

# Session Number 2

## Agile organisations adapting to change

*Presented by*

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**CEO**

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Rapid changes in **competition, demand, technology, and regulations** have made it more important than ever for organisations to be able to respond and adapt quickly.



With disruption, organisations need to quickly reconfigure **strategy, structure, processes, people, and technology** toward value-creating and value-protecting opportunities.

A foundation of organisational stability is what provides people with a sense of **confidence, security, and optimism** during times of disruptive change in the workplace, which, in turn, allows them to keep calm, act rationally, and adapt effectively as the situation evolves.

## *agile*

### *1. able to move quickly and easily*

Simply put, agile is a set of principles that allows leaders, teams and entire organisations to anticipate and respond to change.

# Why is agility important in business?

Not only does business agility **help you adjust to market changes**, but it also helps you adjust to internal changes.

# Business Agility is crucial



- An estimated **71%** of businesses have **low business agility** according to a survey by the Business Agility Institute.
- **59%** of professionals say **culture and performance management** are the key challenges in their shift towards agility.
- **70%** of businesses indicate an **ambition to integrate** both Business and IT-enabled Agile transformation in the next three years.
- **81%** of organisations have **started their agile transformation** within the last three years.
- **45%** of businesses indicate that **breaking down silos between business and IT** is a main driver for their shift towards agility.

# Employee Buy-in

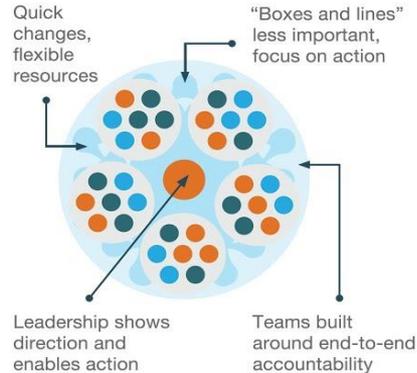
Business agility requires that the company has **buy-in from employees**. Must be done from the top-down, and in a clear and decisive way that benefits them.

If workers have processes etc. imposed upon them with no support, not only will they **not engage** with them, it will **actively harm progress** towards an agile culture.

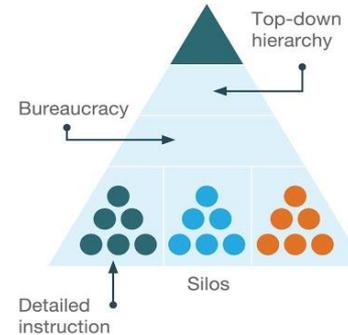
Once the culture is in place, with executives leading and with buy-in from employees, you have a business that is both able to accommodate new ways of operation and actively seeking out new ways to improve processes.

# What does an agile organisation look like?

## AGILE ORGANIZATION



## TRADITIONAL ORGANIZATION



McKinsey&Company

# Five trademarks of an Agile organisation



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There are five trademarks of agile organizations.

	Trademark	Core principles
<b>Strategy</b>	 <b>North Star embodied across the organization</b>	<ul style="list-style-type: none"><li>• Shared purpose and vision</li><li>• Sensing and seizing opportunities</li><li>• Flexible resource allocation</li><li>• Actionable strategic guidance</li></ul>
<b>Structure</b>	 <b>Network of empowered teams</b>	<ul style="list-style-type: none"><li>• Clear, flat structure</li><li>• Clear accountable roles</li><li>• Hands-on governance</li><li>• Robust communities of practice</li><li>• Active partnerships and ecosystem</li><li>• Open physical and virtual environment</li><li>• Fit-for-purpose accountable cells</li></ul>
<b>Process</b>	 <b>Rapid decision and learning cycles</b>	<ul style="list-style-type: none"><li>• Rapid iteration and experimentation</li><li>• Standardized ways of working</li><li>• Performance orientation</li><li>• Information transparency</li><li>• Continuous learning</li><li>• Action-oriented decision making</li></ul>
<b>People</b>	 <b>Dynamic people model that ignites passion</b>	<ul style="list-style-type: none"><li>• Cohesive community</li><li>• Shared and servant leadership</li><li>• Entrepreneurial drive</li><li>• Role mobility</li></ul>
<b>Technology</b>	 <b>Next-generation enabling technology</b>	<ul style="list-style-type: none"><li>• Evolving technology architecture, systems, and tools</li><li>• Next-generation technology development and delivery practices</li></ul>

# Successful Agile organisations



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RAA	Scouts SA
Smarter	Facebook
Purple	HBO
Airbnb	McDonalds
Uber	Visa
BrewDog	Walmart
Ford	Virgin
Apple	Sony
Patagonia	FedEx
Tesla	Aldi

# What does successful Agile look like in these organisations?

1. Scope of Flexibility
2. Flatten the Hierarchy tree
3. Improve Well-being and Satisfaction
4. Reduced turnover and office costs
5. Promote Diversity

The **primary area of focus** for an Agile organisation is the **customer**.

“**Customer-centric**” is a term you will hear repeated a great deal from the most successful Agile organisations.

Agile organisations adapt quickly to changing conditions.

When implemented correctly, there is higher team productivity and morale, faster time to market, better quality, and lower risk than traditional approaches can achieve.

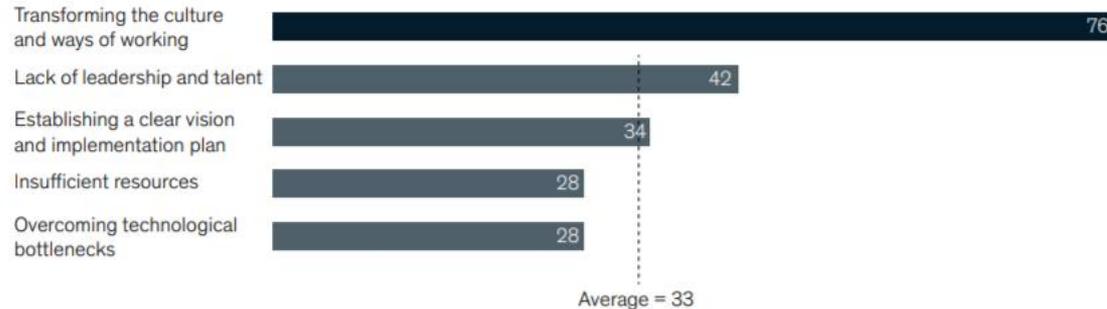
# Agile and culture change



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**More than 70 percent of respondents are transforming to agile; changing the culture is their biggest challenge.**

**Top five challenges during an enterprise agile transformation, % of respondents (n = 1,411)**



Changes to organisations and business strategies create disruption.

**Change management is important for every organisation.** It is critical when experiencing:

- Business transformations
- Mergers and acquisitions
- Executive leadership changes
- Reorganizations
- Facilities and footprint changes
- Policy changes
- Compensation and benefit changes

# Power to the Teams (of Teams)

Successful Agile organisations transform a group of people into a **cohesive community** through their shared purpose and vision.

# Change Leadership is Essential



Change is never easy and near impossible without the buy-in of the people who are instrumental in fulfilling a new way of working.

Individuals are key at each level of the business and have a critical role to play.

**Change leadership is imperative** and a skill that is evolving in the marketplace.

Being good at change will make a major difference to the success of any organisation.

# Leading Change – Kotter's 8 Steps



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## THE 8-STEP PROCESS FOR LEADING CHANGE

1. Create a sense of urgency
2. Build a guiding coalition
3. Form a strategic vision and initiatives
4. Enlist a volunteer army
5. Enable action by removing barriers
6. Generate short-term wins
7. Sustain acceleration
8. Institute change

# Agile Leadership Skills

1. Sharpening of focus
2. Breaking down barriers
3. How to optimise failure
4. Building optimism
5. Reassuring people
6. Harmonising resources
7. Recovery planning



*“Lead from the front, get the employees on board by proposing value to them, and you’ll be well on your way to having a culture that embraces necessary change.”*

# How do you show agility at work?

Here are 8 characteristics that will make you more agile at work:

1. You're not afraid to change course. ...
2. You're a listener. ...
3. You collaborate. ...
4. You're proactive. ...
5. You're a communicator. ...
6. You are disciplined. ...
7. You are resilient. ...
8. You're a lifelong learner.

# Agile organisations.....

- actively promote a shared purpose and vision.
- actively create shared understanding across the organisation.
- actively create small product development teams.
- actively create networks of product development teams (teams of teams).
- freely share information across teams.
- empower teams to make decisions where the information and know-how is.
- constantly seek to improve the effectiveness and impact of how they work.
- listen often and attentively to their customers' needs throughout the product life cycle.
- embrace change and encourage experimentation.



Over 50 Agile Methodologies

- ADKAR
- William Bridge – 3 Phase Transition
- Kotter’s 8 Steps
- Lewins Unfreezes, Change Freeze Model
- McKinsey’s 7 S Model
- McKinsey’s 4 Conditions for Changing Mindsets

# How to Determine Which Approach Will Work Best?

When assessing what will work for planned change, the best place is to start with the **size of the change**. Is it:

- Transformational
- Operational
- Transactional

The next step is to **measure the breadth, depth, level of impact and criticality**.

Each level of change has one thing in common: **Individuals are key**.

# Is the agile methodology right for you?



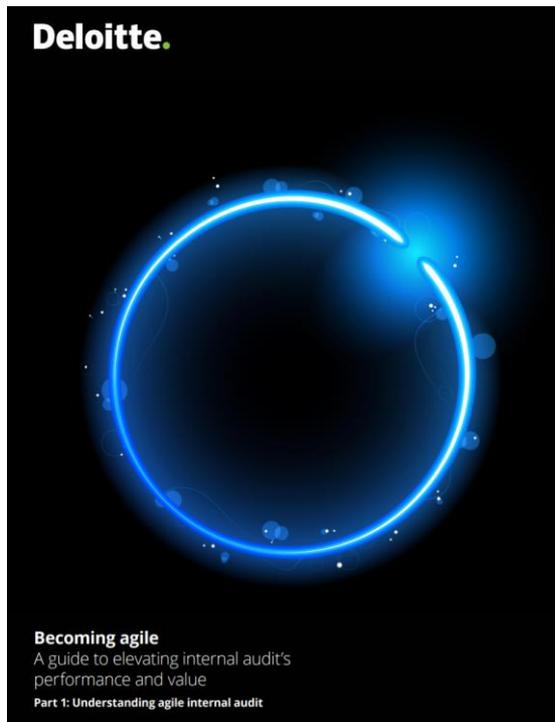
Agile tends to suit smaller, more adaptive businesses with strong core teams and a fluid communication style. It becomes less effective as companies scale, however, **it's not impossible for larger businesses to implement agile methods.**

# Challenges.....

- Lack of documentation
- Scope creep
- High demands on time
- Unsuitable for long-term projects

# What is Agile Internal Audit?

Agile Internal Audit is the mindset an Internal Audit function will adopt to focus on stakeholder needs, accelerate audit cycles, drive timely insights, reduce wasted effort, and generate less documentation.



## Sample Agile Internal Audit manifesto

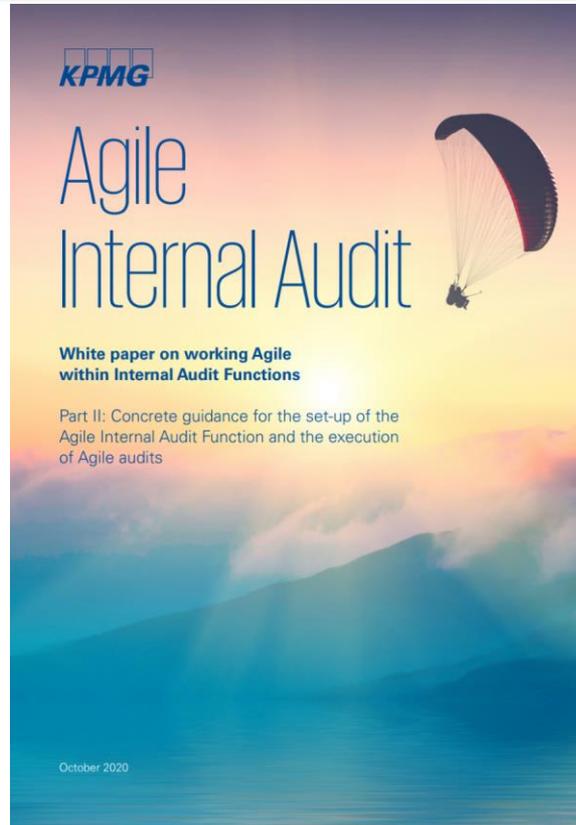
### 9 ELEMENTS Our IA Agile Manifesto Elevate Internal Audit *Assure. Advise. Anticipate.*

- 1 | Outcome-driven | Value-driven
- 2 | Just-in-time | Proactive approach to the "right projects at the right depth/focus"
- 3 | One size does not fit all – customized project focused on value and risk
- 4 | Collaborative approach – take the journey with our clients
- 5 | Mix it up a little bit, break some eggs – challenge "that's the way we've always done it"
- 6 | Decisioning "as you go" with transparency and alignment
- 7 | Continuous communication with all stakeholders
- 8 | Be quick and iterative versus confined to a plan
- 9 | Impact over thoroughness – "good enough" (80/20 rule)

# Agile Internal Audit



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# Why is it important to act with agility in life?



It helps us to respond to change better, be more resilient, see the positives out of every change and learn and grow from every opportunity, even when we fail.

In fact, it is when we fail that we can often learn the most and being agile helps us to see those opportunities as learning moments.

# Thank you



## Let's connect:

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