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Big-bang approach ineffective for large organizations to scale Agile

Capgemini report states mindset change, continuous planning and technical excellence as key elements to scale Agile

Paris, November 19, 2019 – A [new](#) report from the [Capgemini Research Institute](#) highlights that adopting a ‘big-bang approach’¹ to scaling Agile ways of working rarely succeeds as every organization has a different learning curve, culture, talent, and risk appetite. While many large companies have begun their journeys to organizational agility², scaled adoption across the entire business remains a critical challenge for enterprises in multiple sectors. The report cites culture and mindset change as significant obstacles in achieving agility and that the required technical dimension is moving too slowly. It also highlights senior business leaders as still being wedded to traditional approaches of reporting and risk management.

Capgemini’s report entitled “Agile at Scale” explored the challenges in realizing enterprise-wide agility, including the barriers and lessons learned from a series of industry ‘front runners’³ in terms of enabling multiple teams to follow Agile practices, values, methodologies, and mindsets across functions and levels. It provides four key recommendations for businesses in order to be successful to scale Agile.

Key insights⁴ drawn from a series of in-depth interviews with executives from around the world, across automotive, aviation, banking, insurance, consumer products, retail, pharmaceuticals, telecom, utilities, and the public sector (together, representing combined revenues of over \$1.5 trillion), include:

1. Experiment: Start with customer-focused initiatives; scale gradually – The report indicates that in organizations with limited Agile experience, big-bang scaling leads to frustration, as it takes time for Agile culture to grow organically. Such organizations get disillusioned and fall back on a traditional, phased approach. Moreover, this runs counter to the core tenant of Agile – an iterative and learning approach.

Organizations should start with initiatives closer to the customer – either a flagship customer journey or customer service. Such initiatives should have tangible outcomes, which are easily marketable, are a perfect testing ground for Agile and offer significant value – from transforming the customer experience to compressing feedback cycles. However, to build a Lean-Agile mindset, organizations must introduce Agile concepts even in areas that are not initial candidates for action.

2. Orient: Change culture by changing behaviors and focus on developing ‘T-shaped’ skillsets - The report highlights the importance of leadership acting as role models by displaying openness to

¹ Big-bang approach is where organizations are trying to scale all at once.

² Agile refers to the mindset and behaviors that support an iterative, incremental approach to manage changes in design, build, deployment and adoption of products in a highly flexible and interactive manner. Typically, it involves self-governing, cross-functional teams working on the product. In this case, “product” might be any kind of deliverable from an Agile team, such as software, a customer product, a process improvement, or a marketing campaign, etc. Business agility is the ability of an organization to rapidly adapt to market and environmental changes in a productive and cost-efficient way.

³ Global organizations that have scaled Agile at a program or portfolio level or beyond IT.

⁴ These are leading practices from organizations that have scaled Agile.



change, investing in continuous learning and adopting new behaviors. The research reveals that hyper-specialization and siloed thinking are big challenges to scaling Agile. Instead Agile teams are “T-shaped” – in that they have defined areas of specialization (the depth) but are adaptive and can work broadly across other aspects of a project (the breadth).

3. Govern: Link Agile portfolio planning and operations with business strategy -

- Focus on strategic portfolio management as an Agile world needs to connect business strategy with delivery of value across different layers of the organization. This is essential to optimize performance across the enterprise portfolio.
- Revamp funding by moving away from annual cycles - most Agile frontrunners do away with cumbersome annual planning cycles – consisting of approvals, re-approvals, fixed budgets, and controls to give way to adaptive funding.
- Set up a Lean-Agile center of enablement; decentralize decision making and measure outcomes

4. Accelerate: Modernize IT with DevOps⁵ and microservices - Many organizations run Agile and DevOps initiatives separately, with the goal of aligning them at a later point. DevOps and Agile initiatives can be independent, but there are clear benefits to tie them together as one transformation, for faster software release, cross-collaboration with teams and quality improvement.

Furthermore, Microservices⁶ and agility are well suited to each other. Microservices allow organizations to quickly and frequently evolve application features or its service components. This enables scalability and makes IT systems adaptable to changing business needs.

“Given the foundation of Agile is the ‘lean’ manufacturing concept, that was introduced in the 1940s, we would expect all industries that create physical goods to rapidly embrace and adopt this approach. However, many organizations struggle to reap its full benefits. This is because they focus on “doing” Agile without “being” Agile,” said Franck Greverie, Group Chief Portfolio Officer and Member of the Group Executive Committee at Capgemini.

“While IT teams and software factories have played a key role in driving the adoption of Agile initially, we are now seeing enterprise adopting product-oriented organization linking business to IT supported by DevOps at scale architecture. These principles are spreading rapidly across the enterprise. Sector and market survival increasingly rely on innovation, and this requires an Agile culture not just Agile processes, organization and technologies,” he further added.

Joe Gribb, Head of Enterprise Advice Technology at The Vanguard Group said: *“For us, modernizing IT was one of the critical aspects in the journey to becoming Agile. Our first approach was more iterative – we began adopting some of the Agile principles. We started to break down the wall separating specialists within IT and put Testers, JAVA/UI/COBOL developers, all in one team. Focusing on these nuances was the first step towards changing the IT architecture to enable agility across the organization.”*

To read the full report, click [here](#):

⁵ DevOps is an IT team alignment process, starting with “Dev” (in charge of IT enhancements & changes) and “Ops” (in charge of operating existing applications and infrastructure). Agile fosters collaboration between Business and Dev teams, while DevOps focuses on Dev and Ops collaboration, bringing agility up to production. DevOps gains can be maximized when combined with Agile practices

⁶ A microservice is an independent, reusable service or functionality that fulfills a singular purpose.



Research Methodology:

In July 2019, the Capgemini Research Institute conducted in-depth interviews with more than 45 business leaders from organizations that have been successful in scaling Agile across a range of sectors and countries. Seventy-nine percent of the organizations reported revenue of more than \$20 billion in FY 2018.

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