



**AGILE ENTERPRISE:
RE-ESTABLISHING THE
BALANCE BETWEEN
CLIENT AND TALENT
EXPECTATIONS**

REACHING BUSINESS AGILITY IN THE COMPANY HAS BECOME ESSENTIAL TO WIN THE GAME

Existing trends have become major game changers after the COVID-19 crisis and are forcing companies to become more adaptive with their aim to reach what is generally called “Business Agility”!



Digital Business has become even more widespread in customer practices as well as in company operations. As an example, according to Capgemini Research Institute in 2020 “The consumer and COVID-19”, the percentage of consumers worldwide declaring high levels of interaction with physical stores dropped from 59% before COVID-19 to 39% at the end of 2020. On the other hand, the percentage of customers declaring high levels of interaction with online channels increased from 30% to 40% in the same period. Market leaders are now the ones who master technology and digitalize processes, the user journey and the employee experience. They need to adopt new ways of working popularized by software and technology companies to renew their business models and launch innovative products and services.

Talent is the new oil and the war for talent regained strength in 2021 (after a truce during COVID-19 crisis) and intensifying according to the last Rexecode survey, with 75% of the CEOs declaring that they are enduring a shortage in recruiting new talent. To attract the best talent companies, need to offer an engaging employee experience to retain their key people and make the most of their workforce. Moreover, talents now have newly heightened aspirations for their work environment. Companies' bylaws should evolve considering multidisciplinary and multicultural teams, offer working experience adapted to the new era with remote work, sustainable policies, and collaboration tools to support these initiatives. An inclusive experience based on collaboration, accountability and trust will re-engage disillusioned employees and candidates.

The race for more sustainable practices is on and now drives talent and client expectations. Pre-COVID, customers sought omnichannel experiences, seamless journeys, and always more innovation. Nowadays, consumers demand sustainable and ethical products and services. In fact, according to our Capgemini Research Institute in the report “How sustainability is fundamentally changing consumer preferences”, 79% of consumers change their purchase preferences based on social responsibility, inclusiveness, or environmental impact, and product sustainability is now the number one focus of marketing departments.

According to Charles Darwin “*The species that survive are not the strongest, nor the most intelligent, but the ones that adapt best to change*”. Indeed, companies that will survive and lead the game in the 21st century will be those that will adapt the fastest.

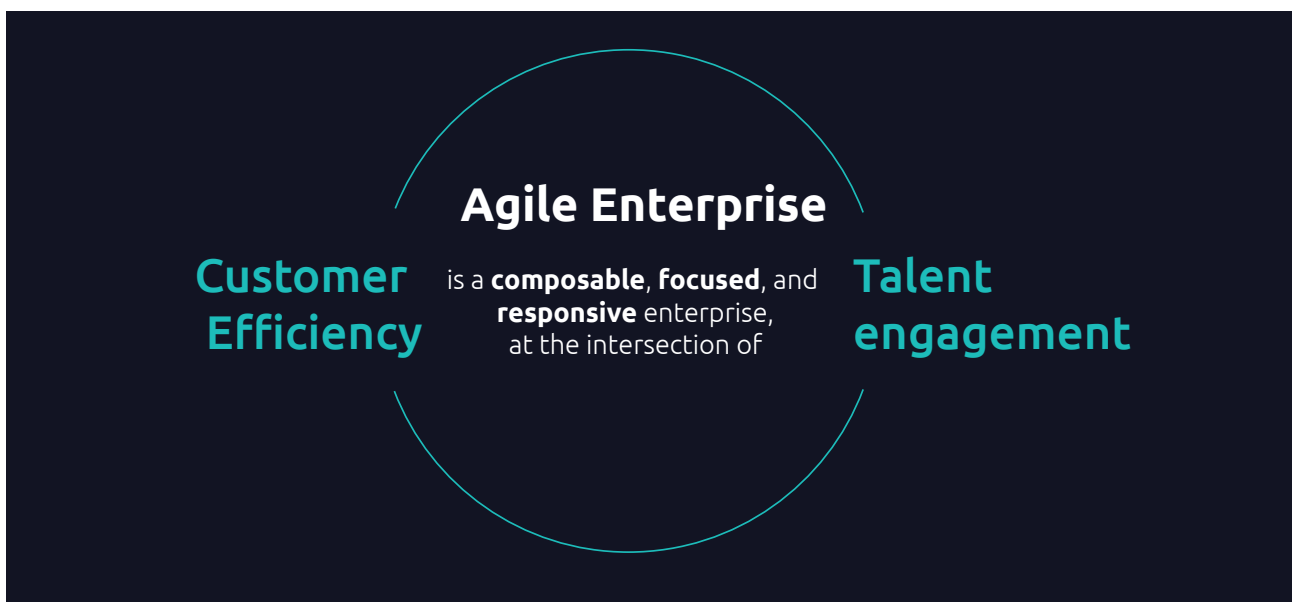
For major traditional businesses, this means that digital transformation has become vital, and should be supported in-step by the transformation of their managerial and organizational legacy; to innovate faster, develop new business models and operations, and meet the expectations of both talent and clients.

AGILE ENTERPRISE, THE NEW PARADIGM

Reaching Business Agility is the natural step when thinking about the transformation of companies. Applying lean-agile values and principles at scale makes organizations **composable, focused, and responsive**:

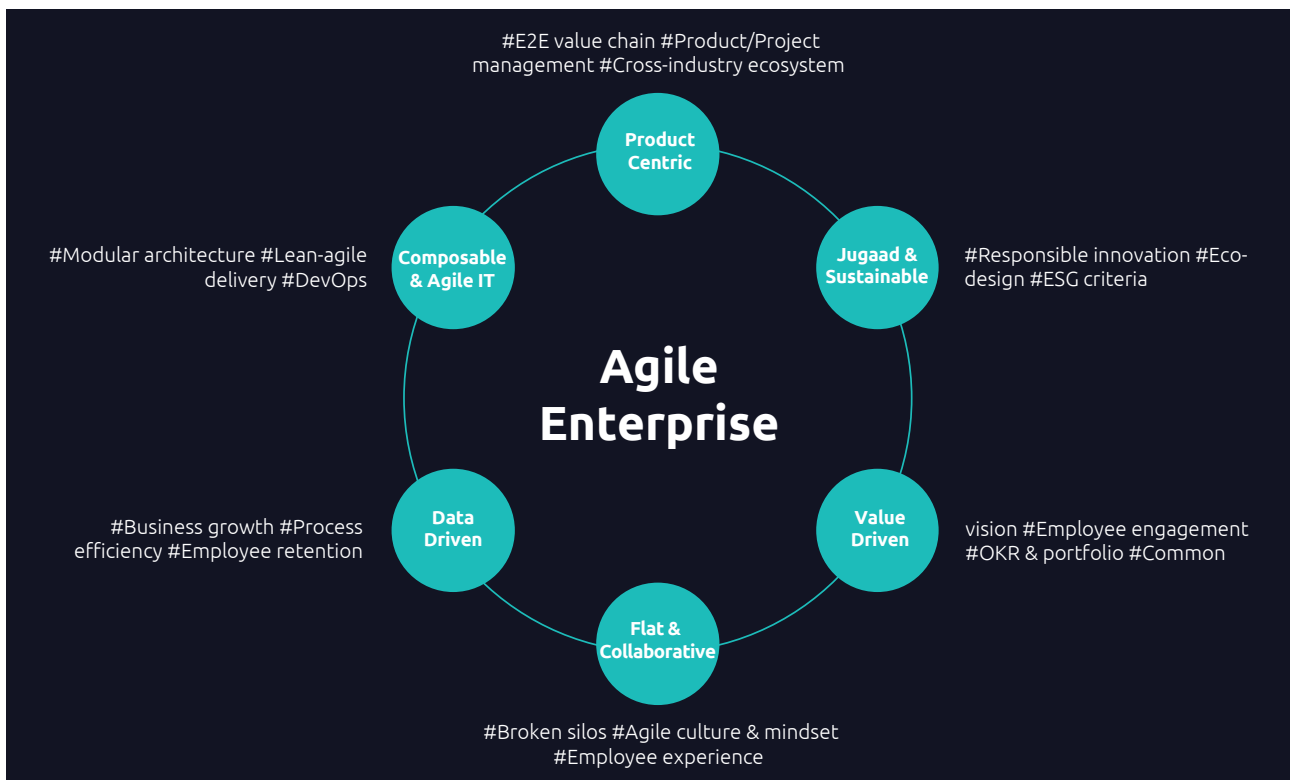
Customer efficiency: to deliver innovative products and services matching client expectations with pace and quality.

Talent engagement: to attract and engage new talent through collaborative ways of working and an ethical DNA to remediate the digital talent shortage.



BUILD THE COMPANY OF YOUR DREAMS

Becoming an Agile Enterprise is a company-wide transformation based on **6 pillars** to re-establish balance between client and talent expectations. These characterize the Agile Operating Model (AOM), as also detailed in our recent publication on Business Agility: How it's not yet another buzzword¹:



Install value-driven governance

Misalignment of company strategy and operational activities often leads to project failures and disengagement of employees, in fact, 75% of transformation programs fail due to a lack of alignment between strategy and execution.

The following aspects must be taken into account to install value-driven governance:

Align strategy and operations: share the strategy widely to embody it at all levels of the organization.

Take results-driven decisions: define transparent and monitorable objectives and key results (OKR) to ensure employees' first concerns are aligned with company strategy.

Prioritize by value: install a companywide portfolio to prioritize initiatives based on the value delivered and their contribution to company strategy, thus maximizing resources.

Empower employees: ensure bottom-up initiatives emergence and decentralize decision making to engage employees and benefit from collective intelligence.

To activate these levers, a structural management approach must be implemented. **OKR (Objectives & Key Results)** standardize the way initiatives are challenged on the expected value at each level of the organization.

¹ <https://www.cappgemini.com/resources/business-agility/>

Build strong product ownership supported by cross-functional teams

Pure players and startups/scaleups are gaining more and more ground on traditional sectors because they cherish their clients and offer innovative products. To counter this, companies have to change their ways of working and switch towards a product-and-services-centric organization.

Based on our experience, the following is key in supporting companies to become product-centric:

Organize the company (and its ecosystem) around value: set up multidisciplinary teams dedicated to products, customer journeys, or major internal processes. These teams are able to design, deliver, and operate their products, providing immediate value to customers and employees.

Implement a product delivery model: install product management providing a solid foundation of proven processes, tools, methodologies, design solutions assets (design thinking), prioritize their evolution and ensure their delivery.

Infuse a product centric culture: shift the focus from project to product by considering the overall lifecycle from emergence to decommissioning.

New roles become key in such product centric companies, for example the **Product Manager** and **Product Owner** who are responsible for product/service definition, delivery, and evolution.

Think “jugaad” and sustainable for your services and products

Organizations are increasingly under pressure to reinvent their business models to act against global warming. In doing so, they can seize the opportunity of having a positive impact on all levels: environmental, social, and economic.

Here are a few initiatives in the jugaad and sustainable way of thinking:

Focus on consumers' essential needs: deploy design thinking methodologies and practices to identify your consumer needs and trim off unnecessary features.

Design jugaad products and services: shift your design mindset towards innovative products and services that utilize fewer resources. They must be jugaad. This Indian word refers to a problem-solving approach that uses limited resources in an innovative way enabling; in short, doing more with less.

Design sustainable products and services: apply eco-conception design principles and measure energy consumption of your digital services thanks to dedicated tools.

Review your internal processes: implement an MVP mindset and monitor the right KPIs to ensure the ESG (Environmental, Social, Governance) criteria are ticked off before scaling up. Enforce with lean management to optimize the use of energy, people and budget.

With growing pressure from consumers, regulators, business partners and employees, organizations are expected to play a role in the fight against global warming. They are expected to utilize less resources and reduce their emissions. To do this they must be more jugaad and sustainable.

Make your IT composable and bridge the divide towards business

Facing a constant pressure to adapt quickly to the market's disruptions and cope with the increasing need to accelerate business value delivery, organizations need to pave the way toward a new operating model that can accelerate their efficiency and time-to-market.

To deliver the promise of performance and efficiency, IT delivery should rely on the following:

Make your delivery composable: use technical enablers as No Code/Low Code, API, Cloud and Devops to build an end-to-end delivery toolchain that will accelerate your digital delivery by composing several assets instead of reinventing the wheel for each project.

Bridging the business & IT divide: break down silos between IT and business to accelerate development and delivery thanks to stronger collaboration. Smoothly evolve towards a product mode focusing on key products and allowing decentralized decision making to accelerate even more.

Our solution aims at organizing your transformation around customized product teams (capsules) that will secure stakeholder commitment and cadence and adjust the transformation with an end-to-end measurement culture.

Support decisions with measurement and data

Companies gather more and more data every day generated by their people, their organization and their operations. Most of them struggle to use it and to create competitive advantages, i.e. increasing efficiency and empowering their employees. According to the Forrester analysis "Hadoop Is Data's Darling For A Reason", up to 73% of company data sits unused. But it is possible (and necessary) to drive actionable and profitable intelligence from this amount of information to become data-driven.

To optimize the use of own customer, employee, and operational data and to create a competitive advantage, becoming data-driven means to:

Data gathering and mining leveraged by key use cases: define requirements based on specific use cases to ensure that only relevant data is captured.

Steering and monitoring: allow data-driven decision-making with an established governance and a trusted corporate asset (quality, integrity, and usability)).

Data culture: anchor data gathering and measurement in the organization's DNA.

Becoming more adaptive and reducing infrastructure constraints with a strong relationship between business and IT are the key to mastering data and becoming data-driven.

Make your organization flat, purpose-driven and collaborative

Taylorism and hierarchical structures can no longer cope with the threats faced by organizations. Talent attraction and retention is dramatically decreasing and, as the talent war intensifies, it is expected to generate a revenue loss of more than 8 billion euros by 2030. In this stormy context, the future of management remains uncertain, in fact, according to the IPSOS study "The end of management as we know it?", 37% of managers believe that their function will disappear within 5 years.

To efficiently tackle these issues, make your organization flat, purpose-driven, and collaborative by:

Promote an "Employees First" approach: enhance talent attraction, motivation, and retention. Rethink the employee journey by reinventing career model, improve the employee experience and promote autonomy.

Boost operational efficiency: reduce and simplify management layers and validation levels to accelerate decision making and focus employees on high-value tasks.

Win the digital and innovation race: foster innovative proposals and ideas by improving communication and information sharing. Invest in tools supporting collaboration in a context of generalized work from home.

Instead of managing change, companies should change their management of it, but they can only do so by turning into a flat and collaborative organization.

USE CASE ZOOM-IN: NET ZERO STRATEGY IN THE CONTEXT OF BUSINESS AGILITY

AGILE ENTERPRISE: A GLANCE OF THE FUTURE

The race to net zero is an objective set at board level that needs to be embodied by all. OKR methodology is implemented to accelerate towards this new objective. Employees across the whole company are asked to generate as many initiatives as possible and key results are defined to monitor their engagements. Initiatives are centralized in a portfolio that prioritizes them based on the value delivered and their contribution to key results. Budget is allocated to the most valuable initiatives and is tracked based on a clear monitoring of results reached every quarter. Sustainable activities are infused company-wide, services are refined to be more sustainable,

procurement processes evolve to integrate sustainable criteria, operations are transformed to generate fewer carbon emissions. Multidisciplinary teams are created to commit to outcomes that require a collaboration of several entities in the company. Agile delivery enables the delivery and iteration of MVPs thanks to customer feedback. In just a few months, significant results are measured, which instruct the enterprise in its strategy, and funding for initiatives that did not reach the expected benefits are adjusted or discontinued. The capacity of focusing and breaking down silos enables the whole organization to pivot like a startup towards a new net zero strategy.



THE JOURNEY TO YOUR AGILE ENTERPRISE BEGINS WITH YOUR FIRST MVO ITERATION

Our **Minimum Viable Organization (MVO)** approach refers to applying an iterative and incremental approach to defining and establishing a suitable Adaptive Operating Model for our clients, which will enable them to achieve Business Agility. As we defined it in our recent publication², each MVO Iteration focuses on a distinct pilot of roughly 100 people applying a Lean-Agile way-of-working in their context.

Based on our experience, the MVO approach is best applied as follows::

Align on north star: define your transformation objectives along the levers of the Organizational Dexterity model³ in **6 weeks**.

Run 1st MVO iteration: launch your first MVO iteration applying Lean-Agile way-of-working in the specific context of the pilot for **6 months**.

Scale towards Business Agility: by deploying **horizontally** (e.g. launch further MVO iterations) and **vertically** (e.g. implement transversal processes based on what has been experienced), Lean-Agile way-of-working increasingly becomes common place across the organization.

A **Minimum Viable Organization (MVO)** is a scalable organization with enough people and processes to deliver Minimum Viable Services/Products in order to **experiment and create the optimal organization** for an **Agile Enterprise**

Start by transforming a representative scope on each pillar, obtain results and then scale

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Start big or fail trying

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Take it or leave it

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Make it viral

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Lead the change you want to see

Based on our experiences, we identified the following key success factors for your MVO Iterations:

Start big or fail trying: MVO perimeter should be large enough (approx. 100 people) to experiment transversal processes such as Finance, RH & Demand management.

Take an holistic view: all pillars must be leveraged simultaneously to maximize transformation benefits and avoid disappointment.

Make it go viral: communicate early successes, adapt to foster adoption, launch further MVO iterations and scale the AOM based on the insights generated.

Lead the change you want to see: the transformation needs to be driven by top management which support the global dynamic and allows the in-depth transformation of the company's culture.

Begin your journey with Capgemini Invent

Capgemini Invent comes with a deep understanding of business issues supported by a great expertise in IT transformations. Far from being only conceptual, we offer solutions that are both strategic and operational and ensure the end-to-end transformation towards Agile Enterprise by leveraging all the assets of the Capgemini Group. Moreover, Agile Enterprise provides a package that encompasses all pillars ensuring a holistic transformation. To secure the success of this viral transformation, we have developed the MVO approach that will help you tailor your journey to your needs, learn from within, then grow. With our expertise and that of our partners, we ensure all the necessary skills and competencies that will infuse adaptiveness throughout your company.

² <https://www.capgemini.com/resources/business-agility/>

³ <https://www.capgemini.com/2020/02/leaping-forward-why-organizational-dexterity-is-making-a-difference/>

About Capgemini Invent

As the digital innovation, design and transformation brand of the Capgemini Group, Capgemini Invent enables CxOs to envision and shape the future of their businesses. Located in more than 36 offices and 37 creative studios around the world, it comprises a 10,000+ strong team of strategists, data scientists, product and experience designers, brand experts and technologists who develop new digital services, products, experiences and business models for sustainable growth.

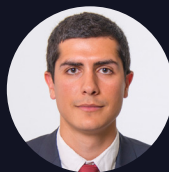
Capgemini Invent is an integral part of Capgemini, a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 325,000 team members in nearly 50 countries. With its strong 55 year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2021 global revenues of €18 billion.

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