





# XP 2019 Panel: Business Agility

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**Abstract.** Is “Business Agility” the next frontier for Agile? With increased visibility, companies are adopting Agility into the diverse functions of their organizations – moving beyond engineering and IT – to operations, marketing, sales, human resources, and administration. This panel at the XP 2019 conference discussed the latest Agile trend and its implications for practitioners and businesses worldwide.

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## 1 Business Agility at XP 2019

Business Agility is a new and challenging topic for the Agile community and the XP conference. It’s a “new market” for Agility, with more consulting and coaching jobs to support business transformations. Although many of the Agile principles are similar, Business Agility is very different from Agile development for software products. Agile coaches and consultants are learning to understand the problems of organizations across the business, and they are discovering how to build seamless interactions between the business and IT.

The panelists shared their views based on their Agile experience and business experience. Two panelists are experienced Agile coaches, and two panelists are directly involved in program management, which requires working with product development teams in engineering or IT as well as other business functions such as sales, finance, and human resources. Steve Adolph is an Agile coach working for cPrime and he is based in Vancouver, Canada. Jutta Eckstein is an independent consultant and coach based in Germany. She is the author of several books on approaches to scaling Agile and using Business Agility practices. Annika Arnholt is a Principal Program Manager at Veritas Technologies based in Minnesota, where she is involved in supporting NetBackup, a complex product that has 50 Scrum teams working across the globe on its development. Nithyanandam Mathiyazhagan (Mathi) is a Lead Program Manager for Strategic Services at John Hancock in Boston, where he manages some of their digital transformation initiatives. Steven Fraser, the panel impresario, is based in California where he advises on tech transfer and open innovation strategies for Innobox. Previously he was the Director of the Cisco Research Center and the Lead for HP’s Global University Programs – and he has organized and delivered over 75 software engineering conferences, panels, and workshops.

## 2 Business Agility Panel Discussion

Business Agility is the application of Agile practices and the Agile mindset beyond the technical community of engineering and IT. The panelists offered two different definitions of the core concepts of Business Agility.

Steve Adolph proposed a definition that is focused on creating a winning business strategy: “Be able to learn faster than your competitor.” The practices of Business Agility should be directed at helping the business to introduce new products faster and respond quickly to changes in the marketplace. Steve says that Business Agility aims to “dissolve the artificial barrier between business and IT.” The goal is to get seamless interactions across the organization. Business Agility is a competitive strategy to gain market share, reduce costs, or improve the product lifecycle. Steve gave several examples of companies that were able to compete successfully by reducing the time to introduce new products, which allowed them to respond to what their customers wanted.

Steve emphasized the fact that businesses are competing in an Agile world: “You can’t be a fast follower anymore.” If you just try to play catch up to competitors, you will fall further and further behind.

Jutta Eckstein gave a definition that focused on business flexibility in the face of disruption. Jutta said that Business Agility is a set of techniques to help a business be “more flexible, adaptive, nimble, and responsive – surviving and thriving on disruption.” To build an Agile business, the organizational transformation must include decentralized decision-making, improved internal feedback, and improved feedback to and from the customers [1].

Jutta explained that Business Agility doesn’t imply always being ahead of the competition. “There are a lot of companies out there who are not ahead of the competitors, and they are doing really well. Not everyone is first. I wouldn’t take this as a mark for being agile, or for Business Agility conformance.” Jutta said that even if a company isn’t the fastest or the best, there is still a lot of value to making the business more flexible and responsive.

Both Steve and Jutta agreed that Business Agility is not directly related to the Agile Manifesto or Scrum. Some of the standard Agile principles are useful, such as teamwork and breaking down silos. But Steve warned against using the IT organization to “drive” a company-wide Business Agility transformation, especially if they take a purely software-centric view of Agility. An agile transformation has to do more than merely teach Scrum to a company’s marketing and HR teams. There is a danger that the so-called transformation will just be an excuse for the technical folks to tell finance and HR how to do their jobs.

Both of these definitions are useful. By focusing on competition, Steve’s definition is easier to justify to business leaders. The focus of this definition is on continuous learning and improving – which sends a message to everyone that Business Agility transformation is much more than just one day of training. Jutta’s definition is useful because it explains some of the key principles of Business Agility, and it is a reminder that centralized decision-making, poor communication, and weak feedback are the trademarks of the old traditional stovepipe organizations.

One questioner asked the key question early in the panel discussion: “Is Business Agility a solution looking for a problem? Should the Agile community be learning

from business, rather than the other way around?” Another audience member had a cynical response to the trend towards Business Agility. He claimed that it was mostly a way for Agile experts to sell more tools and consultancy work.

Jutta defended the Business Agility trend, explaining that Business Agility is a reaction to the faster pace of business. “There is a need for becoming faster, more flexible, and more responsive... I think that is what Business Agility does.” She agreed that we need to listen other people. “Is it us teaching HR or finance? I don’t think it is. However, they see need for Agility as well, and Business Agility is kind of based on the success we’re having with Agile.” Jutta explained that we can learn from other companies and other fields: “It would be arrogant to say we know it all.”

Steve noted that Business Agility is needed because IT is a fundamental constraint for many companies to introduce new products and business processes. Business Agility’s goal is to meet real business needs, to make sure that “IT is no longer the constraint on business to compete.”

Annika Arnholt pointed out that there are some companies that don’t really need to think about Business Agility. On the other hand, she found that in many tech-related companies, Business Agility can build bridges. She has observed that an increased focus on Agile development in engineering and IT will increase the divide between the technical teams and other business organizations – and Business Agility might help restore the relationship. She explained that a company should want to have everyone rowing in the same direction.

One questioner was troubled by the chaos he has seen among the leaders many companies. “When I walk into an organization and meet the CEOs and CFOs, they often have conflicting interests.” Each organization tries to maximize their bonuses, without concern for the business as a whole. The question is: “Where’s the incentive... unless we change the mindset at the highest level... to even mention Business Agility?”

All of the panelists agreed that “changing the mindset” is essential to success with Business Agility. But teaching and learning the Agile mindset is a big challenge. The discussion about education issues continued throughout the panel session.

Steve pointed out the revolution that has started in education. The best grade schools are less focused on lecture-based learning, and Steve shared a personal story: “The school my daughter goes to is quite fundamentally different from the schools I went to. The students are learning more collaboratively and there are greater opportunities.” Collaborative games like Minecraft encourage young people to solve problems together. Steve thinks that “education is a huge frontier for us.” It might be the next Agile, especially helping businesses that need continual learning.

One questioner pointed out that most masters-level business students don’t know or don’t care about Business Agility. How can we inculcate the Agile mindset in students?

Jutta pointed out that if we want to affect the mindset, we should focus on teaching behaviors: “I always struggle with the belief that we can teach mindset or change mindset. What I believe is that we can change behavior, and behavior changes will change our habits, and then a new mindset emerges.” The mindset change is the product of getting people to change their habits – to change how they work.

Mathi had some constructive advice for new staff members who are entering companies to start their career:

- Try to integrate into the organization (“fake it until you make it”).
- When you see that change is needed, work to create a strong peer network. This kind of social support can create consensus to change the way things are being done.
- Include feedback in the process: come up with your own targets, metrics that help you “define your own success.”

Mathi emphasized the idea that learning in the business context may come from different directions: “Our mission is to learn, and learning comes in various shapes. We might learn from the competition. Also, fresh voices coming into the organization could be a source of learning.”

The panelists pointed to the value of decentralized decision-making to support Business Agility. Annika talked about decentralization as a fundamental idea in Business Agility. Teams need to be empowered to make decisions themselves. Jutta thought that when leadership tries to centralize decisions, it can be an indicator that the company’s leadership doesn’t understand the need for Business Agility. It can also make the organization way too slow. Jutta explained that an ideal Agile organization would “use the innovative potential of every employee, without waiting for a think tank or design thinking session because this will be too slow.”

The panel was asked about the Agility (or lack of Agility) in the design of products. The questioner complained that many products become way too complicated over time – a company responds to customer requests by adding new functionality, but they never take anything away or rethink the tangled structure.

Mathi agreed with the questioner. Rather than adding features endlessly, Mathi advocated simplifying a product so it can be better understood by a direct consumer. “Simplicity is the name of the game, not adding more things on top of what is already there.” Steve explained that many companies have complex products because they have a design culture that is obsessed with overengineering, because they believe that “digital is best.” Every product seems to be loaded up with many unnecessary digital features. Business Agility should include the concept of keeping the products simple.

A final question addressed Business Agility for non-profit organizations. “We have been working on Business Agility with civic councils, charities, and universities, not in the commercial world. A charity is not trying to be ahead of business or competition, it is just trying to survive and do the right thing or positive things in the world.”

Jutta agreed that competition and profit may not be an organization’s primary goal. A company, government, or non-profit may be interested in other issues, such as sustainability. “Maybe a company will only stay in business if it looks after the environment and is seen by the public as environmentally friendly.”

Annika was concerned about potential negative effects of always talking about “competition” when introducing Business Agility. “I hear people say they are uncomfortable with the competitive mindset.” She accepted that we need to think about our competitors, but a primary focus (and measurement of success) that concentrates on “crushing” the competition may be unhealthy and promote behaviors that are inconsistent with an Agile mindset. Our primary focus should be on what is right for the customer and our organization.

In their concluding comments, the panelists supported the goals of Business Agility. Jutta claimed that Business Agility is “beyond Agile – it is about having a holistic

view on the company,” but the teams need to buy into the purpose of Business Agility. Annika explained the importance of cross-team collaboration – that the teams need to see themselves as “not one big warship but a fleet of speedboats, all rowing in the same direction.” Mathi thought that Business Agility must “span into corporate social responsibility and into the entire business ecosystem.” Steve emphasized the importance of learning: “We’re going to have to rename this conference from XP to XL – for Extreme Learning.”

### 3 Summary

Business Agility is a set of business practices that go beyond introducing Agility into software development. An Agile business organizes itself to introduce new products faster and respond quickly to changes in the marketplace. The business decentralizes decision-making, improves communication, and improves internal feedback and feedback from customers. If decision-making is still centralized and there is weak communication and feedback across the enterprise, then the business is going to be too slow to react to change.

All of the panelists warned that Business Agility is not directly related to the Agile Manifesto or Scrum. One way it may fail is if technical folks assume Business Agility gives them the authority to tell finance and HR how to do their jobs.

Teaching and learning the Agile mindset is not easy – and the panel believed that a new mindset emerges from changes in behavior and habits. There are multiple sources of learning: learning from coworkers, learning from the competition, and learning from fresh voices coming into the organization. Business Agility will continue to evolve, but it is not a destination or a checkbox.

### Reference

1. Eckstein, J., Buck, J.: *Company-Wide Agility with Beyond Budgeting, Open Space & Sociocracy*. CreateSpace Independent Publishing Platform, Scotts Valley (2018)

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