due to a lack of understanding of what agile really means.

To be clear, agile isn't a system or methodology unto itself. It's not an application to be installed or a framework to be followed dutifully. Simply put, it's a mindset — a set of beliefs that drives an approach to work. The guiding values and principles of agile suggest that certain practices should be prioritized over others. In short, agile places a high value on close collaboration with team members and customers, continuous delivery and iteration, responsiveness to changing requirements and the elegance of simplicity.

Agile doesn't mean that more traditional business practices are wrong or unnecessary; instead, it asserts that more progressive values should be favored whenever and wherever possible. For years, countless software teams have proven that operating in ways consistent with agile dramatically improves product quality, accelerates time to market, and boosts productivity and employee morale.

Agile across the organization



Agile values and beliefs may have originated in the world of software development, but many of the same ideas can be adapted to serve other business functions, as well. Organizations of all kinds take advantage of agile concepts to solve problems and continuously improve products, processes and results.

Here are a few examples of agile at work across the enterprise:

- **Marketing** organizations adapt agile principles to focus on targeted, high-value projects and rapid iterations, rather than on a few big-bet campaigns. And with agile, they place a higher value on testing and data over opinions and conventional wisdom.
- **Sales** professionals embrace the agile mindset to share their experiences more effectively with team members, set achievable goals and stay in close contact with customers to better meet their evolving needs. The net effect? More revenue.
- **Human resources** teams, which often contend with nebulous, long-term endeavors such as “enhancing the employee experience,” turn to agile to help carve out defined projects with clear goals and quickly provide demonstrable value to the organization.
- **Finance** departments adopt agile methodologies to achieve substantial improvements in speed and flexibility, enabling adjustments to budgets and forecasts in response to a shifting competitive landscape.
- **Manufacturing** organizations use agile concepts, often in combination with lean principles, to deliver incremental product improvements on a regular basis and adapt to fluctuating supply chain and demand planning challenges.

Under the agile umbrella

A common point of confusion is that agile isn't a single methodology, but an umbrella under which other agile frameworks exist. These frameworks could be considered agile delivery systems and, while they differ in their techniques, ultimately aim to achieve similar goals.

Some of the most used frameworks include Scrum, Kanban, Extreme Programming, lean and the Scaled Agile Framework (SAFe). Each methodology presents its own set of guidelines for how business should be conducted. Teams often choose to combine elements from different frameworks to suit their needs. While we believe the frameworks and practices are very important, our agility experts begin client engagements by first focusing on opportunities for improvement that will ultimately achieve positive business outcomes. NTT DATA uses an outcome-based approach with our clients; the frameworks are the vehicle we use to get there.

For those reasons, the world of agile can seem like a rabbit hole of unfamiliar terms and exercises, especially to non-technical businesspeople with no background in software. But for those willing to learn and adapt, the results are worth the effort.

Much to gain



Agile always sounds impressive on the surface, but shrewd businesspeople want to make more calculated assessments before radically transforming how their departments are run. After all, how can a vague philosophy written by software engineers translate to tangible business results in HR or finance?

Our experienced agility consultants help clients identify the best strategies and frameworks to use based on the available opportunities and desired business outcomes. Using this approach, department heads and leaders can achieve measurable improvements in key performance indicators, such as:

- **Increased productivity and employee morale.** With agile's premise of self-organizing teams, employees are trusted to make decisions and keep projects moving without time-consuming layers of approval. Not only does the work get done faster, but employees feel more empowered and fulfilled by their contributions.
- **Superior product quality.** Whether the product is a piece of software, a physical item or an intangible service, the team and the customer (internal or external) are in constant collaboration, so results are more likely to meet the customer's requirements.
- **Faster time to market.** The focus isn't on producing perfection the first time but releasing a working product that can be continuously refined. In terms of non-technical business functions, this can mean removing bottlenecks that bog down processes and frustrate clients.
- **Lower risk.** Projects in an agile framework are less likely to fail. A constant focus on collaboration and testing helps eliminate surprises, and the commitment to ongoing iteration addresses and corrects shortcomings.
- **Enhanced customer satisfaction.** With clear expectations, fewer delays and constant quality improvements, clients can't help but be satisfied.

Ultimately, practicing agile principles makes teams faster and better at what they do, which strengthens the entire organization.

Key to success

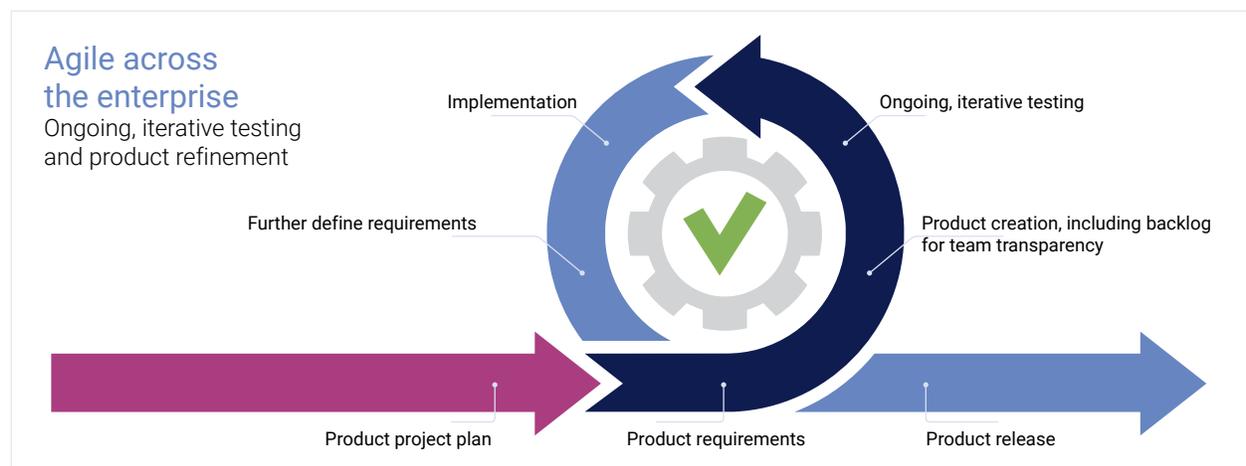
For all that agile can help organizations achieve, there are risks if the business turns a blind eye to the inherent complexities involved when adopting agile methodologies. A large enterprise is an intricate engine with hundreds of moving parts; changing the way it works isn't as simple as swapping out a few belts and hoses. Without the right approach and experienced practitioners guiding the process, attempts to implement agile could be ineffective at best, severely disruptive at worst.

With that cautionary note in mind, we recommend any organization that wants to position itself for agile success take the following steps:

1. **Get senior leaders on board.** Adopting an agile framework on any scale can't be accomplished overnight. It requires time and resources to do it right, which often means pulling personnel from other assignments or projects. A nascent agile effort won't get very far without upper management's blessing, which is why it's important to bring them on board as early in the process as possible. Leaders will need help to understand why this new way of working is necessary, why it will work, and how it aligns with the company's strategic goals and objectives.
2. **Communicate early and often.** Well before any process changes take place, make sure to help employees and customers understand what's changing and what the impacts will be and why. As with any organizational change management effort, people are more likely to embrace new

methods if they feel informed and involved from the start. Most of all, they need to know what's in it for them. For customers, agile promises faster delivery, complete transparency, closer collaboration and increased quality. For employees, it's about teamwork and individual empowerment. Open communication must be a way of life throughout each project to ensure team members stay in constant contact with coworkers and customers.

3. **Invest in training.** Not all employees will need to be convinced of agile's merits, but everyone new to agile will need training. Adopting new ways of working together requires some new project management skills and a shift in mindset about how success is achieved and measured.
4. **Start small.** It's inadvisable to rush into agile and take on too much, too soon. Doing so can overwhelm employees and lead to confusion and stagnation. Many organizations start by conducting pilot projects with small, handpicked teams. This strategy creates an opportunity to iron out wrinkles in the process and prove its effectiveness. Later, these early agile adopters can serve as advocates and coaches in their respective functions.
5. **Let go of the reigns.** For managers with many years of experience in the business world, one of the hardest things to do is give up control. But the concept of self-directed teams is essential to agile, so managers must be able to rise above the weeds and trust the team will get the work done. Managers can help by setting smart goals, ensuring the right people are in place and facilitating collaboration across functions.



Conclusion

Ready for action?

In the digital era, speed and flexibility define the most successful organizations. To meet the ever-increasing expectations of customers and keep up with aggressive competitors, companies must accelerate every aspect of operation, drive out inefficiencies and navigate change with proactive precision. Over the last 20 years, the agile philosophy has proven to be incredibly useful in achieving those goals. It started with software development, moved to other projects within the IT department and now delivers positive business outcomes throughout the enterprise.

But every journey starts with a single step, and the transition to agile ways of working is no exception. For companies just starting out, an experienced partner can prove invaluable in helping to identify the best test projects, ensure the right skillsets are assembled, conduct essential training and guide the organization throughout the entire process.

With a strategic and measured approach to adopting agile over time, virtually any organization can become a leaner, faster, more powerful version of itself.

Sources

1. Kent Beck, Mike Beedle, Arie van Bennekum, et al. "Manifesto for Agile Software Development." agilemanifesto.org
2. NTT DATA and Oxford Economics. "Innovation Index." November 2021. <https://us.nttdata.com/en/insights/innovation-index>



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