



EMBRACING TECH IN FINANCIAL SERVICES EPISODE: BUSINESS AGILITY AND AGILE – WHAT'S THE DIFFERENCE?

TRANSCRIPT

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Tim: For organisations to achieve true business agility, it must be treated as a destination, not a journey. Stay tuned with my guests Nick Polce and Ajay Nair to find out more.

Presenter: Welcome to Embracing Technology in Financial Services. A podcast brought to you by Accenture. In this series, we will hear from experts to uncover the latest in technology and trends in financial services. Now, here's your host Tim Broome.

Tim: I have the pleasure this week to be discussing the topic of business agility and with that in mind, I've got two experts in this field. Firstly, Nick Polce, who is our business agility lead for ANZ. Nick, how are you?

Nick: I'm very well, thanks. Long time listener, first time participant. So thanks for having me on.



Tim: It's great for you to be here. Yeah, so you mentioned first time, our next guest is on his second trip here, Ajay Nair, our DevOps lead for ANZ.

Ajay: Nice to be a here Tim. It's great to come back. I heard this was the end of the show. Is that true?

Tim: It is true that it's the end of the series. However, good news, at the end of this podcast, I'll be able to relay some special information.

Nick: Look forward to that.

Ajay: Look forward to that. Sounds pretty exciting.

Nick: Stay tuned, everybody.

Tim: Stay tuned, indeed. So, with the topic, business agility. Nick, can you start us off with the topic of business agility versus the term agile, which we've all had around for quite a while now.

Nick: Wow. Straight out of the blocks, Tim.

Tim: Straight into the big questions, hard questions.

Nick: The terms are often misused, so interchangeably misused. For me, there's lots of different definitions of business agility, but from my perspective it's around creating organisations that can respond to the changing environment around them. And agile is a tool, mindset, values, principles, and practices that help enable business agility. Just like DevOps is a culture, change management is really important when you're going through an agile transformation. It's a component of business agility. It is not business agility. Does that make sense?

Tim: Right. So we, we draw in a, almost a line between the two, in saying these are two different things.

Nick: They are.

Tim: Okay. So, DevOps, Ajay, we've already spoken about DevOps and I guess in our conversation, I take the position that, haven't we already done this? And you explain to me why we haven't. Are we going through the same thing with agile?

Ajay: We absolutely are, by the sounds of it. Like the other day, I think, in the DevOps podcast I did mention as well, a good friend Harshu who's been on several podcasts with you actually, asked me the same question now: are we, isn't everyone agile yet? And I think we're far from it.

Tim: So how do we get beyond the conversation of agile and you know, big 'A' agile process. How do we, how do we stop that and then move on?

Ajay: We need to do two things. We, one, need to understand where we're at. Firstly, have an honest look at what agile has done for us and what it's helped achieve in the company. When you do that properly, you would understand that there's a whole bunch of gaps that you haven't really achieved because of various other things and business agility conversation hasn't happened or businesses doesn't see it as an agile organisation. So for anything you realise where we're at and then you carve out a roadmap for the future and for that second bit, I think a lot of people need a lot of help.

Tim: Okay. So, Nicholas, your thoughts on that?

Nick: Absolutely. Couldn't agree more. Back to Ajay's first comment around agile being manifested in processes: I couldn't agree more. Agility, for me, is probably the first part of the agile manifesto. Individuals and interactions over processes and tools, and I think it's got – the application of agile – has got away from us a little bit. That people are focusing on those processes and tools at a detriment of those individuals and interactions. So, yeah, to start the business agility conversation, it's a recognition of where you are in your journey. Hopefully, it's a proactive conversation rather than a reactive conversation. The worst thing you want is when you have a burning platform or a failing business, and try to drive an agility agenda because it does take time, because it's some mindset shift and a culture change.



Tim: So, you mentioned 'focus on process ahead of people'. Is this a facet of small organisations that then got value out of adopting some of the principles, and then as we got bigger and bigger and bigger, it all started to get a lot harder and the, the bigger the organisation, the greater the need for some formal processes in place so you can connect and everybody knows what's going on and everybody's heading in the same direction. Is it bigger organisations – this is just getting harder and you need to have a different mindset?

Nick: Yeah, absolutely. When you scale, it does make it a lot harder and people are comfortable with processes because it creates some consistency. There needs to be that balance, and really put people first when you're driving this change because it is all about the people and unlocking the potential of the people within the organisation. It does take time, and you need to make sure that the processes you put in place are lean and fit for purpose.

Tim: So we've seen organisations be tackling this challenge for a number of years now, and I think all, I mean, various degrees of success, why are we keeping going with this if we're not really clear on what it is we're going to get, Ajay?

Ajay: Okay, that's a great question, Tim. Everyone wants to be agile. Everyone for some reason it is the... bad word-

Tim: Yeah, yeah. Yes.

Ajay: -in the industry. So, I don't think people have caught on to why they should do it. They've- it's almost like they don't see any other way work, or they can't go and say they're not going to do it. So, they're doing it for the wrong reasons. Why are we still talking about it? Is because there's a lot of success that people see in smaller teams that is quite infectious, and if you see them work, not- going into agile delivery as well as if you talk about business agility- if you actually see successful teams, it's very awesome to be part of something like that. And quite often you ask yourself the question whether that is something you can achieve and on the outside, it looks like you can.

Ajay: And therefore, there is really no reason not to go down that path. Businesses always want to be more flexible. You and I both know that the way tech changes, and the way various different things change today in the organisations, businesses wanted- they've always wanted that flexibility, so that hasn't gone away. The reason we are still talking about this and they're still struggling with this every way is because collectively as an enterprise and as one big system, they haven't found the right answer. They'd been trying to solve it in pockets, solve it in silos, solve in certain places, and the moment they try scaling it, it changes again. I think that complexity is pretty massive, actually, to try and fundamentally change the DNA of an organisation.

Tim: Absolutely, yep.

Ajay: And there's one other point, Nick, I just wanted to highlight, when you talk about process and people; that the whole reason why we've gone on the process stuff is it's the easiest stuff to fix. You can actually go and change a process.

Nick: Yes, that's right.

Ajay: Changing people and interactions, that is the hard part.

Tim: Yeah. Gotcha. And Nick?

Nick: Yeah. So, the imperative to change for me is because business is changing, the environment's changing. If I look at, kind of like, the three facets we've got: technology, the rate of change has never been greater, new technologies are coming to the market. Secondly, consumers: their demands are greater than ever before, so they want a personalised service almost instantaneously. And then we've got disruption, which is at the door of financial services. Zinger basically got their banking license a couple of days ago. We have these Fintechs that are spinning up and are eroding traditional revenue streams for financial organisations. I know Google, in the pipeline, have a financial services offering that they'd been working on for a while. So, it's not restricted to the traditional players.

Tim: Yeah, absolutely.



Nick: So that's the imperative for change. It is very, very hard when you're talking about large, complex financial services organisations. That's why we definitely encourage starting small and experimenting your way through the change process.

Tim: And when we say starting small, we're not talking about having agile – traditional type agile – teams sitting in technology. That's starting small. You're talking actually starting small at a business enterprise level.

Nick: Yeah, so pick one area that cuts across business and technology that has a single purpose, and use that as your test case.

Tim: And how would I get that off the ground?

Nick: So, I would look to identify a very clear product line or line of business and bring the technology folk and the business folk together, creating a true value stream. Really create that clear purpose for that value stream and the key measures of success and get out of their way. Enable them to do what they need to do, clear the organisational barriers and give them the right to do what they need to do to start delivering value.

Tim: And that almost sounds as though you're better off starting with not just an isolated product, almost an isolated business.

Nick: A very radical transformation approach could be: buy a separate building, and move that value stream to that building, and basically start up your company version 2.0 with a start-up mentality.

Tim: And are you seeing that actually happen?

Nick: Not a great deal here locally, but I know that organisations internationally have looked at that approach.

Tim: Ajay, we were talking about what the change is that's happening. What have you seen organisations doing to try and adopt business agility?

Ajay: Well, for starters, some organisations they've actually had a conversation together with business. And what I mean with that is agile was typically very much seen as an I.T. Delivery exercise. And I think, of late, we are seeing businesses actually talking about, "How do I bring in business at the table? What is business agility? How do I need to change what I put through the system? So if I go back and look at what my features are or what my product line is? And how do I slice and dice that? How do I create these product teams or these feature teams, the business at the front and centre of it?" That conversation's coming up a lot more often. And it's hard because they are trying to do this in a specific part of their organisation, whilst the rest of the organisational processes and other things don't necessarily lend themselves to be as agile.

Ajay: So, there are a lot more business-led agility conversations at the moment, and I think it's a matter of time when- this is, for me, this is agile 3.0, if you may, where this is the new wave of agile and it now finds a home from business, which is kind of where we all want it to.

Tim: So how do we measure success? If we're going on this journey; if I'm the COO, I'm going to figure out where money's going to be spent and we've been putting money into this approach for a while... Nick, how do I convince somebody that we need to keep investing?

Nick: Great question. From my perspective, there are kind of like four key areas in terms of the things you want to measure. The first one would be speed to market. So how quickly are you moving from concept to cash or concept to customer? The second one is business responsiveness. So, how quickly are you moving from customer feedback to giving them the next iteration based on that feedback. The third one would be productivity gains. So how are we leaning out the organisation both in terms of processes, but also structure, to enable flow through the organisation? And fourth is quality gains. We want to make sure that everything we're doing is of quality.

Nick: So, they will kind of be, like, the four key facets. Underneath those would be a bunch of both qualitative and quantitative measures.



Tim: Okay, and Ajay. It's probably been three, four years ago now where we sat down and tried to figure out how do we more quickly, or find quicker ways to measure value, out of combining DevOps and agile processes? And what's that feedback loop that says, "when I go through my next cycle, I know what's going in, I know how to measure value on it." I don't think we've really seen that land yet.

Ajay: No, we haven't, and I think at that point we call it "Biz DevOps". It was a new...

Nick: New term you just made up?

Tim: Yes, we were working through new terms at the time.

Ajay: Yes, because we don't have enough great terms at the market, at the moment. So, we figured we'd create a new one.

Ajay: Anyway, so we did look at that and I did think about this quite a lot, Tim, as to "why didn't that land?" and it made perfect sense. It was basically that entire feedback cycle going from business-led change to all the stuff that Nick just spoke about, about flow and then going back into operations and then feeding that data back into business in terms of where it's at, and then business being able to pivot and iterate on that faster. And the reason I think that didn't take off, because for me, it was an I.T.-led conversation for starters. It was us, sitting in I.T., thinking of, "How can we make business value and the whole feedback cycle a lot faster?" But it was, again, us talking to the I.T. guys. I still think the conversation is not being had with the right people because you need to have business and I.T. in the same room.

Tim: Absolutely.

Nick: Yeah, if you do it in technology, you're one step removed from the true end customer.

Ajay: Correct, yes.

Tim: To a certain extent, I think it was us as I.T. delivery folks saying, "How do I better understand the value that I've delivered?"

Nick: That's right.

Tim: Because I don't necessarily see that.

Nick: Correct.

Tim: And I don't even necessarily have visibility to the business case. You'd hope you do, but sometimes you don't. And then so how can I get more involved in that? And, actually, when I've finished I actually now know why I did that. And I can see on day one, week one, I delivered the value that we set out to deliver.

Nick: And I suppose just adding onto that point, measuring value has always been very difficult regardless of your delivery method. Business cases get written, you deliver it a couple of years later, and you can't justify the benefits. But, I suppose, moving to business agility and creating value streams that are orientated around specific customers or products allows you to better understand the value because you have a very specific set of people that you're providing value to.

Tim: But, if anything, business agility has to be connecting the technology folks into the business a whole lot more, and vice versa. And we then have to have a clear ability to track and manage that value. It's how we embed that into the process that we have in place or embedded into the fabric of how we operate so that it's not something we try and figure out at the end; "Did we achieve what we set out to achieve?" Well, we should have figured out at the start how we're going to measure that. 'Cause then when we get around to the conversation of "Did we deliver value and is this agility change that we're trying to adopt, is it being effective?" You need to have those measures in place to prove that.

Nick: Absolutely, and I see a lot of organisations focus on the structure and the process of agile without thinking about the enablement, which allows the organisation to assess where it's at and determine the value it's creating... so, finance structures, how to measure value, CI/CD (continuous integration and continuous delivery) pipelines, things of that nature – they go very, very quickly into changing the structure but not the enablement functions to enable delivery at pace.



Ajay: And, for me, the other part also was looking at- because this agility doesn't discount- if you think about the words 'agility' and 'value', I think they're both extremely hard to have very easy measures against because 'value' could be quantifiable stuff, it could be qualitative stuff, it could be employee satisfaction, it could be a whole bunch of stuff just sitting under the word 'value'.

Ajay: So, what are we going to measure? It has to be defined from the start, you're absolutely right. From agility sense as well, how do we know that we are now an agile business? It's extremely hard to go and find very clear metrics, in my opinion, to identify that or to measure that. It's not to say there aren't metrics out there that you can actually go and measure agility against, but there are- you can't find something to measure everything under the word 'agility'. Starting somewhere is a great way to do this, and we've looked at business value, we've tried building technology solutions that can go pull information out of, I don't know, SAP systems to see whether they could meet the benefits, that the projects have met the benefits that they intended to achieve, but it's always done in hindsight. So, no one's sat down and said, "Here's what I'm going to measure, and then let's track it through the process as opposed to coming back to it later on."

Tim: If we talk about measuring value, I think there's maybe three – and Nick correct me if I deviate – but I think there's probably three areas that we're focusing on. There is time to market, there is customer satisfaction, and there's employee satisfaction, is probably the three areas that we aim to target. Time to market, I would hope that we have a method by which we can track that. Nick's shaking his head.

Nick: It was kind of a sideways shake.

Tim: But there should be a day where we can say "Well, we started on this date and we hit market", and it's now whether we achieve the goals, it gets back to the conversation we've just had, but I should be able to measure time to market.

Nick: Yes.

Tim: Rudimentary level. Employee satisfaction, there are ways you can partition. You can do surveys across organisations, you can partition that into parts of your organisations, you can track that over time. I still really struggle with probably the most important one for an organisation: that is the customer experience and the customer satisfaction, and how you actually tie that into specific initiatives. Am I aligned with everybody here? Or- if you've got any silver bullets on this one?

Nick: No, so I've got a view on it. Because we're aiming to create value streams that would serve a single cohort of consumers, we should be able to better measure the experience that we're providing them. So, we're moving away from initiatives and projects, to being a longstanding value stream that continuously provides value to those consumers, and those consumers alone. So, we should be able to really engage and connect with them, understand their needs, wants and desires and how we're performing. So, if you re-orientate the organisation to create those value streams, it better facilitates that connection with that customer.

Tim: In which case, if I can identify a cohort, an increase in the number of that cohort within my customer base is a measurement of success?

Nick: Absolutely.

Ajay: Retention. Retaining your customers. Increasing your customers, a whole bunch of stuff that you can do-

Nick: Yeah, and you can use customer focus groups as a sample of your overall customer footprint.

Tim: Okay, okay. It'd be great to wrap this one up soon. In terms of takeaway messages, say you're an organisation, you've maybe had a go at this, you've maybe done it in smaller areas. What would you advise? Maybe three things you'd say, "Here's what I would do next."



Nick: The overarching advice is to start small. Don't rush into it because it does take a long time. I know that the organisation's starting to truly understand business agility, when they stopped putting an end date to their transformation, because it is about continuous improvement, continuous evolution. For me, kind of like the three enablers of business agility are: value streams – we've talked about that a lot in this podcast, so creating those value streams that bring you closer to the customer, break down silos between business and tech. Absolutely critical. Funding models; we hadn't really touched on this, but we want to move away from project-based funding, which creates start, stop, start behaviours and fund value streams continuously. And kind of the third, and the most important, is promoting a culture of continuous improvement.

Tim: Closing, Ajay, is there anything you'd like to add?

Ajay: Well, yes, and I think in addition to what Nick just said, I think it's important that organisations allow you to- or set you up for success for starters, right? So, if there are some enablers you need to build, either iteratively as part of your transformation, you need to have those things in place, which allow you to then operate in a certain fashion. If you don't do that, you can start small, you can have a team set up, but if they are going to be brought down or going to have higher failure rates because they don't have the enablers in place, that's a problem as well. So, it's important to look at getting the enablers right up there. I call it the architectural runway. Something like that is extremely important to consider as well.

Tim: That's great insight, Ajay, thank you very much. And that about wraps things up for this podcast.

Nick: Woah, hold on, Tim, hold on, Tim. I thought you had a big announcement for us?

Ajay: Oh yeah, what happened to that?

Nick: What have you got? What have you got?

Tim: Okay. Okay, here we go. So, this is the end of the season and I was a little bit disappointed that I thought it was all going to come to an end. However, I've got some great news. We've actually had such a great response; we've had such great feedback that we're going to continue the podcast series. We're going to have a bigger range of guests. We're going to have more conversations and we're going to push off in some new territory and some new areas, really covering right the way across financial services, maybe even beyond. So really something to look forward to.

Ajay: You can't get bigger than business agility, Tim.

Tim: Well, we'll see what we could do.

Nick: We just jumped the shark.

Tim: Nick, Ajay, thank you very much for your time both.

Nick: Thank you, Tim.

Ajay: Thank you, Tim.

Tim: And for anybody who's listening, if you want any more information on this or any of our other conversations, you can find me, Tim Broome, on LinkedIn or you can get Nick Polce and Ajay Nair. They're also available on LinkedIn or directly through Accenture. Thank you very much.

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