

What Is Business Agility? And How To Achieve It



In a perfect world, all businesses would have stability all the time. No matter what was going on in the world or how markets were changing, all businesses would be able to withstand the ebb and flow of operations.

Unfortunately, however, that's not the case - as we've especially seen in 2020 with COVID-19 wreaking havoc on the global economy.

Those that have been able to weather the storm have had to make adjustments to their business processes to accommodate business needs alongside the changing environment.

Business agility is a way for organizations to remain agile during market fluctuations, regardless of the business model.

It's not a crystal ball with a look into the future, but it is as close to one as you can get. Using systems and trends to calculate and estimate the likelihood of what's coming is always an option, but with the number of variables at play and the human element in the mix, these equations are far from perfect.

Markets are man-made, and though we like to pride ourselves by thinking otherwise, humans are not always rational. The result? Market volatility.

What you have today isn't necessarily what you'll have tomorrow. That's why strategic business plans always factor in that things will change - so there must be a plan in place to survive disruptions.

Knowing they are coming is one thing, but knowing what they are and when they'll present themselves is another.

Business agility is an organizational approach that helps businesses quickly adapt to market changes, both internal and external. Its roots come from software development. Over time, it has grown and expanded to be applicable to multiple areas of business operations.

When a business is set up so that it can rapidly respond to changing customer demands, they are far more likely to remain operational to serve and keep the customers.

If that business can adapt and promote change productively, in a cost-effective way, without compromising product or service quality, then that business is likely to make it through any change or crisis.

This approach not only helps when markets change but also provides a competitive advantage over any other businesses that are slower to take action.

According to the Scaled Agile Framework (SAFe), business agility is: 'the ability to compete and thrive in the digital age by quickly responding to market changes and emerging opportunities with innovative business solutions. Business Agility requires that everyone involved in delivering solutions—business and technology leaders, development, IT operations, legal, marketing, finance, support, compliance, security, and others—use Lean and Agile practices to continually deliver innovative, high-quality products and services faster than the competition.'

Business Agility Framework

According to the SAFe 5.0, business agility is made of seven core competencies. These work to keep the organization together and agile regardless of how much the company grows, while remaining customer-centric.

The competencies are:

- **Enterprise Solution Delivery**
 - Apply lean system engineering to build large systems
 - Coordinate and align the full supply chain
 - Continuously evolve systems
- **Agile Product Delivery**
 - Keep the customer at the center of your product management strategy
 - Develop on cadence and release on demand for continuous delivery
 - Continuously work to integrate, innovate, and deploy
- **Team and Technical Agility**
 - Build cross-functional, high-performing, and agile teams; break down silos within the organization
 - Quality is built-in to make happy customers
- **Lean Portfolio Management**
 - Align strategy with funding and execution
 - Optimize operations across the entire portfolio
 - Deploy lightweight governance to allow for decentralized decision-making
- **Organizational Agility**
 - Foster an organization-wide Lean-Agile approach
 - Respond quickly to threats and opportunities
 - Lean out business operations
- **Continuous Learning Culture**
 - Build a culture where everyone learns and grows together in the organization, regardless of role
 - Promote creativity and exploration as part of the company's DNA.
 - Focus on continuous improvement
- **Lean-Agile Leadership**
 - Model the desired behaviors to inspire others to do the same
 - Align mindset, actions, and words to the Lean-Agile principles
 - Actively lead and guide others to the new approach

Becoming Agile

Business agility won't happen overnight. Building an agile business environment requires a concerted effort - and a clear roadmap.

Though there are differences depending on your aspirations and industry, a simple approach to building agile teams involves six steps.

Step One: Delegate

Delegate operational control to the frontline staff and continuously train them so they can do the job well.

You cannot expect agility while controlling business functions from behind the curtain. If you want to build agile teams, you have to create an environment where agility can thrive.

Step Two: Define Your Goals

Without a vision of what you want to achieve, you won't be able to make much progress.

One of the easiest ways to define goals is to build a narrative of how each department will function in the new agile reality.

If possible, narrate the story from various perspectives - partners, employees, customers, etc.

Communicate with people in various departments to see how they can contribute to creating a shared vision that everyone is vested in.

Rather than spelling out all the change for people to follow, provide the teams with direction and your vision so that your teams can have some input on making that vision a reality.

No matter how well we plan in advance, the truth is that when reality meets the plan, changes will happen and adaptation has to follow as a result.

When working toward agility, your team has to know what is expected of them and that they are trusted to do what needs to be done within clearly defined

conditions - to make the vision into reality.

This ensures the team gets ownership of the transformation while also building agility.

Step Three: Onboard Your Employees

After you've defined your goals, you'll need to onboard your employees to the initiative to engage them. People won't participate in the project if there is no clear reason to change.

The good thing is you can simplify the change by ensuring everyone understands expectations and why the change is necessary.

There are three communication strategies to help you, and which one you should use with your team depends on your status:

- **Burning platform:** This is the one you want to use if your business could close if the change isn't made immediately.
- **David vs. Goliath:** You should use this approach to take down your rivals so you can become the leader in the market segment. This is best suited in fields where one or two leaders dominate and you want to become the dominant player.
- **Pathbreakers:** This approach is ideal for uncharted territory. Your teams must be able to relate to your reasoning for this approach to work.

Step Four: Allocate

Put your money where your mouth is. Without allocating resources where they are needed to support an agile business structure, everyone will know your initiative won't succeed.

When you decide how to allocate resources, answer these questions:

- How will you decide what to invest in?
- Is it better to be open and transparent about the process?
- Do people know about the process?
- Can you disengage from business initiatives that lack potential and redirect them to agility focused initiatives?

As you answer these questions remember that “resources” don’t just include financial investments. It includes executive attention, too.

Step Five: Measure

Beyond the physical resources to your programs and projects, you also need to designate executive attention to it if you want your team to make them a priority. To accomplish this, continuously monitor progress.

During the measurement phase, ask:

- What outcomes are measured by the senior-decision makers?
- How often are the leaders giving attention to the project?
- What metrics can be used to track success?

Step Six: Reward

Link accountability to the success or failure of an initiative. Make sure your team knows exactly what you expect. Consider:

- What kinds of behavior are supported and rewarded in your company? Are these aligned with your goals? If not, who has the authority to change them?
- How are people assigned to new positions? Are these assignments free of bias and made based on predetermined criteria?
- What are managers held accountable for?
- Do recognition and compensation support the necessary behavioral changes?

Once you build agile teams, those teams will work together and join the value streams, and then move on to develop specialized practices.

When all teams or departments within the organization have reached the point where they’ve created their own agile methods, like Kanban or Scrum, or built a hybrid approach that best suits their needs, you’ve reached business agility and completed your agile transformation.

Moving toward true business agility will create business disruption, but that disruption will pay off when the business can adapt quickly and remain

competitive in the face of uncertainty.

Agile organizations are always one step ahead of the competition.

What's your goal today?

1. Use PLANERGY to manage purchasing and accounts payable

We've helped save billions of dollars for our clients through better spend management, process automation in purchasing and finance, and reducing financial risks. To discover how we can help grow your business:

- Read our case studies, client success stories, and testimonials.
- Visit our "Solutions" page to see the areas of your business we can help improve to see if we're a good fit for each other.
- Learn about us, and our long history of helping companies just like yours.

[Book a Live Demo](#)

2. Download our guide "Preparing Your AP Department For The Future"

Download a free copy of our guide to future proofing your accounts payable department. You'll also be subscribed to our email newsletter and notified about new articles or if have something interesting to share.

[download a free copy of our guide](#)

3. Learn best practices for purchasing, finance, and more

Browse hundreds of articles, containing an amazing number of useful tools, techniques, and best practices. Many readers tell us they would have paid consultants for the advice in these articles.

Related Posts