

The Business Agility Report

RESPONDING TO DISRUPTION | 3RD EDITION, 2020



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PREFACE BY STEVE DENNING

In a year of shattering change, the effects of the global pandemic are evident everywhere. While some businesses, like airlines, hotels, and restaurants have been devastated no matter how they were run, other sectors, particularly those delivering services digitally like Amazon, Apple, Facebook, Google, Microsoft, Netflix, and Salesforce, found themselves perfectly placed to profit from the situation and achieve unprecedented levels of market capitalization.

The latter firms also benefited from the fact that they were for the most part practicing principles of business agility—an obsession with delivering value for customers, drawing on the talents of their staff, and working as networks of competence, even as they used home-grown labels for their management practices, such as “Project Aristotle” at Google, and “two-pizza teams” at Amazon. The financial success of these firms has been a powerful lesson to the world about the advantages of business agility in a world of increasing disruption and abrupt change.

Moreover, as the pandemic forced many businesses to embrace working virtually rather than in offices, the benefits of agility were also striking. Firms that were already working in self-organizing teams found the transition relatively uneventful and even positive, while organizations still locked in the slow-moving, top-down, bureaucratic practices and processes of 20th century bureaucracy found the shift problematic both in terms of personal stress and business efficacy. As many of the former firms declared their intent to continue virtual work practices at least into 2021, it has become apparent that the pandemic has been a great accelerator of changes already underway.

Yet, a shift in management towards greater agility at the enterprise level continues to pose major challenges for leadership. Entrenched business processes, practices, values, and attitudes don’t change easily or quickly. Firms are finding that Agile transformation journeys typically take place in terms of years, not weeks or months, with many setbacks as well as forward progress.

The “Business Agility Report 2020” is a contribution to our understanding of organizational transformation, particularly how it looks and feels to those who identify with the label of business agility. The self-reported findings of some 433 respondents in 359 organizations from around the world convey a picture of both the opportunities and the challenges.

The report shows the respondents’ strong belief that the focus on business agility is leading to enhanced customer and employee satisfaction, speed to market, market success, collaboration and communication, accountability, and improved ways of working. And even beyond the scope of this report, many other firms are implementing the principles, processes, and practices of business agility without necessarily using the language.

Make no mistake, the business agility revolution is well underway and this report offers valuable information for those on the journey.

Steve Denning
Author of *The Age of Agile*

KEY FINDINGS

Last year, we opened with the words “**the world is changing faster than ever**”. In 2020, these words do not seem enough. The world has changed beyond recognition; in profound and subtle ways, both positive and negative. And yet, it is still the same world. Customer expectations continue to evolve; they seek new products, services, and experiences, and also expect greater social responsibility from companies. And despite record unemployment, employees continue to demand clarity, purpose, and meaning in their work.

Recently, 433 respondents from 359 organizations around the world took part in the 2020 Business Agility Report. Respondents rated their progress and maturity while sharing insights on the challenges and successes along their journey.

Compared to last year, we have seen **more organizations commencing** their business agility journey and those on the journey **report greater progress**. Year-on-year, **overall maturity has increased by 8%**.

COVID-19 has acted as a forcing function on organizations around the world that, with the exception of North America (which decreased in average maturity by 10%), reported an **average maturity increase of 15% post-COVID-19**. Factors such as the transformation of Human Resources, a focus on customer-centricity, and the length of time spent on their business agility journey play a significant role in this. While more data is required, early evidence from respondents shows that improving business agility across the entire organization played a significant role in the effectiveness of their response to COVID-19.

Respondents continue to report additional focus is required with **leadership vision** and **sponsorship**, and with broader **structural issues** such as organizational silos, alignment, and funding. Of no surprise, COVID-19 is also seen as a challenge by some respondents.

Analyses of the responses identified several **key benefits**. Of special note, in the last two months of data collection, many respondents indicated that their organizations were better positioned to **adapt to COVID-19** due to their adoption of business agility.



Organizational Benefits

(Collaboration & communication, and better ways of working)



Commercial Benefits

(Speed to market and customer satisfaction)



Workforce Related Benefits

(Motivation and employee satisfaction)



Faster adaptation to COVID-19

KEY PREDICTIVE INDICATORS

In the 2019 Business Agility Report, we discovered three significant predictors of business agility based on a multi-year analysis of data. Organizations that report higher ratings in these three maturity measures also report higher overall business agility and associated benefits.

Importantly, the 2020 Business Agility Report analysis reinforced that relentless improvement, funding models, and value streams remain the top-3 key predictors of business agility.



RELENTLESS IMPROVEMENT

By encouraging a culture of learning and experimentation to thrive, organizations will continuously improve both what they do and more importantly how they do it; reducing costs, improving efficiency, and delivering greater value to customers.



FUNDING MODELS

By funding business outcomes, rather than specific work outputs or projects, organizations can quickly and easily invest in new products or services as soon as market opportunities arise and, with the right governance, just as quickly stop or change work that is not delivering the expected business value.



VALUE STREAMS

By designing flexible work processes that are both efficient and customer-centric, organizations can structure teams at all levels in a way that maximizes value creation for the customer.

UNDERSTANDING BUSINESS AGILITY

Business agility is a complex and multi-faceted concept spanning all aspects and interactions of an organizational system. With the single intention of finding ways to create an organization best able to fulfill its purpose (serving its customer), **no matter what the future brings**. Business Agility is a continuum, where the question is not whether you have it, but rather how much you have and is it enough.

Achieving business agility is not simple. There is no silver bullet or single framework, method, or system that can implement business agility—and, by definition, because an organization is a complex adaptive system, there can never be one. Yet, while no two organizations follow the same journey, common patterns emerge.

Therefore, in 2017, the Business Agility Institute began work to clarify what it means to be an agile organization, regardless of industry, size, or context. Out of this research came the **Domains of Business Agility**, a model consisting of 13 domains grouped into 4 key areas; Relationships (incorporating Customer at the heart of the model), Leadership, Operations, and Individuals. Each domain is a fundamental characteristic of an agile organization and is equally important, necessary, and interrelated to each other. External to the model is how these characteristics are expressed; as that is unique to each organization and draws upon innumerable frameworks, practices, behaviors, and systems.

To more accurately analyze the progress made by each respondent, for the Business Agility Report two maturity measures were defined for each domain (26 in total).








To learn more about the Domains of Business Agility, visit:
<https://businessagility.institute/learn/domains-of-business-agility>

METHODOLOGY

This study investigated organizational business agility maturity against the Domains of Business Agility, as well as examining overall benefits and challenges. The study was conducted through a voluntary and anonymized online survey where respondents were asked a series of demographic questions about their organization and invited to share the top challenges and benefits they have seen to date. Respondents self-assessed their business agility maturity against 26 measures covering four key areas: Relationships, Leadership, Operations, and Individuals.

Respondents were asked to provide a rating from 1-10 for each characteristic; with **1-6 classified as low-moderate maturity** and **7-10 as high maturity**. In the context of each characteristic, the ratings were classified as either;

-  **Pre-Crawl (1-2)** - the organization mostly follows traditional processes.
-  **Crawl (3-4)** - the organization is just getting started with business agility.
-  **Walk (5-6)** - the business agility basics are in place and more advanced methods are being explored.
-  **Run (7-8)** - the organization has made significant strides towards business agility.
-  **Fly (9-10)** - the organization is a global business agility leader.

The percentage of Run or Fly (7+) levels can be considered a “favorable score” for each measure. Specific examples were given to help respondents select a consistent rating.

The key hypotheses outlined in this report were verified by performing statistical analyses on the 2020 data and trends with the previous years' findings (2018-2019).

To learn more about the statistical methodology underpinning the results, visit TeamForm: <https://teamform.co/research/>

To see the questions, or to take the survey yourself, visit: <https://agilityhealthradar.com/business-agility-survey/>

COVID-19 LOCKDOWN DATE

The impact that COVID-19 has had on organizations around the world is undeniable. Because we are able to compare survey data collected prior to and after the onset of COVID-19, the Business Agility Report gives us a unique view into the quantitative and qualitative impact of a global disruption while it is happening.

COVID-19 lockdown dates were analyzed based on region, with most regions entering lockdown within 8 days of one another. Due to this tight grouping, the mode date of 23 March 2020 was used to approximate the average lockdown date, with results obtained prior to this date defined as Pre-COVID-19 (192 responses), and those obtained on or after this date defined as Post-COVID-19 (241 responses).

SURVEY DEMOGRAPHICS

Business agility continues to be a global trend. We surveyed a diverse range of 359 organizations; from 4-400,000 employees, spanning 28 industries, across 53 countries from Afghanistan to Zimbabwe. All are striving to improve their agility.

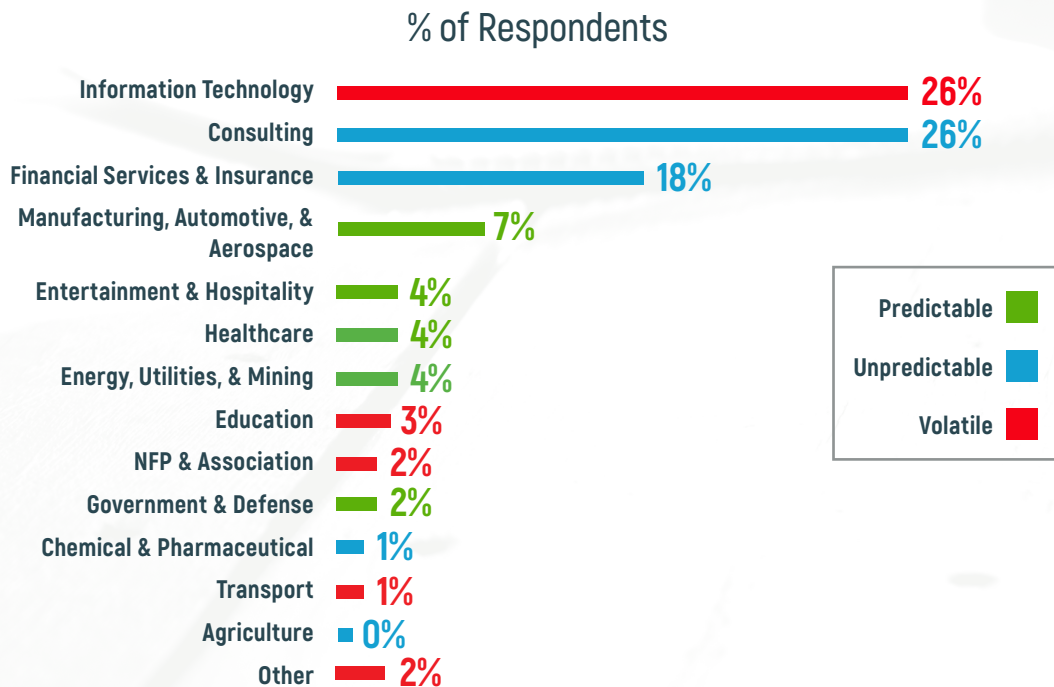
COMPANY SIZE

Respondents represent organizations of all sizes.



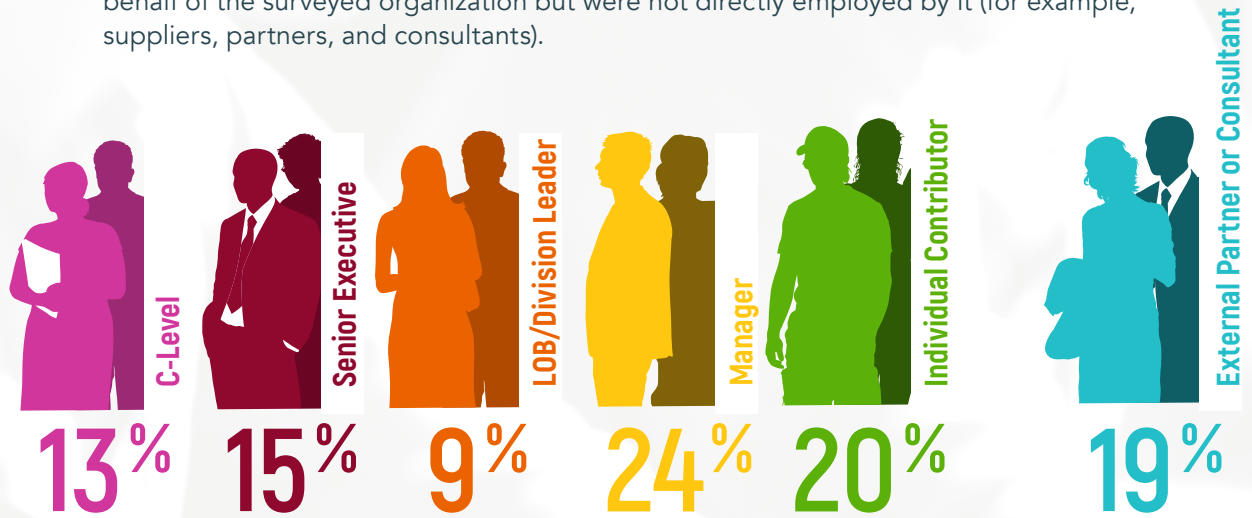
INDUSTRIES REPRESENTED AND CHANGING MARKET CONDITIONS

Confidence in an organization's ability to respond to changing market conditions continues to be relatively low. 34% of respondents state that their industry is volatile with another 45% reporting unpredictable market conditions. Only 21% of respondents report relatively stable operating conditions.



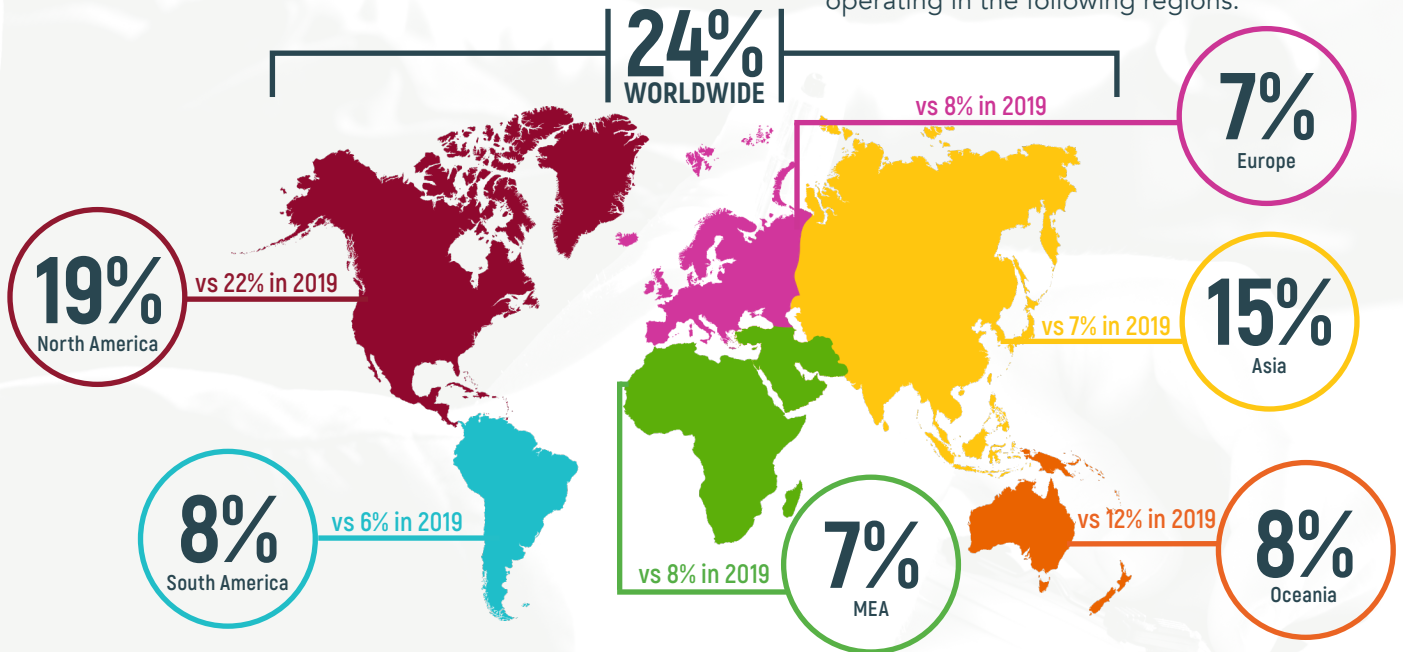
WHO'S RESPONDING

Respondents provided a representative view of all decision-making levels inside the organization. External Partners were the exception to this, as they responded on behalf of the surveyed organization but were not directly employed by it (for example, suppliers, partners, and consultants).



OPERATING REGIONS

Business agility continues to be a global trend, with respondent organizations operating in the following regions:



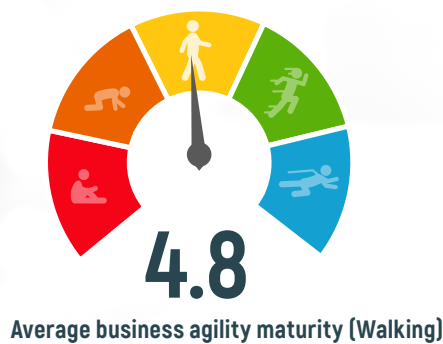
2020 VS. 2019

The 2020 survey had more respondents than in previous years, yet their demographics were similar to both the 2019 and 2018 reports. The breakdowns by company size, industries represented, and respondent roles were very similar (within a couple of percentage points). Continuing the trend from last year, the most significant shift was an increase in respondents from outside North America – specifically Africa, Asia, and South America. This shows that business agility continues to be a global trend.

BUSINESS AGILITY MATURITY

We designed the survey questions to gauge the business agility maturity of respondent organizations. The intent is to understand what organizations are doing, how they are performing, and overall global trends. In 2020 we saw a 9% increase in average business agility maturity, to 4.8 from last year's 4.4, with 25% of organizations rating 7 or more, again up from last year's 21%.

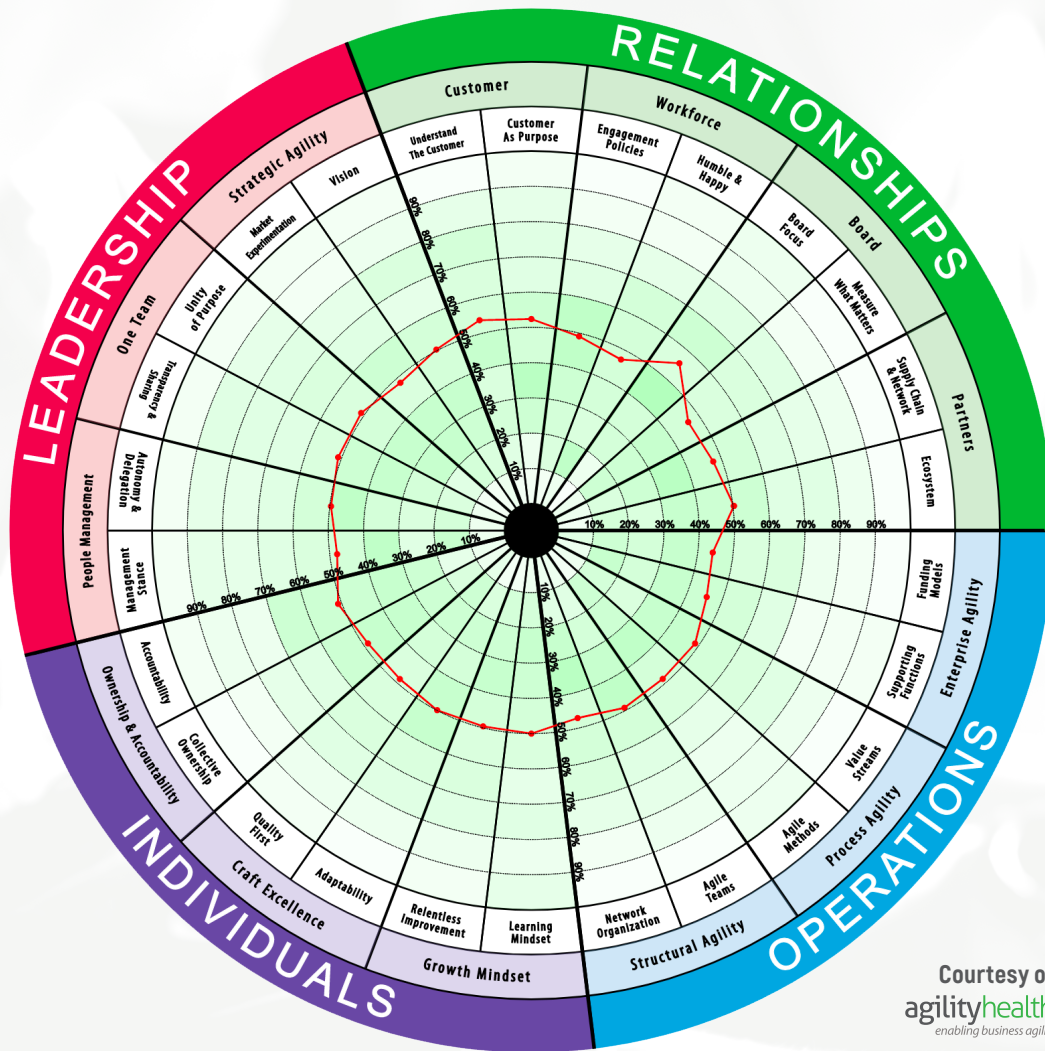
Of particular note, there are three key predictors of business agility arising from organizations that report Run or Fly ratings (7+) in the 2018, 2019, and 2020 studies. These organizations regularly report high ratings in Relentless Improvement, Funding Model, and Value Streams.



Most measures of business agility saw an increase in maturity, with several (Employee Engagement, Board, Partner Ecosystem, Management Stance, Unity of Purpose, and Accountability) increasing by more than 10%. In the data, 4 other measures showed a slight decrease in maturity; these changes are considered neutral as they are within the margin of error.

In relation to the Domains of Business Agility, the top three domains in terms of maturity are Customer (staying at #1 from 2019), Strategic Agility (moving up from #4), and Board (moving up from #5) at 5.1, 4.9, and 4.8 points respectively. The domains with the largest relative movement, compared to the 2019 report, are Process Agility moving down 8 places, Partners moving up 7 places, and Growth Mindset moving down 5 places.

No matter how we slice the data - by region, industry, company size, or respondent - the average business agility maturity is well below the "favorable" Run or Fly ratings of 7 or more. Across all measures, the average maturity rating is between 4.4 (Funding Models) and 5.4 (Humble & Happy) – all within the Walk range.



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 enabling business agility

BUSINESS AGILITY MEASURES



Top 5 Competencies

Board Focus	56%
Understand The Customer	54%
Customer As Purpose	53%
Accountability	51%
Transparency & Sharing	51%



Lowest 5 Competencies

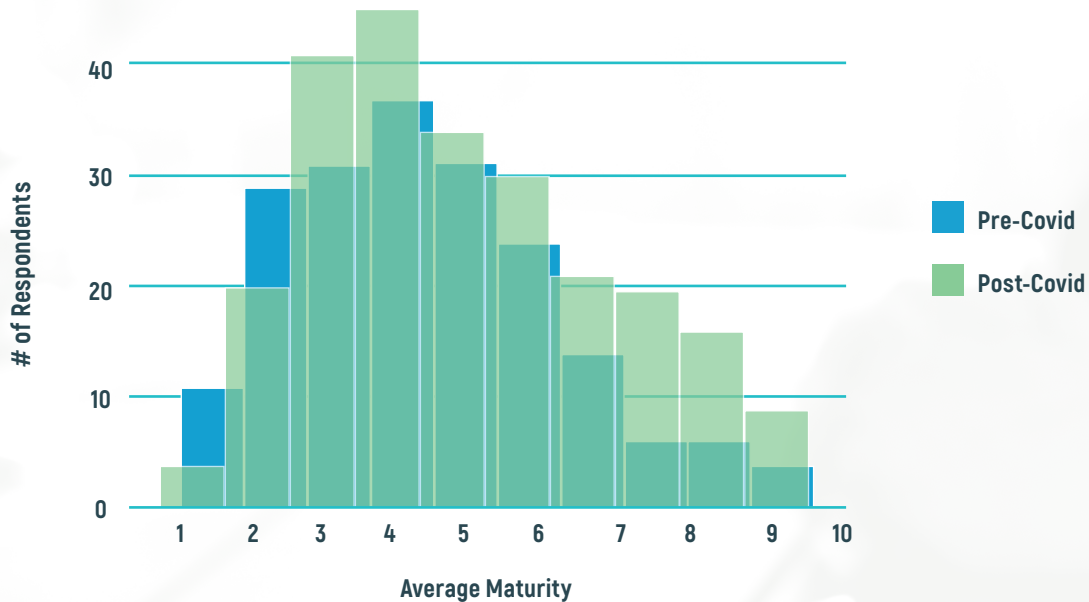
Funding Models	44%
Supporting Functions	45%
Network Organization	46%
Humble & Happy	46%
Agile Methods	47%

COVID-19

COVID-19's global impact on organizations is undeniable. We compared survey data prior to and during the onset of the COVID-19 lockdown to gain unique insights into the disruption caused and adaptations applied.

The key finding is a significant increase in average maturity post-COVID-19. Increases are thematically concentrated in the areas of customer focus as well as the operation of an organization's support functions such as Human Resources and Finance.

Average Maturity Pre/Post COVID-19



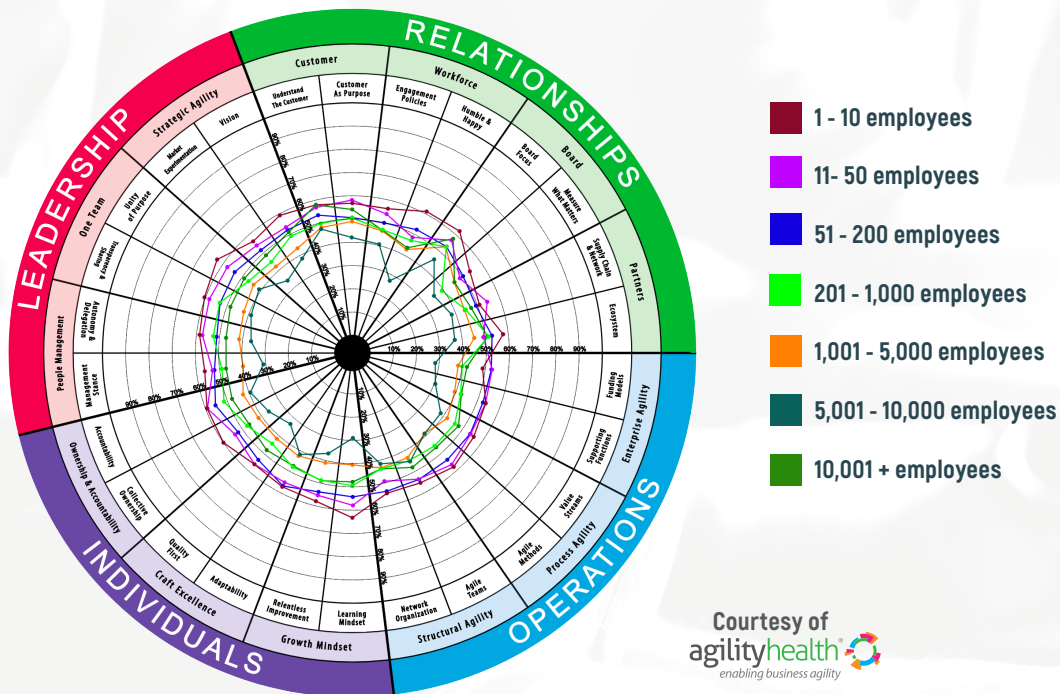
Increases in average maturity were found post-COVID-19 for 9 out of the 26 maturity measures, ordered by significance:

- Supporting Functions
- Understand the Customer
- Engagement Policies
- Collective Ownership
- Funding Models
- Supply Chain and Network
- Quality First
- Adaptability
- Value Streams

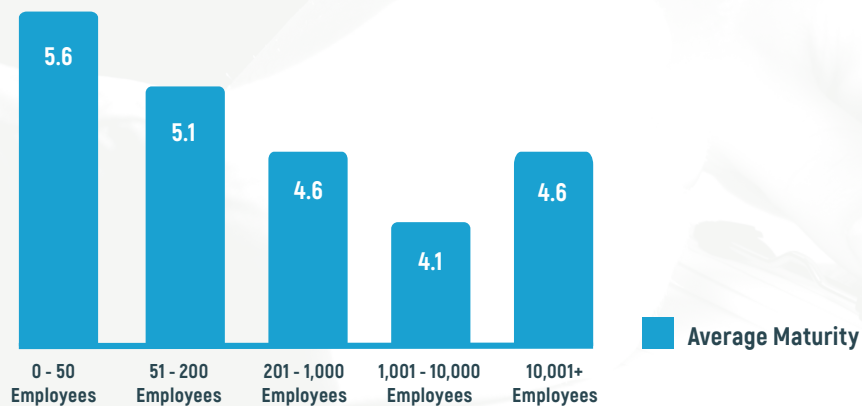
COMPANY SIZE CORRELATES TO BUSINESS AGILITY

It should come as no surprise that small organizations have more agility than large ones. This effect plateaus at around 200 employees, with the maturity of larger organizations between 11% to 19% lower. Smaller organizations significantly outperform larger organizations in both Growth Mindset and People Management (an average of 20% improvement). Inversely, there is less than 4% variation (statistically insignificant) between large and small organizations for both Workforce and Board agility.

Of special interest, this is the first year that respondents from large organizations (10,000 or more employees) rated their maturity as 7 or above.



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2020 VS. 2019

Organizations with more than 10,000 employees reported a 9% improvement in average business agility this year, a positive trend in what has historically been the least agile size segment. While COVID-19 is a factor, it is not the sole contributor, as large organizations were reporting increased business agility even before COVID-19.

TOP 3 INDUSTRIES



Consulting



Information Technology



Manufacturing, Automotive & Aerospace

When examining the range of responses, Consulting companies have the highest average scores followed by Information Technology and Manufacturing, Automotive & Aerospace*.

* We excluded industries with less than 10 responses, such as Agriculture (7.0)

* There is no meaningful variation when small (<50 employee) organizations are excluded from the analysis

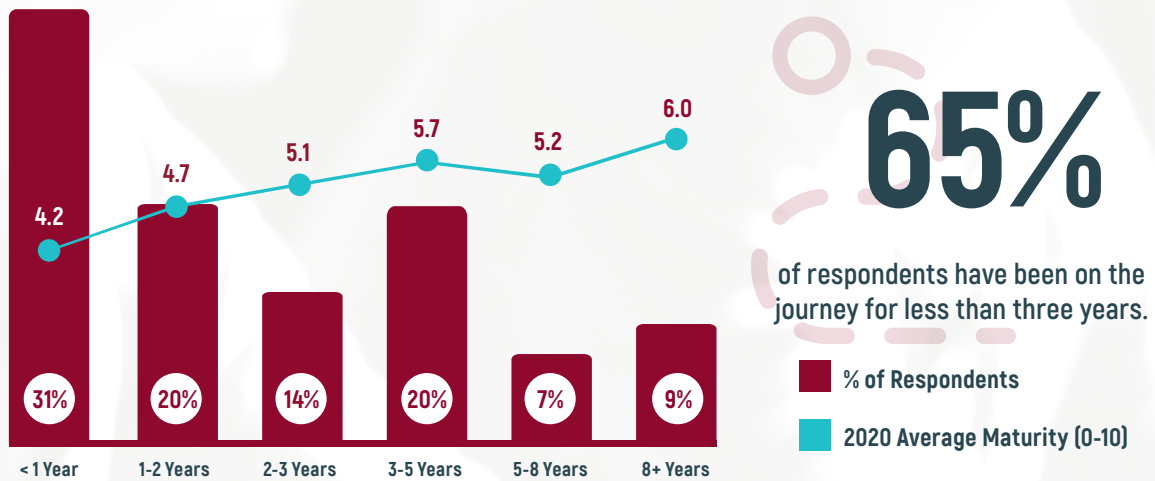
2020 VS. 2019

Consulting and Information Technology remain in the top 3 from both 2018 and 2019. However "Retail, Entertainment, & Hospitality" has dropped to 4th (yet still increased average maturity from 4.6 to 4.8) and been replaced by Manufacturing, Automotive, & Aerospace (up from 5th at 4.0). This year, with the exception of "Government & Defense" and "Energy, Utilities, & Mining", there is at least one highly rated organization in the Run and Fly range (7.0+) in every industry.

COVID-19

Overall there was an increase in maturity but there was not a significant impact by industry, save a nominal impact observed with Information Technology. It should be noted that there were fewer than 5 unique respondents in the Aerospace and Hospitality industries which, anecdotally, might have shown a significant link.

BUSINESS AGILITY JOURNEY



After controlling for other variables, organizations that were 8+ years into their agility journey scored 43% higher on average than those in their first year. Furthermore, organizations who were 3-5 years into their journey scored 34% higher than those in their first year.

Some domains have a stronger impact on business agility than others. Also, while some domains have an impact early on in the journey, for others the impact builds up over time. For example, People Management and Workforce have a small variation in business agility maturity regardless of how long the organization has been on the journey. Whereas others, like Partners, Craft Excellence, and Growth Mindset improve dramatically (over 20%).

COVID-19

When comparing survey respondents both pre and post-COVID-19, a significant increase to average maturity was observed for both organizations getting started (<1 year on the journey) and those who have been on the journey for a long time (8+ years).

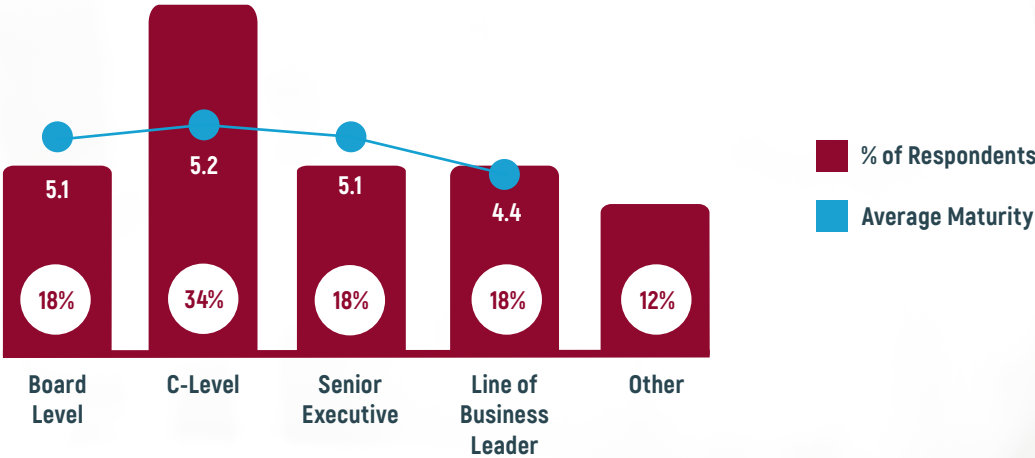
2020 VS. 2019

The overall trend is statistically similar from both 2018 and 2019. The dip in maturity at the 5-8 year mark is more emphasized in 2020 than in 2019 but follows the same pattern. Further research is required to understand why this dip occurs.

The Customer domain continues to have the biggest impact on business agility for organizations getting started (<1 year on the journey) as well as those who have been on the journey for a long time (8+ years).

WHO IS LEADING THE TRANSFORMATION

Respondents rate business agility maturity significantly higher when the C-suite or Board of Directors lead the journey, compared to those led by a Line of Business leader (11% higher).



2020 VS. 2019

This follows an almost identical trend from 2019:

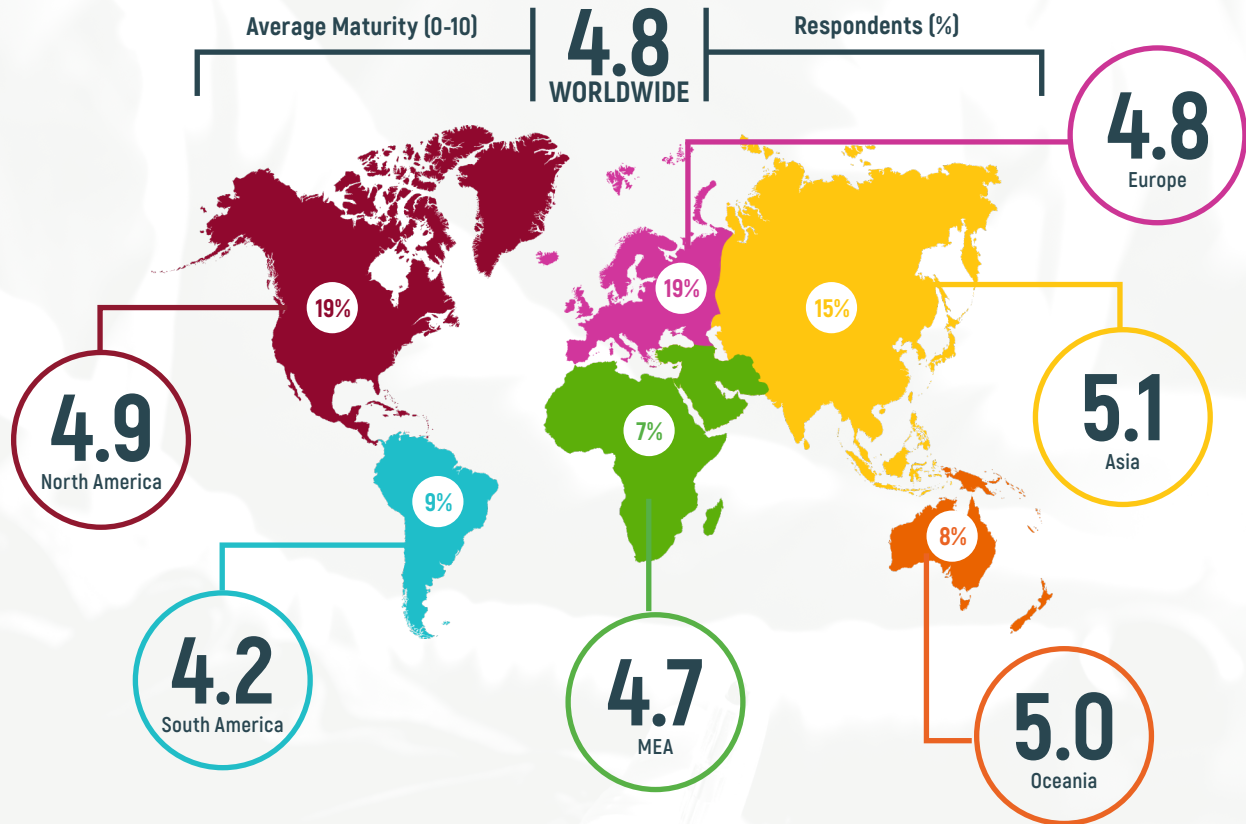
- C-Level led journeys continue to be the most common (34% in 2020 compared to 36% in 2019)
- Both C-Level and Board led transformations continue to have the greatest success (5.2 / 5.1 points in 2020 compared to 4.9 / 4.8 points in 2019).

COVID-19

Post-COVID-19, transformations led by the Board, C-Level, or Senior Executives increased in maturity by 17-19%.

BUSINESS AGILITY AROUND THE WORLD

When correcting for company size, reporting role, and length of business agility journey, only South America (including Central America and the Caribbean) recorded a statistically significant lower maturity.



2020 VS. 2019

Compared to 2019, both North America and Worldwide have remained fairly stable, with Asia up 13% & Oceania up 25%. In this year's report, Europe has been separated from the Middle East & Africa (MEA) and, from 2019 data, shows a 27% increase in maturity. South America is the only region to see a decrease in maturity (9%) and can be partially attributed to an increase in responses from the region.

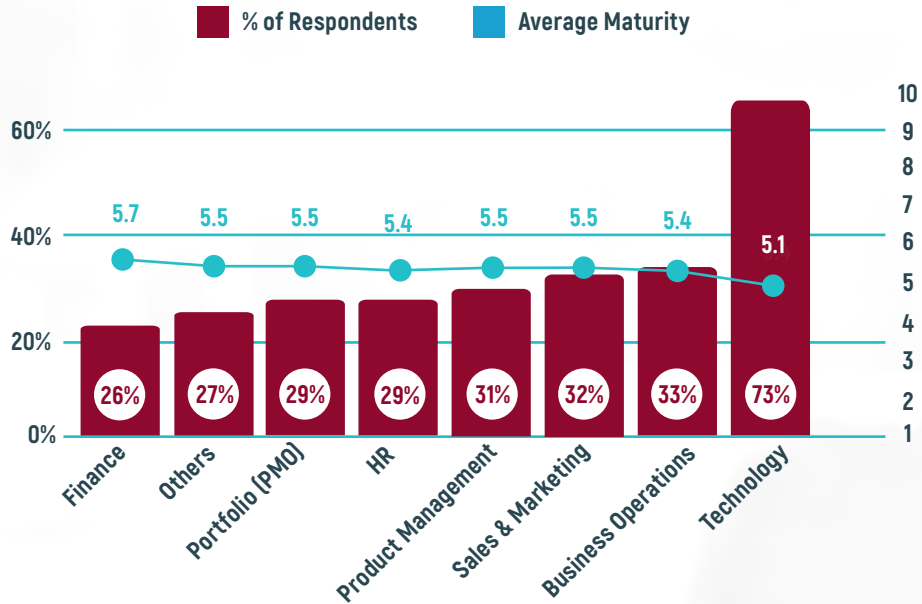
COVID-19

Assessing the impact of COVID-19 and geographical region, whilst the world has generally seen an increase in maturity, the standout observations are that average maturity increased by 25% in Asia, and decreased by 10% in North America.

More research is required to understand why COVID-19 caused North America's business agility maturity to reduce, while the rest of the world increased.

BUSINESS FUNCTIONS IN SCOPE

When examining specific divisions, those that are limiting their transformation to Technology have a significantly lower maturity than those who are transforming multiple business divisions. Of note, 22% of all respondents report that they are transforming their entire organization.



Important note: These percentages will add up to more than 100% as respondents could choose more than one option.

COVID-19

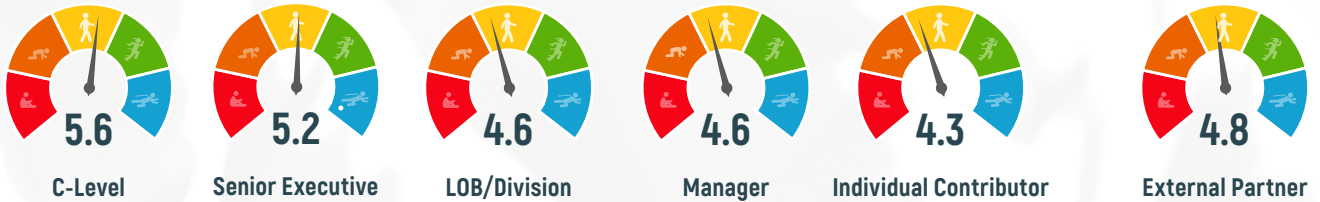
Within the overall observed increase in average maturity post-COVID-19, organizations that included Human Resources in their transformational journey saw a further increase in their maturity by 12%. There is no other meaningful variation in maturity post-COVID-19 that can be attributed to other divisions and business functions.

2020 VS. 2019

Those organizations that have included Finance in their business agility journey continue to show a slightly greater overall increase in maturity. This is in line with the earlier finding that Funding Models is one of the key predictive indicators for business agility.

PERCEPTION OF BUSINESS AGILITY

Respondents within the same organization give a wide variation in ratings depending on their position; within 1.3 points on average, with the largest variation between Individual Contributors and C-level respondents. External parties (Suppliers, Partners, External Coaches, etc.) generally gave less extreme ratings (both high and low) than employees.



2020 VS. 2019

This follows a similar trend from 2019 data. C-Level respondents continue to perceive their business agility maturity higher than the rest of the organization and Individual Contributors continue to rate it the lowest.

COVID-19

The perception of business agility changed post-COVID-19 with C-Level respondents reporting an average of 6% increase in business agility maturity, while managers reported an average 9% decrease. Responses from Individual Contributors, on the other hand, did not meaningfully vary.

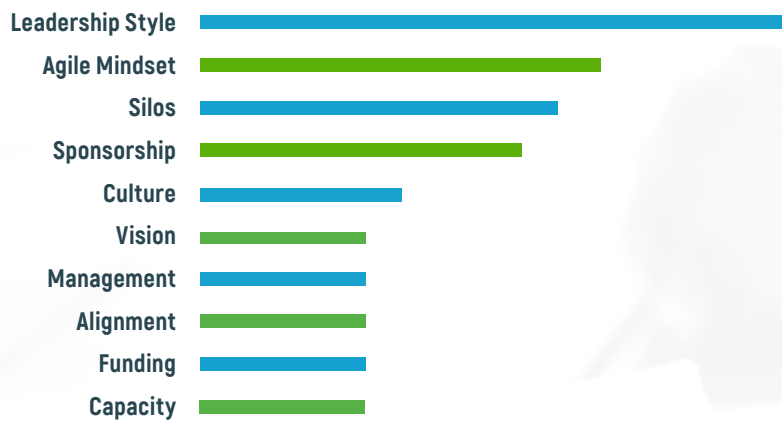
CHALLENGES ALONG THE JOURNEY

We asked respondents to describe the top challenges they are facing in their business agility journey and how they are addressing them.

Several common themes emerged across all organizations; the most common of which have a high degree of similarity to the top challenges identified in last year's Business Agility Report. The commonality of these challenges over multiple years highlights potential systemic weaknesses, as well as opportunities for shared learning, across many business agility journeys.

This year, the top themes identified through analysis of the respondents' statements were leadership, mindset, and silos.

Top 10 Themes for Addressing Challenges Along the Journey



LEADERSHIP STYLE

Continuing from last year, the data highlights that leadership style remains the biggest challenge to business agility adoption faced by most organizations. Related to leadership style, the analysis revealed the challenges of a lack of vision as well as insufficient sponsorship for business agility by management.

Experience, as well as earlier studies, suggest that with the right mindset and associated organizational support, a leader sets the tone for the entire organization. In some respondent organizations, leaders continue to use leadership styles and behaviors that are consistent with the legacy culture, and not the new culture that the organization is trying to instill. This sends a mixed message to the rest of the organization.

Leaders should strive to be mindful of their leadership style to ensure that it is consistent with the goals that the business agility journey is trying to achieve. The inverse is also true: in the absence of a motivating leader, the organization will stagnate.



Recommendation

Leaders who focus on the utilization of the individual often fail to build relationships and vision for a committed workforce. Enable and support your teams to make sure they are equipped to achieve their goals, but also trust in their execution.

“Our transformation is being led bottom up. Although our leadership wants to achieve the benefits of agility; they have not yet taken the step to make the leadership shifts required.”

“Managers are self-serving and use process and bureaucracy to maintain control [with] political maneuvering between the Business Stakeholders and Technology.”

- BAI SURVEY RESPONDENTS



Recommendation

Be mindful of your leadership style. From day one of your business agility journey, strive to model the new leadership styles and behaviors that are consistent with your organization's goals for transformation. How you show up as a leader will be noticed and will often be emulated by your workforce.

“Directors of the company subscribe to out-dated mentalities and manage with an archaic mindset.”

- BAI SURVEY RESPONDENT



Recommendation

Conceive and communicate what business agility means for your organization. Allow this definition to evolve year on year as the organization learns from its journey.

MINDSET

Mindset has moved up, from 4th in 2019 and 6th in 2018, to be the second-highest top of mind challenge to business agility.

Respondents report that many traditional business models, designed around control, predictability, a skill-based exchangeable workforce, and formalized activities, are still prevalent in their organizations. In addition, these industrial age practices form the basis of their work culture. Whereas, for organizations with high business agility maturity, an agile mindset is the cornerstone of their culture. Agile mindset is usually associated with a growth mindset, market experimentation, psychological safety, and continuous delivery of value.

Experience suggests that organizational culture emerges over a long period. If the organization does not take conscious and deliberate steps to try to drive culture change, organizational change will fail to stick. The result is that, in most situations, the organization will soon revert to their old ways because not enough has been done to change the core belief systems that formed the current-state culture. When this happens, business outcomes are unlikely to be any different from before.

"The mindset is the most difficult of all because changing people's mentality takes a long time and requires a lot of effort."

- BAI SURVEY RESPONDENT



Recommendation

Provide coaching and mentoring on the agile mindset to all levels of the organization, including leaders, workers, and every role in between. Because we are talking about a mindset shift, and not just learning a new process or tool, your people will need more than just classroom training. Invest in professional coaches who strive for mastery in business agility and build internal competencies so that you can provide ongoing coaching as part of your organization's pursuit of continuous improvement.

SILOS

Organizational silos are now the 3rd highest top of mind impediment to business agility, which is up from 8th in 2019.

Respondents indicate that their organizational structure and systems are hampering business agility. This is especially prevalent if organized around skills and functional silos, rather than end-to-end outcome-focused groups such as a product, service, business outcomes, or customer experience. Functional silos reinforce organizational barriers and detract from the collective accountability of business outcomes.

Conway's law states that "Organizations that design systems...are constrained to produce designs which are copies of the communication structures of these organizations." That is, if we organize our teams based on the systems they develop and maintain, the overall outcome will be misaligned from the end-consumer's needs.

Traditional management layers maintain and protect functional silos as this is by definition their remit. This is frequently mentioned as a systemic challenge by respondents.

"Funding is project-based and siloed... All Scrum Masters are competing with Project Managers and lots of conflicts arise as a result. We do not have true Product Ownership; everything is driven by executive mandates and escalations."

- BAI SURVEY RESPONDENT



Recommendation

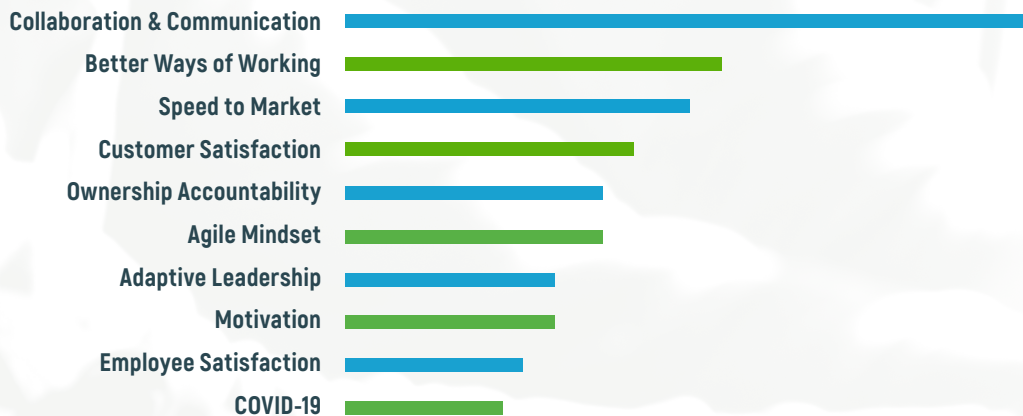
Align the organization's structure towards business outcomes; customer experience and journeys; or platforms, products, and services to help reduce internal handoffs and increase team ownership of business outcomes. This will also help you create a better customer experience.

BUSINESS AGILITY SUCCESSES

Respondents were asked to describe the single biggest benefit that business agility has brought to their organization. Similar to earlier years, the analysis highlighted the top 10 themes.

Of special note, many respondents identified the ability to respond to COVID-19 as a key benefit. This aligns with the quantitative findings observed earlier in this report.

Most Significant Organizational Benefit of Business Agility



COLLABORATION & COMMUNICATION

For 2020, respondents identified collaboration & communication as the highest benefit arising from their business agility journey, up from 4th in 2019. Respondents identified significant delivery time and cost improvements through improved collaboration, communication, and transparency.

Experience and previous studies have also observed that organizational complexity is a major impediment to business agility adoption. Each external team inside the customer value stream exponentially increases the time and cost to create value.

Alignment, cross-functional collaboration, and interpersonal communication are reported as the three areas with the most significant impact on business outcomes. Organizations are also reporting that different parts of the organization – such as business, information technology, operations, and even external partners – are now aligned to a shared purpose and working together as partners in the overall shared success.

"Significant increase in strategic understanding and capability across all teams [with a corresponding] significant increase in decision-making capability and speed. Significant decrease in bottlenecks and barriers to getting things done and converting ideas into value for our clients."

"Huge improvements in breaking down silo mentality, communication, and collaboration across functions. People find that transparency is improved and actively helpful to them."

- BAI SURVEY RESPONDENTS

BETTER WAYS OF WORKING

For 2020, respondents identified better ways of working as the second-highest benefit arising from their business agility journey, up from 7th in 2019.

Organizations with better ways of working noted more team and value stream focus, a reduction in handoffs, and exponentially decreasing delivery time and cost. These practices are resulting in better products along with increased engagement, transparency, and collaboration. While some respondents continue to focus on their success with agile ways of working in traditional technology teams, this year a growing number are reporting success with agile ways of working across business teams. While still a positive outcome, this does highlight the continuing trend of conflating business agility with agile outside IT.

Within the reported better ways of working, the importance of strategic practices such as portfolio planning, adaptive funding models, OKRs, and customer feedback loops stands out.

"Business users beyond IT have embraced the new way of working."

"Acknowledging that business & strategy goals cannot be achieved if we continue our siloed ways of working."

- BAI SURVEY RESPONDENTS

SPEED TO MARKET

For 2020, respondents identified speed to market as the third-highest benefit arising from their business agility journey.

Related to speed to market, the analysis revealed improvements in product development and delivery, faster turnaround times, higher-quality offerings, and the ability to produce more tailored solutions.

Previous studies observed that accelerating speed to market is one of the most profound ways for organizations to create a competitive advantage and distinguish themselves from their competition. By emphasizing relevant metrics, such as lead time, organizations are identifying efficiencies in the customer value-stream as a way to accelerate new product design and delivery. Examples shared by respondents include technology automation, reduction in hand-offs, team empowerment, and decentralized decision-making.

"Agile teams have delivered faster and more customer focused products. Team collaboration and accountability is enhanced. Their successes encouraged other teams within the organization to follow suit."

- BAI SURVEY RESPONDENT

"Ability to pivot multiple times in a quarter responding to COVID-19 crisis with little waste."

- BAI SURVEY RESPONDENT

CUSTOMER SATISFACTION

For 2020, respondents identified customer satisfaction as the 4th highest benefit arising from their business agility journey, down from 1st in 2019.

As the customer is placed at the center of the Domains of Business Agility, it remains encouraging that respondents continue to report that organizations that achieve higher levels of maturity with business agility also report corresponding and measurable success in customer satisfaction.

Further, related reported benefits include improved relationships with customers, greater brand recognition, and excellent customer testimonials.

Most tangibly, organizations report that business agility has helped them to **improve market performance**, either through new customer growth or repeat customers during turbulent markets. This supports previous studies that show that customer satisfaction can be considered a leading indicator of improvements to the bottom line. For many organizations, changing their customer's perceptions is a primary goal of their business agility transformation.

"[We have] customer growth and retention during extremely turbulent markets [and are] able to grow our product offerings while having the organization stay at the same size. EBITDA improves at a greater margin than revenue."

- BAI SURVEY RESPONDENT

"We've seen absolutely delighted customers. ...Our teams really get the challenge they're facing - so we can make smart whole-of-product decisions that improve all customers' experience."

- BAI SURVEY RESPONDENT

"[We have] increased employee and customer satisfaction [and] improved market performance... The organization has enthusiasm and hope for the future."

- BAI SURVEY RESPONDENT

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AgilityHealth is the world's leading measurement and growth platform designed to accelerate business agility by measuring maturity, performance and outcomes at every level of the organization. The platform offers radars for measuring team, product and portfolio maturity in addition to accelerating talent development.

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Accenture | SolutionsIQ contributed to the thematic analysis of the report data and the associated recommendations.

Accenture | SolutionsIQ is the leading business agility transformation consultancy. We guide our clients to become adaptive, fast-learning businesses – capable of rapidly delivering customer value and innovation for competitive advantage.

<http://solutionsiq.com/>



TeamForm, working with The Neurotech Institute, performed the statistical analyses for this report.

TeamForm creates the conditions that enable teams to do their best work, solving the common challenges when scaling agility. It aligns work ('demand') to people ('supply') through an internal capability marketplace. Organizations benefit from real-time multi-dimensional visualizations of their entire workforce, cross-functional teams and organizational structure, mapped to business outcomes and cost.

TeamForm - <https://teamform.co/>

The Neurotech Institute - <https://www.theneurotechinstitute.com/>

ADDITIONAL THANKS TO OUR MEMBERS



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