# TALKING AGILITY: EPISODE 1
## PODCAST TRANSCRIPT

Welcome to Talking Agility, a podcast from Accenture. Your host is Elitsa Nacheva.

**Elitsa:** This is our very first episode so welcome to everyone who's tuning in today. I'm your host, Elitsa Nacheva and I'm a management consultant within Accenture's Talent and Organization practice, which is part of Financial Services and I co-lead the agile practice in the UK with one of our own guests this evening.

My guests tonight are Andy Young, who is a managing director in Accenture's Financial Services business in London. He leads our Talent and Organization in the UK and Ireland and leads our Agile Organization practice globally.

**Andy:** Thanks Elitsa, good to be here.

**Elitsa:** Our next guest is James Tabernor. He is the global lead for Enterprise Agility within Accenture's Talent and Organization.

Before we get into the conversation, I think we should address the most obvious question for this podcast series, which is: what is enterprise agility?

**Andy:** In short, enterprise agility is an organization's ability to respond both quickly and effectively to opportunities and disruption in their business and the marketplace. We think that as the result of the pace of change increasing across all industries but particularly financial services, it's important, it's going to continue to grow. We're going to be addressing everything to do with improving the pace of change across the industry.

**James:** I think, yeah absolutely. It's becoming a real strategic imperative for all larger organizations, particularly in FS but across all industries to be honest.

**Elitsa:** Thank you James. And Andy, you like to use one metaphor, you often quote and I actually quite like it because it brings things to life so would you like to share that metaphor with us and our listeners?

**Andy:** Sure. I've got two relatively young children we've been helping ride bicycles and my work life corresponding my home life, agility is very much like learning to ride a bike. It's something new that's quite difficult to start with but it also requires this combination of two things that almost sound paradoxical when you start, about speed and stability. You need to start pedaling and keep up speed to keep going but you also need to keep balance otherwise you end up in a heap on the floor, so hopefully this podcast will help our listeners become able cyclists over time.

**Elitsa:** What does the research say about the benefits of enterprise agility? Something that a lot of our clients are talking about.

**Andy:** So I think the benefits are both strategic and financial. Perhaps if I cover off the strategic ones, then James you can pick up on the financial benefits.

I think if you look at most financial services institutions, actually most legacy businesses, incumbent business in most industries, they face a dual challenge of how do we transform and create grace in the old business but also start tomorrow's business is a particularly strategic imperative. So for

the strategic imperative is really about how do we create business today and generate results today but also build the business of tomorrow. James, what's your view on the financial side?

**James:** From a financial perspective, I mean a lot of our own research, nearly a thousand change leaders we surveyed in 2017 and also from our agility index which links to our transformation GPS tool which is many data points from thousands of employees across several hundred large organizations and points to a couple of things. We know that those that are truly agile are twice as likely to achieve top quartile performance than those that are struggling. Some of the other things as well, if you look at some of the external research, the State of Agile report is always a good one for looking at how truly agile organizations operate their change. Some of the big advantages that people see is the ability to manage changing priorities and getting things to market and getting speed to benefit of most change programs. And also, human things as well so an increase in productivity and team morale are some of the big factors that people call out to.

**Elitsa:** My next question I would like us to focus on a little bit is are industries trying to achieve enterprise agility or is this not yet a priority for them?

**Andy:** Across industries, not just financial services, agility is a particular opportunity that people see for their businesses and I see that a senior level it's increasingly a topic we get asked about from CEOs and COOs, not just the CIO where traditionally where agile would have been a topic of discussion. There are some sector differences, but all industries are still finding their way on this topic. You've obviously got some organizations that are well-cited, there are new entrants who are kind of born digital and agile. I say to my clients, not everyone's

a Swedish music company so they'll all have to find their own way on this, frankly.

**Elitsa:** I think it's probably will be useful for our listeners to define our terms and separate what we mean by agility, that we're not just looking at this from the perspective of IT and devops. We talk about the benefits and about the numbers but why do you think that firms are struggling to achieve enterprise agility despite these lucrative end goals and outcomes out there? What is stopping them from being a Swedish music company?

**James:** Well, this first thing I would say is they don't necessarily want to be a Swedish music company, right? It's not one-size-fits-all for this. If you're going to be truly agile in the way in the way that you operate there is no mold to copy from somewhere else and then behave like them. And indeed, if you're truly agile, you don't want to behave the same way forever either. The whole point is around the level of adaptability and agility and a dictionary definition of it as opposed to any sort of method, I think the difficulties, there are many different reasons why it's hard and I think if you've got legacy IT that can make things difficult, if you're in a very regulated industry that can clearly make things difficult or at least or it can be perceived as it might be difficult to do that. But for me, the biggest thing is the culture, the values and the behaviors that fit alongside it. I think you can change processes, you can change methods, you can change the tools that you use but really changing how you behave and how you work together and really unlocking what you're trying to get out of agility, it is a very people-based change, it's really important that the leaders in particular, are fully behind it and understand what it means, not just for their people but for them as well. It's not something that you can just pay lip service to; if you really want to change this, it's a big cultural shift.

**Andy:** And I think, just to add James, certainly some of the experiences we've had there has been, if you try and build that new way of working in a greenfield environment where it's new and fresh that can be difficult but can be done relatively easy starting from scratch. To try and influence the workings of a large insurer or a large bank, balancing tens of thousands of people who've got a very ingrained way of working. We've certainly seen that with the early work that's been done on digital factories for example across FS and elsewhere and how can you create a new way of working that to issue ejection from the mothership. And we see a real range of clients across industry in terms of the opportunity and struggle with agility, some which are just not engaged yet. There's a few of those still. And they're typically fighting about other topics, it's just not the right place to start for them. A large number starting out, so either starting out in pockets in IT or within the business or combination of both but often quite small-scale and then this challenge of scaling and that being a particular challenge for organizations where they've not applied the appropriate discipline and factors to scale around their way of using agile approaching agility. Often we find that an agile approach needs a more disciplined way of working than less, contrary to the popular perceptions about agile being fragile, for example. And then we see those who have been on this journey for a number of years and what we're really helping them do now is optimize the way they do this and take this very much into the whole of their business. They may have had large parts of their business using an agile approach, change how they run their business, we're now helping to make that a more pervasive theme across the entire bank, across the entire insurer.

**Elitsa:** To start transforming, firms have to be first agile and they can start trying to do agile and I think that's a topic that we're going to explore in our upcoming episodes.

My next question is, does enterprise agility undermine the traditional financial services values like stability, consistency, and their appetite for risk?

**James:** No. It's just a different way to approach things. If you're trying to measure and manage risk and you're used to doing that in a particular way, then I think you start to do things in a different way then there is a concern that, well we're not going to be able to keep control of this is just going to run off in another way and then we'll end up in problems that we've had in the past. But it's not really about that. It's an understanding of managing risk in a way that is different than what has been done before but doesn't mean throwing away that level of good control and sensible control. It's about doing things in a different way.

**Andy:** I think, just one point to add to what James just said, a lot of the risks facing the industry at the moment like cybersecurity, like financial crime, like fraud, they're moving too fast to take a stable approach where you try and control your way out of risk. Actually having an approach which lends itself towards continuous change towards learning, towards sensing is a much stronger approach in this sort of environment.

**James:** Yeah, and not just in change either right Andy. So if you're looking more at the operations of the business as well and the ability to be more agile in the way that those things are done as well helps to de-risk things that could happen where situations where a particular workforce where they're not able to operate for whatever reason having the ability to be more agile about how things happen but in the BAU world, not just in change as well gives you more safety and more control.

**Elitsa:** And from my experience, one of the things that I noticed that is very difficult to change is the culture and the behavior.

Would you agree with that? What have you seen from your experiences, the most difficult to change?

**Andy:** You have to remember that some of these institutions are hundreds of years old, some of them 3-400 years old institutions. I think just recognizing the cultural context we're trying to do this in and spending the time to actually started from is important. I think particularly in that trust is probably the factor I worry about most in the industry. We know based on the global dataset James described that actually, we've got a relatively high fear and anxiety level within the industry workforce at the moment and the trust levels aren't really where they need to be. Not in any region or any particular sector of FS, obviously there's institutions who have got that right but as we go on the next phase of digitizing the industry, pursuing the future of financial services, that starting point's really critical. There's a lot of work with senior leadership team and boards around this topic. Generally, the acceptance level around pursuing an agile approach is good but getting into that new way of working, including in the boardroom is difficult and with teams so that first moment where someone in a critical position in an organization is empowered to drive forwards against division and yet they fall back into the type of behavior of taking that proposal, that decision back to the board. The moment the board condones that behavior and puts that control we mechanism back around that decision, we fall back into type. It's a bit of changing behaviors in the organization and creating the right environment for trust and collaboration and learning but also there's a change in behavior from the leadership team, role modeling these new behaviors in the organization. That's a very personal journey for each of these leaders.

**Elitsa:** That just brings me back to something that I'm working on with one of my clients is very adamant that despite the

fact that we're using agile ceremonies, having standups in the morning and retrospectives, he always go back to the fact that we need to take a step back at some of the values, some of the core values, that we have agreed at the start of the project. And he always recommends that like you alluded to Andy, if someone is taking the empowerment out of someone else, he says we should go back to those six values that we agreed will be our ways of working and we should reconsider what we are doing wrong and why are we stopping progress and why we may be delaying things. So almost he's taking a step back in recognizing what are the values, the core values, that agility brings.

**Andy:** And what you're doing is a team there, is the whole organization needs to learn, needs a sense of behavior, new ways of working, new ways of serving customers, that's really the heart of the agility challenge.

**Elitsa:** This has been a really, really great conversation. Thank you Andy and James very much for your time. It's always a pleasure to speak to you both but especially today given that we are kicking off the first episode of the enterprise agility podcast, Talking Agility. Thank you to everyone who has taken the time to tune in and listen to what Andy and James have to say. I would invite you to visit Accenture.com/talkingagility. You can read Andy's new blog, you can download Accenture's reports which we spoke about earlier, the Financial Services Change Survey and Transformation GSP insights from the Agility Index study. There's some really, really great insights and information that will be beneficial for you to have a read through. But also please do send your questions, comments, any suggestions you have would be really interested to read those. Also, don't forget to subscribe to iTunes or Soundcloud if you'd like to receive notifications about our next episode. Please

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