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STATE OF AGILE AFRICA 2020

BUSINESS AGILITY – THE EVOLUTION TO A DIGITAL FUTURE

Executive Summary

With the pivoting of our 4th annual Report from a focus on South Africa to a broader view of the continent, our intention was to shine a light on and understand the state of Agile in the African context. There may be an unfair perception that Africa is behind its more technologically 'mature' counterparts in the US and Europe. However, what we have gathered from our data is that our trends and insights are aligned to that of the rest of the world. This is evident when comparing our results to the VersionOne State of Agile Report[1] as well as the Business Agility report by the Business Agility Institute[2].

The similarities of the insights can be summarised as follows:

Maturity at the team level is growing as more and more organisations and industries are embracing Agile ways of working.

The principal reason that organisations want to adopt Agile ways of working is to improve the speed of delivery. However, this is not always realised based on the insight that teams are not always responsible for the end-to-end delivery of the solution they are responsible for as they require multiple teams to work together.

This has created a need for scaling practices and frameworks to help teams to coordinate their delivery.

In doing so, this has only solved one part of the problem as the bottleneck of delivery is simply shifted up and/or downstream due to a lack of Agility outside of IT and Software Development, even though there is promise in areas of HR and Finance.

The essence of Agile is customer-centricity. However, the teams doing the work are too far removed from real customers in order to deliver the value and impact customers are asking for.

In order to ensure the sustainable flow of solutions, Lean Portfolio Management may be the solution to ensure the alignment to strategy and effectively managing supply and demand. This prevents teams from being flooded with too much work, which will result in non-delivery. A key consideration needs to be Agile funding.

Change management, a crucial element to successful Agile integration, is often happening at sub-optimal levels, thereby compromising the potential business impact that Agile can bring.

Leadership is the driving force and the custodian of organisational culture and therefore needs to embrace a Lean-Agile mindset and model the behaviour that is required to empower teams. As a result, leaders need to invest in change management in order to make the journey to Agility sustainable. If Business Agility was a house, we believe that the foundation is Leadership Agility.

In addition to the above, the following key findings at the practice level also emerged from our analysis:

Dedicated Product Owners play a crucial role in providing teams with clarity of direction. The importance of this role is often underestimated, with a clear difference in team performance between a team with a dedicated and engaged Product Owner and one that does not.

Agile teams generally have a strong preference for virtual tools, which is something that leaders should consider, especially in the context of remote working that currently pertains. There is a clear change from previous years, but that is primarily as a result of the prevalence of remote working during the pandemic. We suspect however, that there will be a balance once teams return to offices.

While the high percentage of teams that practice daily scrum (87%) might suggest a high integration of Agile in daily practices, our experience has taught us that this could be misleading. It is clear that teams are not adopting Backlog Refinement practices as much as they should to ensure that the backlog is in a "ready" state to be committed to by the team.

While we have seen a lot of progress made in the Agile world, we believe there is still a lot of potential for growth and improvement. As organisations are continually being disrupted (with the global challenges in 2020 exacerbating this further), they need to create the opportunity to not only react to these disruptions, but create opportunities to thrive on change, and in so doing remain relevant, resilient, and competitive. The focus must be on how we continue embracing Agility throughout the organisation in order to deliver excellent business results.

[1] https://stateofagile.com/
[2] https//businessagility.institute/learn/2020-business-agility-report-responding-to-disruption/

Introduction

The IQbusiness State of Agile journey began in 2017 when the inaugural State of Agile survey was launched in order to obtain a textured and localised understanding of Agile practices in South Africa. Although bespoke in nature, the survey was loosely designed around the domains of Business Agility, developed by the Business Agility Institute[1]. And although the focus in the inaugural survey was more on Agility in the context of Information Technology (IT) and particularly Software Development, the focus has shifted towards Business Agility, a shift that corresponds to the market trend both locally and internationally.

In keeping with our trend to expand and evolve the survey in a manner that is sensitive to market dynamics, we took a decision to solicit responses from Agile practitioners in other parts of the continent. The 2020 edition allows us to take a broader view of Africa, giving us a window into the state of Agile not just in South Africa, but also in other markets, specifically, Mauritius, Ghana, Kenya, and Nigeria. The expanded geographical reach of the survey corresponds with the growing appetite for Agile approaches that we have observed in these markets over the years.

In addition to the survey, we also conducted eight in-depth interviews with senior leaders and sponsors of Agile transformations to augment and add richness to the insight that the survey has generated.

The shift to a more continental view, as well as other necessary survey adaptations for the 2020 edition, means that this report forms a new baseline read and that historical trend analysis for South Africa is not possible – a trade-off that we did not hesitate to make with the bigger picture in mind.

We will begin by providing an outline of the survey sample and associated demographics before turning our attention to the notion of team Agility and the way different teams execute Agile. We later unpack the state of Business Agility more broadly, highlighting some of the challenges associated with organisation-wide Agile adoption. Finally, we provide the reader with our perspective on the way forward for Agile on the continent.

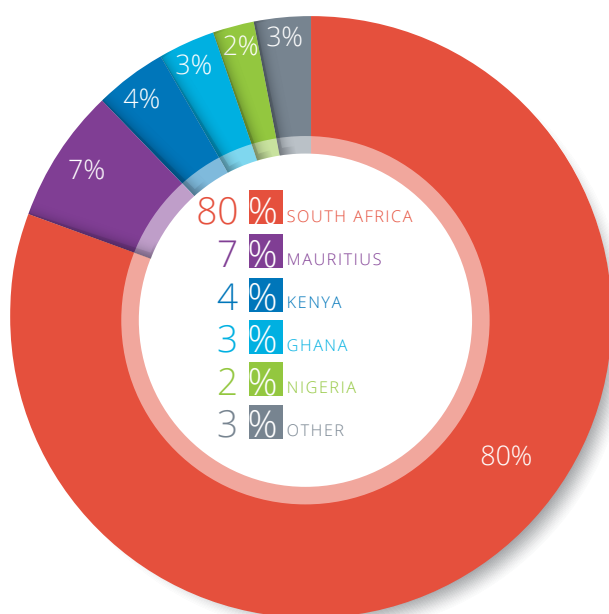[1] https://businessagility.institute/

Sample Demographics and Methodology

The survey was conducted between August and September 2020, with the survey link being distributed to practitioners in the Agile community throughout the IQbusiness network and extended partner network. Social media was also leveraged to disseminate the survey.
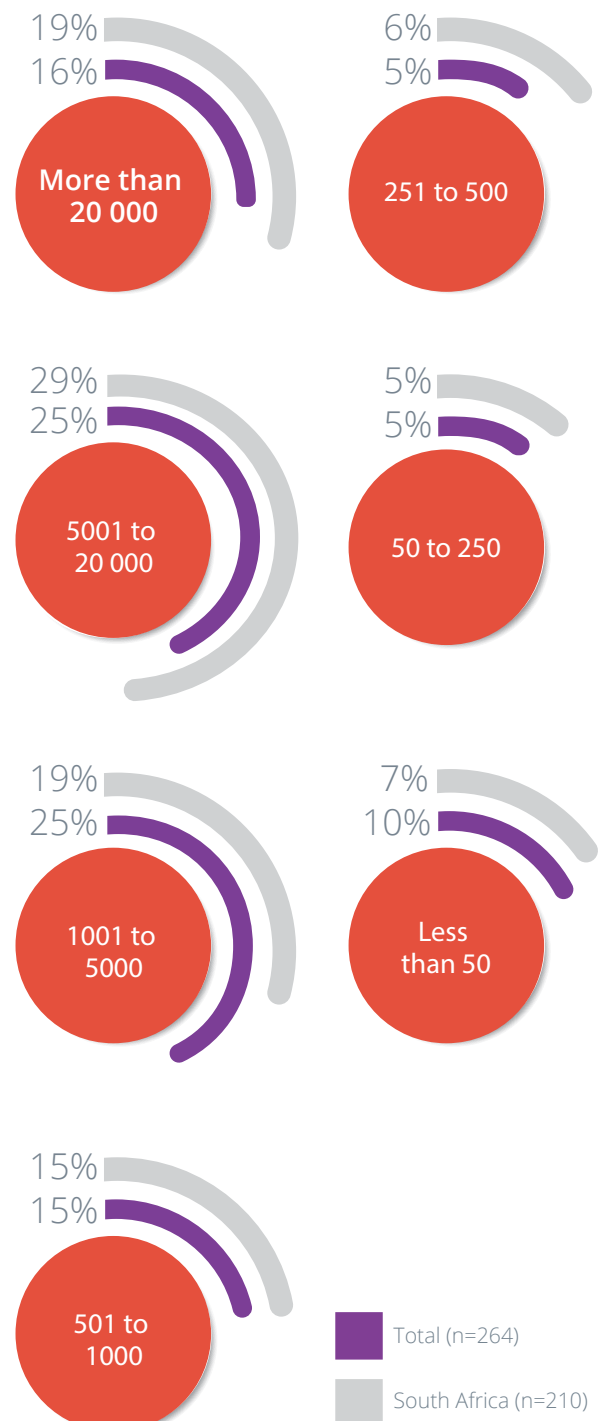
Approximately 270 individuals took the survey, with most of the sample (80%) being from South Africa, followed by Mauritius (7%), Kenya (4%), Ghana (3%), and Nigeria (2%). There was also a handful of respondents from other African countries, such as Namibia, Zambia, Tanzania, and Botswana.

Organisations that have between 1 001–20 000 employees make up about half of the sample, with about one fifth of the South African sub-sample coming from very large organisations with more than 20 000 employees.

SIZE OF ORGANISATION (n=264)

More than 20 000 — 19% / 16%

251 to 500 — 6% / 5%

5001 to 20 000 — 29% / 25%

50 to 250 — 5% / 5%

1001 to 5000 — 19% / 25%

Less than 50 — 7% / 10%

501 to 1000 — 15% / 15%

Total (n=264)
South Africa (n=210)

COUNTRY IN WHICH RESPONDENTS WORK (n=270)

- 80 % SOUTH AFRICA
- 7 % MAURITIUS
- 4 % KENYA
- 3 % GHANA
- 2 % NIGERIA
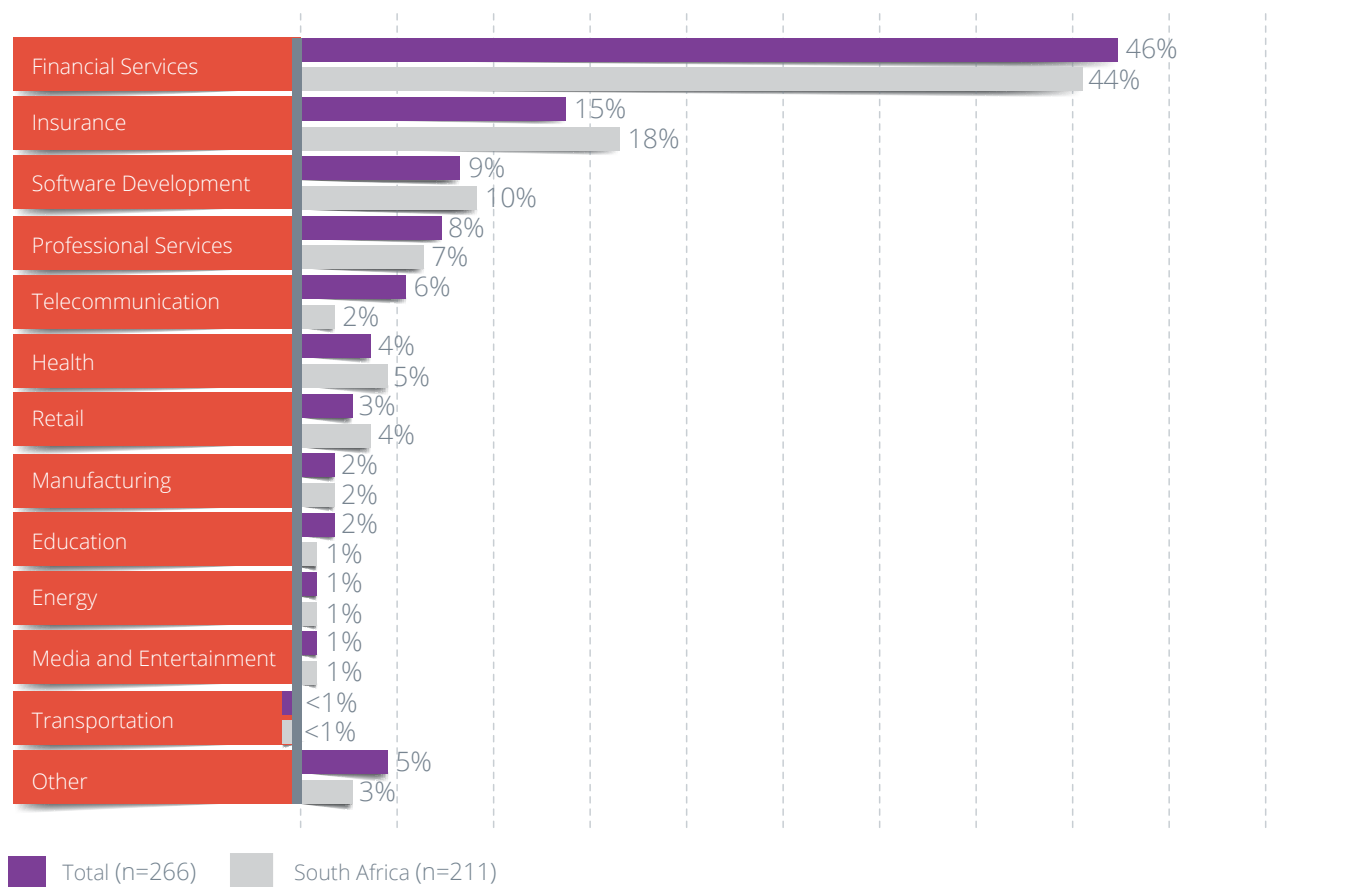- 3 % OTHER

80%
7%
4%
3%
2%
3%

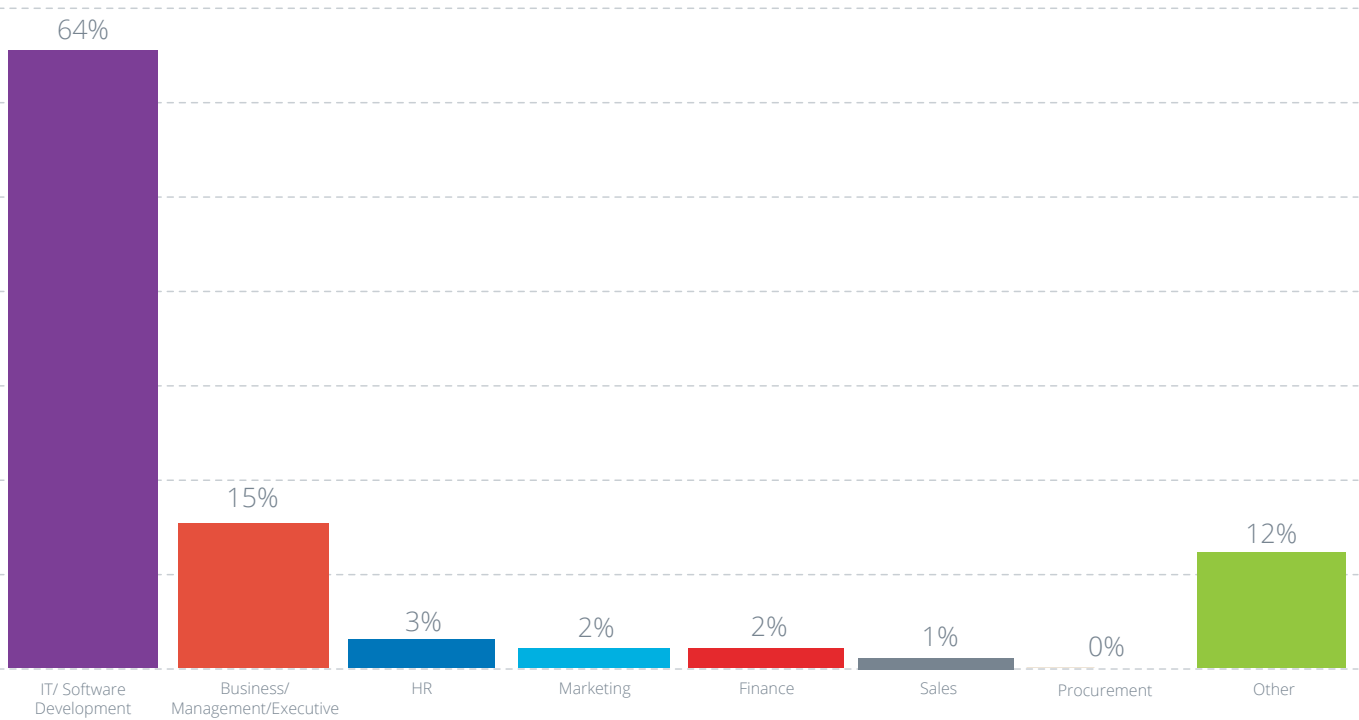## Consistent with other sources, Financial Services continues to be a key industry in the Agile community

While industry representation is partially biased by the IQbusiness network, the high representation from the Financial Services and Insurance sectors is, in our view, also indicative of the level of Agile penetration and maturity in these sectors. This corresponds with the heavy reliance these sectors have on IT, an area in which Agile has its roots. Conversely, greater Agile penetration may be needed in various other sectors, such as Education, Energy, as well as Media and Entertainment, to name a few. Intuitively, we believe that the Retail and Telecommunications industries are also on the journey and would also benefit significantly from Agile, given the reliance these industries have on IT as well as the cost-sensitive nature of these industries.

INDUSTRY REPRESENTATION (n=266)

Industry	Total (n=266)	South Africa (n=211)
Financial Services	46%	44%
Insurance	15%	18%
Software Development	9%	10%
Professional Services	8%	7%
Telecommunication	6%	2%
Health	4%	5%
Retail	3%	4%
Manufacturing	2%	2%
Education	2%	1%
Energy	1%	1%
Media and Entertainment	1%	1%
Transportation	<1%	<1%
Other	5%	3%

◼ Total (n=266) ◼ South Africa (n=211)

FUNCTIONAL AREA (n=270)

Category	Percentage
IT/ Software Development	64%
Business/ Management/Executive	15%
HR	3%
Marketing	2%
Finance	2%
Sales	1%
Procurement	0%
Other	12%

An emergence of Agile practices outside of IT/Software Development

Not surprisingly, about two thirds of the sample comprises of individuals that perform a role in IT/Software Development. However, it is interesting to note the emergence in the use of Agile practices for business functions outside of IT, particularly in the realm of management/executive.
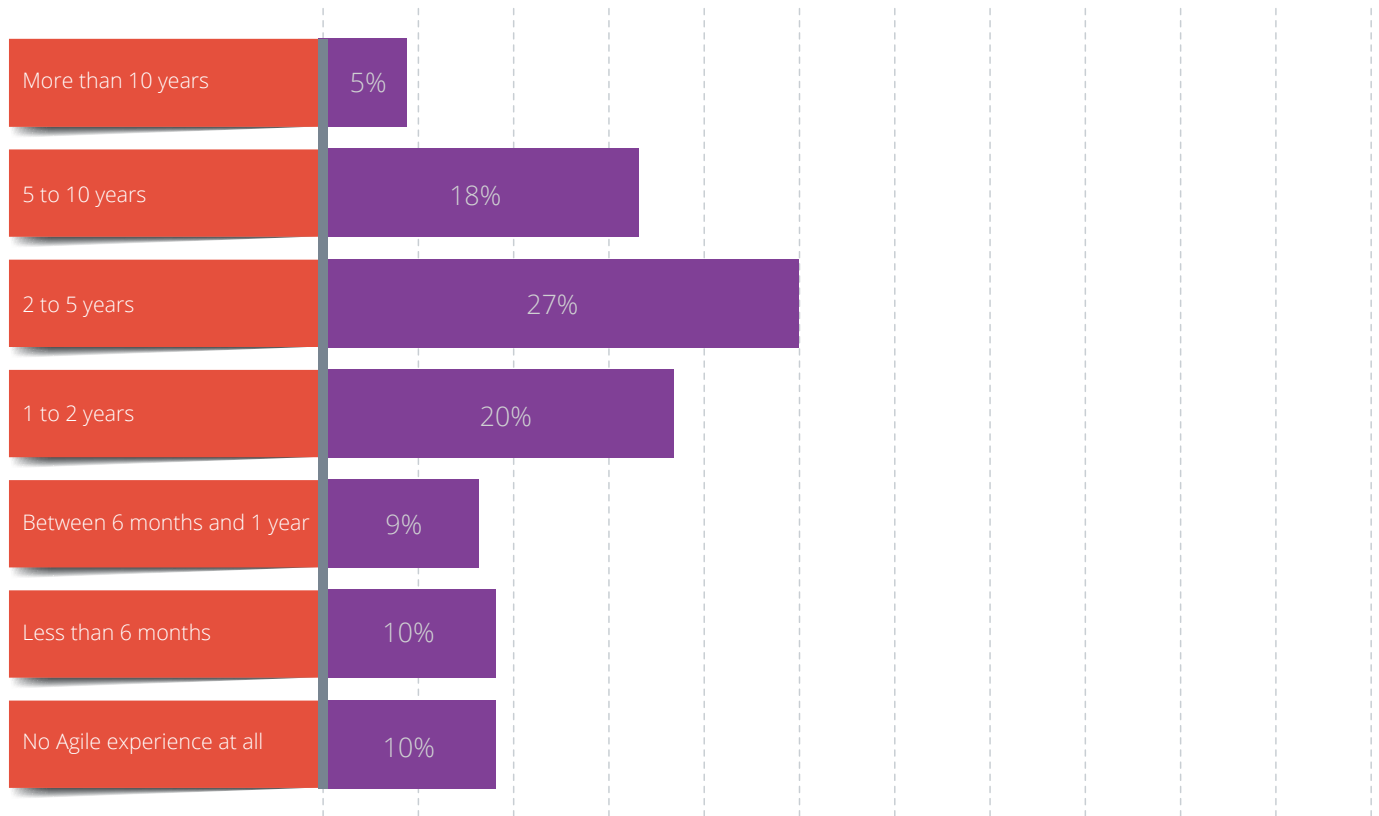
70% of respondents are individuals who have at least one year of Agile experience, while less than 20% have under a year of experience. Representation of Agile practitioners with more than ten years of experience (5%) ensures that the valuable perspective that these seasoned individuals bring is not lost. Compared to previous reports, we are seeing individuals with more experience become more prevalent as Agile infiltrates these organisations.

Representation from the top to the bottom, so to speak

It is encouraging to see that the sample has good representation from all levels of rank within a typical organisation. Overall, the sample is relatively diverse, suggesting that the views expressed make for a balanced perspective on Agile practices. It is also encouraging that 18% are from senior management, as this is perhaps indicative of their level of involvement and commitment.

AGILE EXPERIENCE (n=270)

Category	Value
More than 10 years	5%
5 to 10 years	18%
2 to 5 years	27%
1 to 2 years	20%
Between 6 months and 1 year	9%
Less than 6 months	10%
No Agile experience at all	10%

DESIGNATION

Designation	Total (n=266)	South Africa (n=212)
Senior Management	18%	18%
Management	24%	23%
Team Leader	18%	18%
Team Member	30%	31%
Other	10%	10%
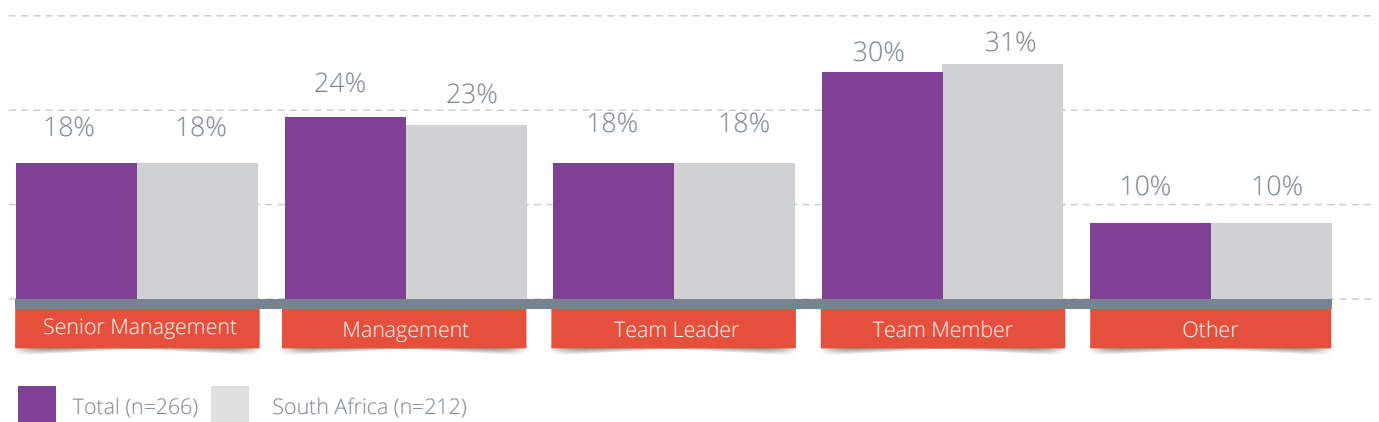
CURRENT/MOST RECENT AGILE ROLE

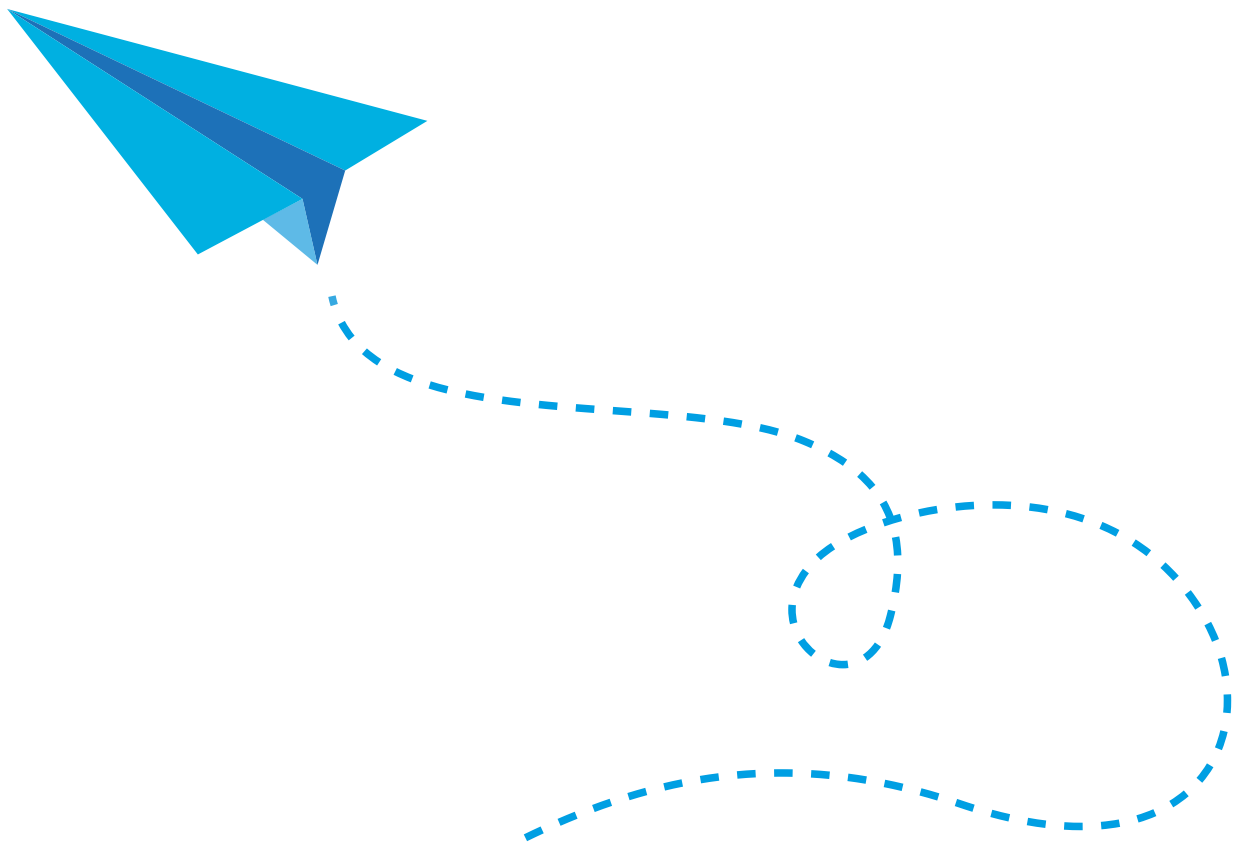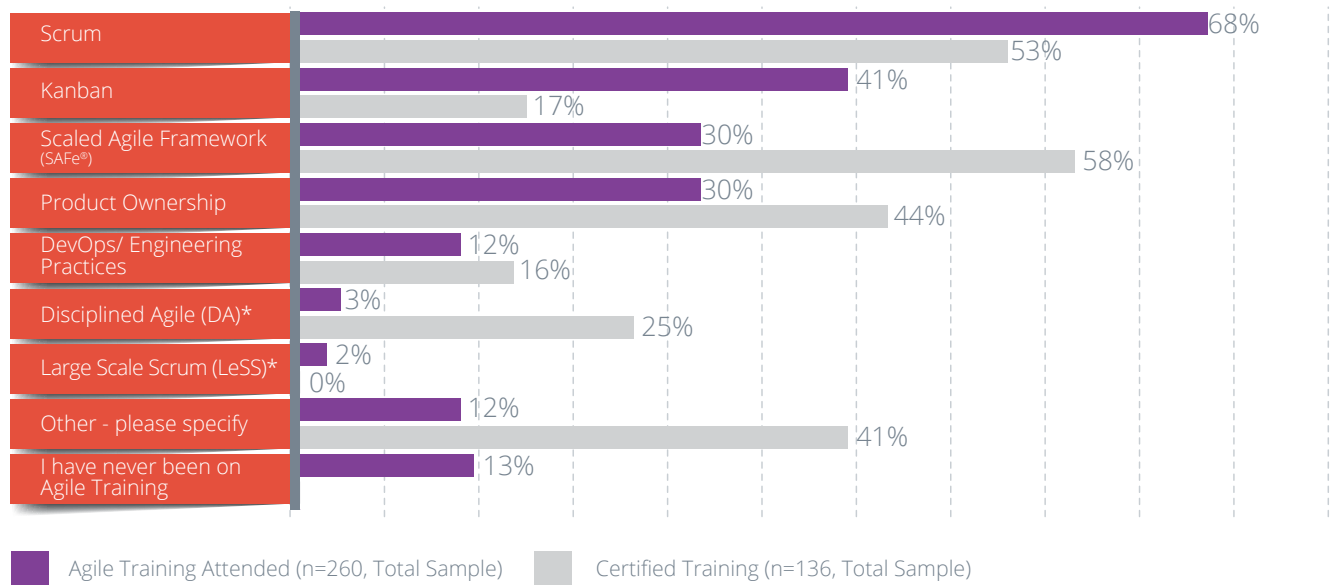| Role	Total (n=260)	South Africa (n=212)
Scrum Master	17%	18%
Business Analyst	12%	12%
Agile Coach	10%	11%
Software Dev/Arch/Eng	9%	9%
Project Manager	8%	8%
Business Role (non-agile specific role)	7%	6%
Product Owner	5%	5%
Executive	5%	5%
IT Manager	5%	5%
Scrum Team Member	4%	4%
Administrator	4%	4%
Tester	3%	3%
Project Manager	2%	0%
Other	8%	9%
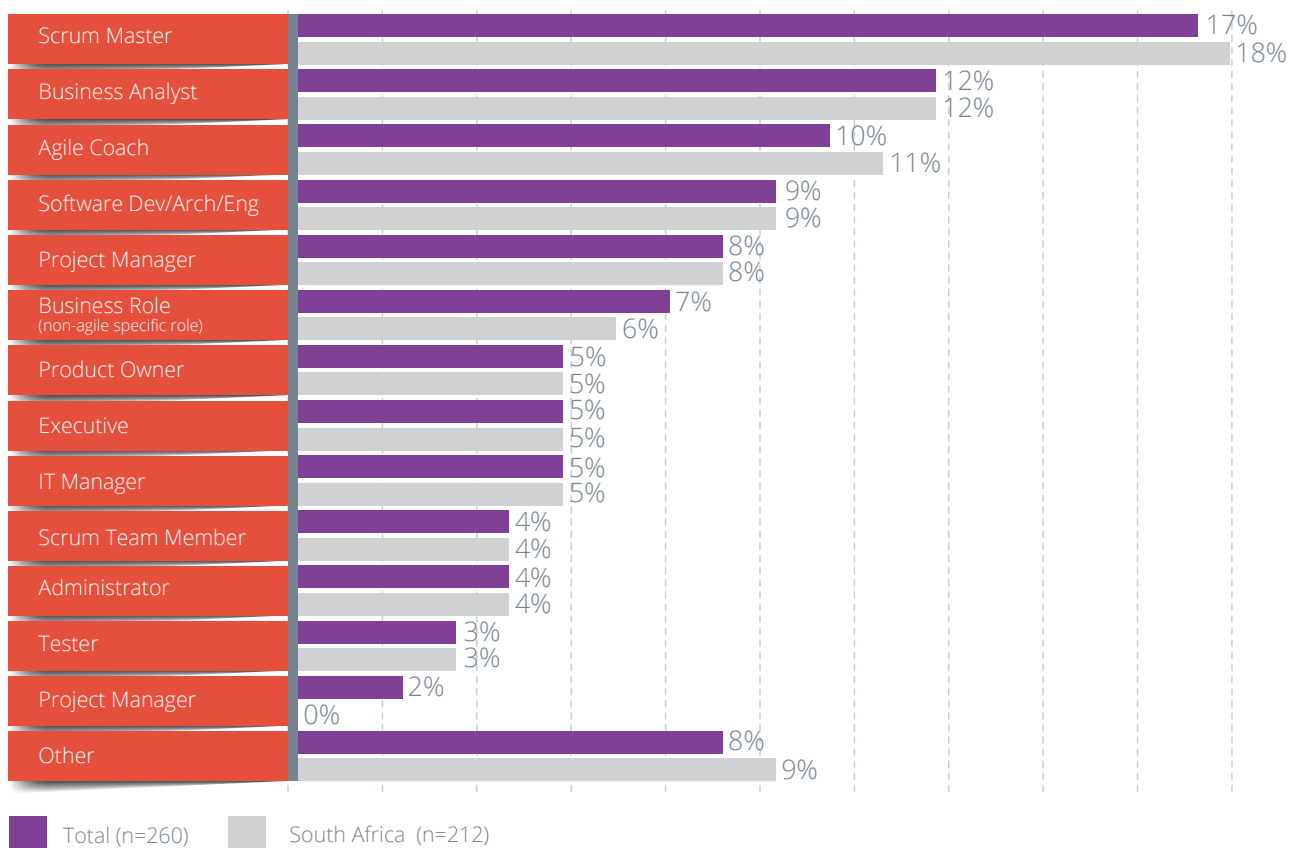
Many Agile practitioners find themselves in 'non-traditional' Agile roles

Some of the most popular roles that Agile practitioners find themselves in are: Scrum Master (17%), Business Analyst (12%), Agile Coach (10%), and Software Engineer (9%). The fact that many practitioners occupy roles that fall outside of the 'traditional Agile' realm is further evidence for the proliferation of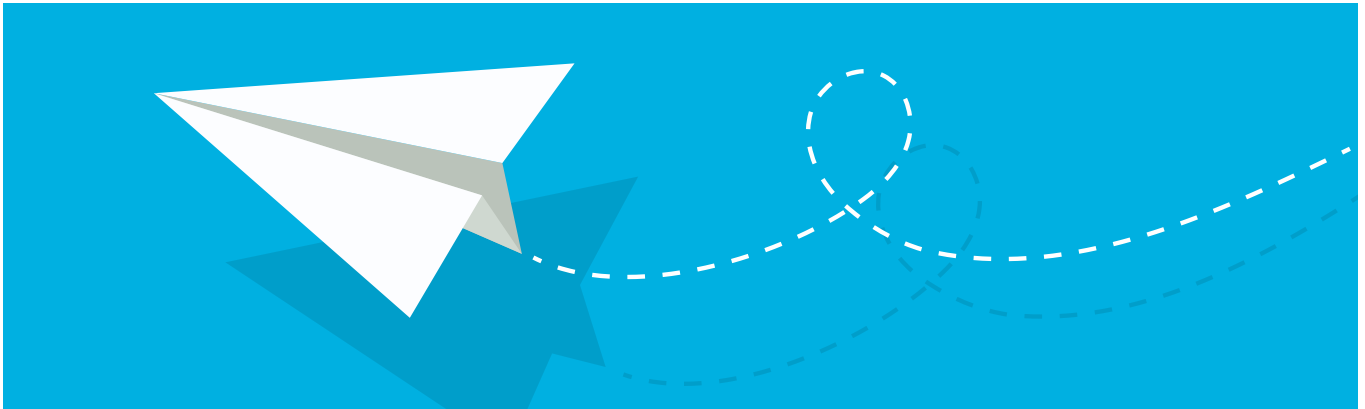 the area commonly known as Business Agility. This variety in role identification lends further credence to the notion that the sample is a diverse one.

In line with Agile role identification, 68% of the sample have attended Scrum training, with Kanban (41%) also featuring strongly. Scaled Agile Framework (SAFe®) as well as Product Ownership training have a very high propensity to be certified.

TRAINING ATTENDED AND CERTIFICATION

Category	Agile Training Attended	Certified Training
Scrum	68%	53%
Kanban	41%	17%
Scaled Agile Framework (SAFe®)	30%	58%
Product Ownership	30%	44%
DevOps/ Engineering Practices	12%	16%
Disciplined Agile (DA)*	3%	25%
Large Scale Scrum (LeSS)*	2%	0%
Other - please specify	12%	41%
I have never been on Agile Training	13%	

■ Agile Training Attended (n=260, Total Sample)   ■ Certified Training (n=136, Total Sample)

Team Agility

We believe that teams are the heartbeat of Agile and that, in some ways, the goal of Agile is to create small cross-functional high-performing teams.

Measuring a team's level of Agility is important to teams and organisations as a whole. For teams, it is critical to inspect and adapt in order to create a culture of relentless improvement, while organisations typically use measurements of team Agility to justify the money spent on Agile transformation.

We asked respondents what Agile means to them in the context of their team, and their responses tended to centre around notions such as: adaptability, effectiveness, innovation, efficiency, collaboration, and value delivery. These responses are encapsulated in the following respondent verbatims:

- *"Change in mindset, where we start looking at value delivery above all else."*

- *"Agile means adapting to change [with] quick response times."*

- *"Continuous improvement through collaboration, therefore yielding faster results without compromising quality."*

- *"An innovative and creative way of working and collaboration with a sense of urgency and adaptation to change."*

Our qualitative interviewees also weighed in on this matter, providing some interesting perspectives on how they view Agility in the context of their organisation. One of them made the point that Agility should ultimately culminate in the decentralisation of decision-making.

"Using information to help us make better decisions, and to direct the activities of the team, so we can actually be more data-led."
– Digital Transformation Programme Director in the Retail Sector.

"The opportunity and the power of Agility is actually decentralising and empowering teams. So, it's decentralising decision-making around the minutiae of things." – Senior Manager in the Retail Sector.
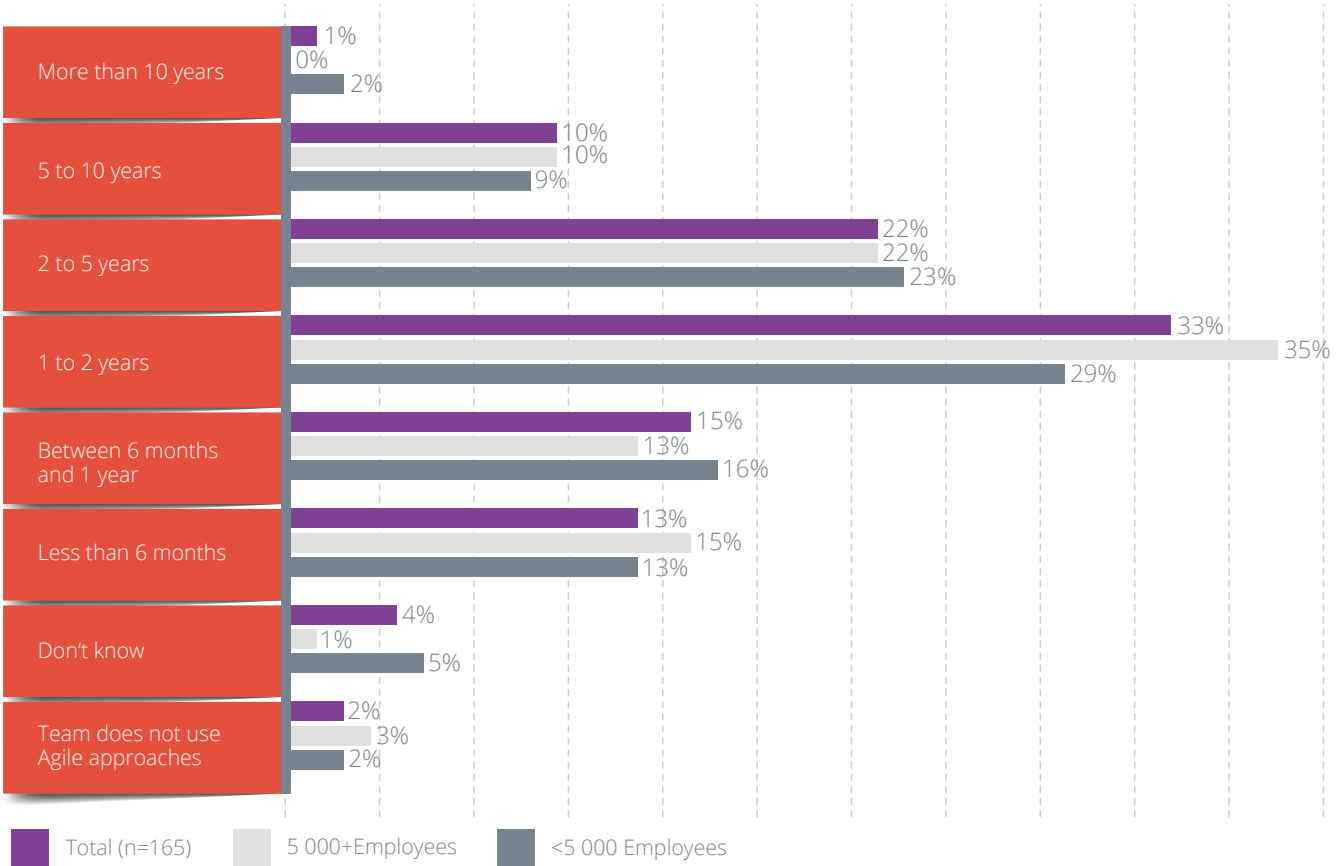
In alignment with Agile values and principles, our insights have shown that teams need to be more empowered to make decisions. In our experience, this is sometimes met with resistance as the corporate culture of command-and-control is often at odds with this principle.

More than half of Agile teams are still in infancy stage

61% of Agile teams have been practicing Agile approaches for under two years, while 13% only began their Agile journey in 2020. Compared to the experience of Agile practitioners mentioned in this report, it is interesting that the individual's experience exceeds that of the team. This may be an indication that organisations are seeking out individuals with Agile experience to join their organisations in order to accelerate their Agile adoption. About a tenth of the teams can be considered mature, with at least five years of experience. Interestingly, this picture does not change considerably when we examine organisations with 5 000+ employees versus those with less than 5 000 employees, suggesting that the extent of team-level experience on the continent is not a function of organisation size at this stage.

DURATION THAT THE TEAM HAS BEEN USING AGILE APPROACHES FOR

Duration	Total (n=165)	5 000+ Employees	<5 000 Employees
More than 10 years	1%	0%	2%
5 to 10 years	10%	10%	9%
2 to 5 years	22%	22%	23%
1 to 2 years	33%	35%	29%
Between 6 months and 1 year	15%	13%	16%
Less than 6 months	13%	15%	13%
Don't know	4%	1%	5%
Team does not use Agile approaches	2%	3%	2%

In accordance with the finding that many Agile teams only began their Agile journey in recent years, we see that about two thirds (64%) of teams consider themselves to be on the journey to becoming Agile, as opposed to being fully Agile (21%).

It is important to note that this insight pertains specifically to individuals' perception of how agile their team is. More objective ways of measuring team agility are needed, which will enrich our understanding of team Agility.

HOW AGILE RESPONDENTS PERCEIVE THEIR TEAM TO BE

	Only just started the agile journey	On the journey to becoming Agile	Fully Agile
Total (n=160)	15%	64%	21%
South Africa (n=127)	13%	66%	21%

■ Only just started the agile journey ■ On the journey to becoming Agile ■ Fully Agile
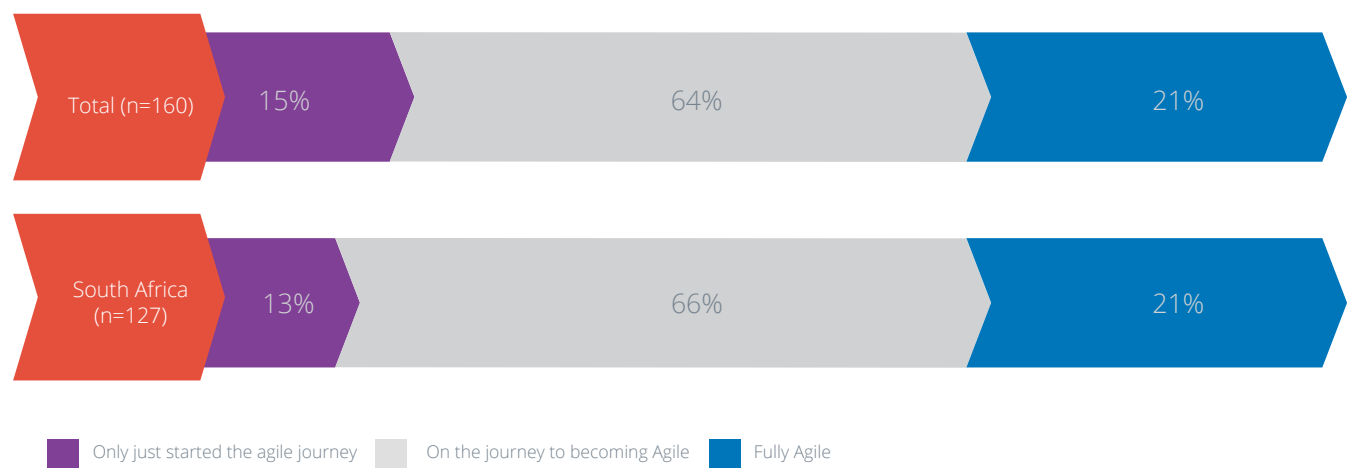
Accelerating product delivery and adapting to change are undeniable needs for many Agile teams

Foremost amongst the reasons cited for adopting Agile practices are the needs to expedite product delivery (58%) and to adapt to changing market dynamics (49%). This is followed by the needs to increase productivity (39%), improve the customer experience (24%), and improve business/IT alignment (24%). In many ways, these prominent reasons for adopting Agile speak to the key challenges that businesses face in this digital era, which is characterised by increased competitiveness, complexity, and high levels of change and uncertainty. It is therefore clear that organisations see Agile practices as playing a significant role in helping them stay competitive and relevant – it enables the necessary change that ultimately enables the organisation to meet its objectives.

If we overlay the perceived benefits of adopting Agile against the reasons that organisations adopted Agile, we see a slight mismatch. While some of the main reasons for adopting Agile were to accelerate product delivery and adapt to change, the
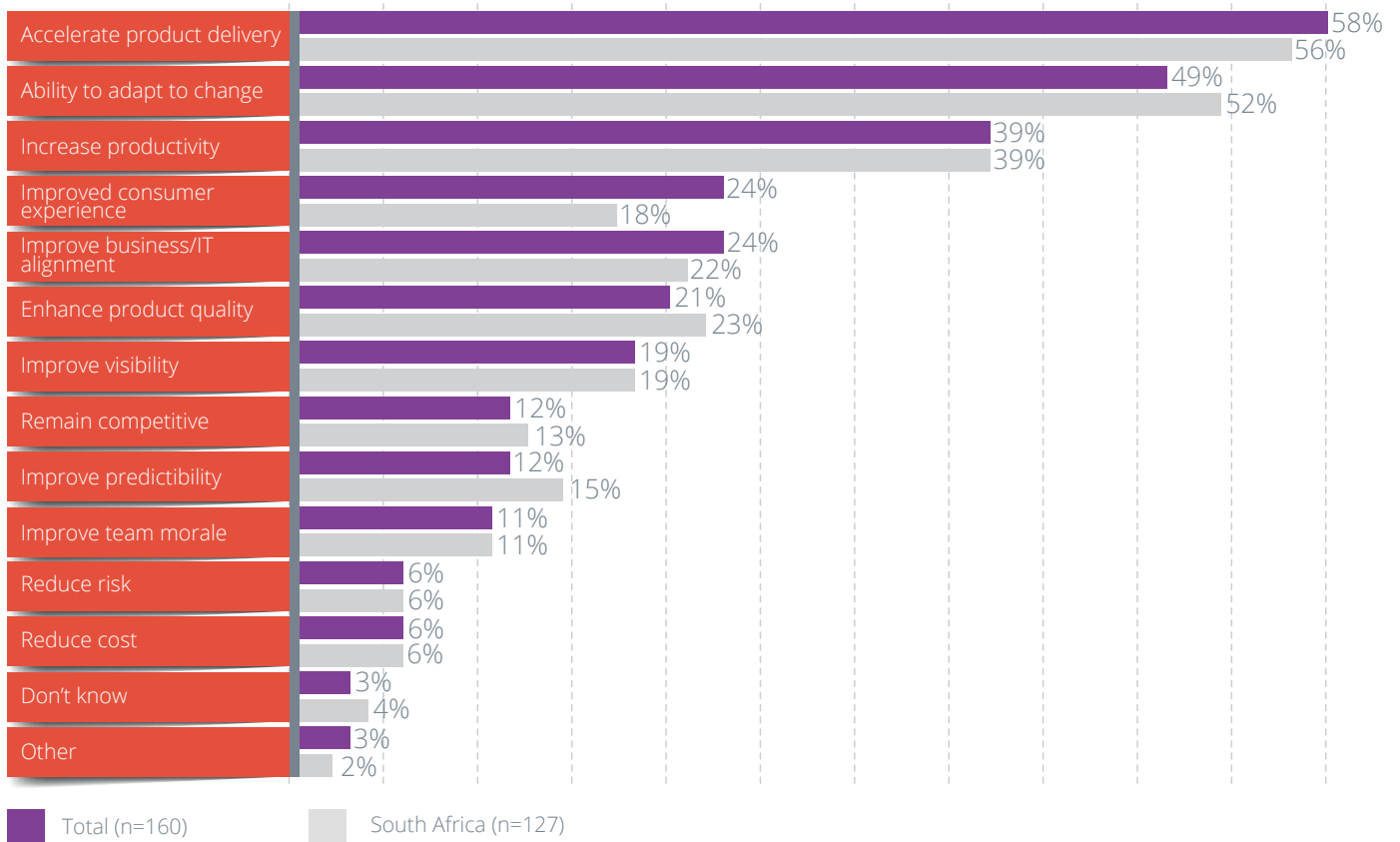
top two benefits are improved collaboration and improved project visibility. That being said, the ability to adapt to change does feature strongly as a perceived benefit. 62% of respondents reported a great improvement in collaboration since the adoption of Agile, while 58% reported that project visibility improved greatly. Improvements in 'softer' areas, such as team morale and productivity, are just as important as improvements in hard metrics, such as the enhanced quality and speed to market, and these improvements are noticed and appreciated by teams. As noted by one of the respondents:

"Morale is higher [and] people enjoy working again. We work hard, but we are a team and that makes it worth it. No more individuals sitting in their corner doing their own thing."
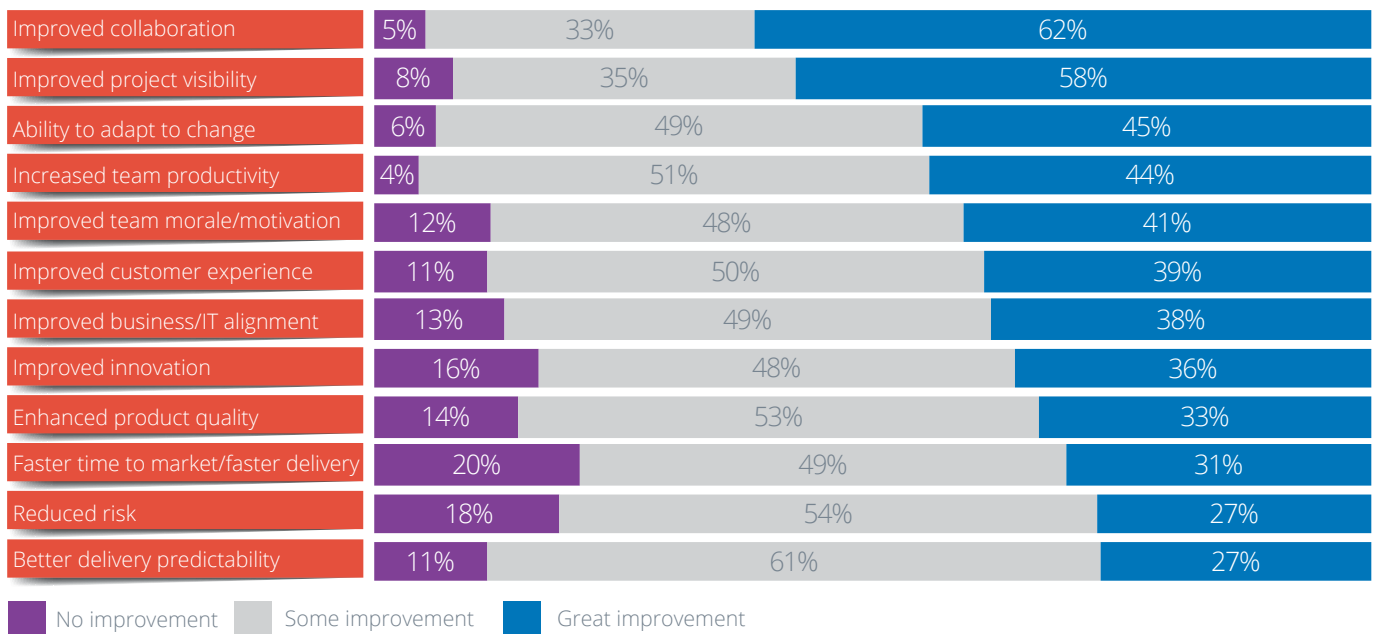– Survey Respondent.

Crucially, and in the context of the growing movement towards Business Agility, 38% of respondents reported a significant improvement in business/IT alignment.

REASONS FOR ADOPTING AGILE

Reason	Total (n=160)	South Africa (n=127)
Accelerate product delivery	58%	56%
Ability to adapt to change	49%	52%
Increase productivity	39%	39%
Improved consumer experience	24%	18%
Improve business/IT alignment	24%	22%
Enhance product quality	21%	23%
Improve visibility	19%	19%
Remain competitive	12%	13%
Improve predictibility	12%	15%
Improve team morale	11%	11%
Reduce risk	6%	6%
Reduce cost	6%	6%
Don't know	3%	4%
Other	3%	2%

■ Total (n=160) ■ South Africa (n=127)

PERCEIVED BENEFITS (n=176)

Benefit	No improvement	Some improvement	Great improvement
Improved collaboration	5%	33%	62%
Improved project visibility	8%	35%	58%
Ability to adapt to change	6%	49%	45%
Increased team productivity	4%	51%	44%
Improved team morale/motivation	12%	48%	41%
Improved customer experience	11%	50%	39%
Improved business/IT alignment	13%	49%	38%
Improved innovation	16%	48%	36%
Enhanced product quality	14%	53%	33%
Faster time to market/faster delivery	20%	49%	31%
Reduced risk	18%	54%	27%
Better delivery predictability	11%	61%	27%

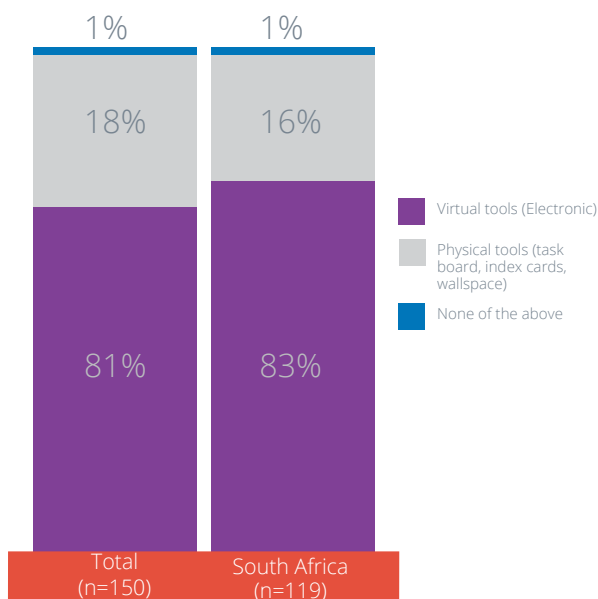■ No improvement ■ Some improvement ■ Great improvement

Virtual tools for us, please

Given the digital nature of our current working environment, as well as the tech-savvy disposition that typically characterises Agile practitioners, it is not surprising that virtual tools are overwhelmingly preferred to physical tools. We believe that the impact of the COVID-19 pandemic, which we know has brought with it a significant rise in remote working, has contributed to this preference or need. Teams that are considering adopting Agile approaches should keep this in mind and invest proactively in the appropriate virtual tools. The Agile manifesto encourages us to value individuals and interactions over processes and tools; thus the tools should focus on being the enablers of improving collaboration and interactions of individuals.

At IQbusiness, we have experienced that Agile practitioners require upskilling in the use of remote tooling in order to support Agile ways of work. But it is also our opinion that no tools can replace the richness of face-to-face (in-person) collaboration.

TOOL PREFERENCE

	Virtual tools (Electronic)
	Physical tools (task board, index cards, wallspace)
	None of the above

Total (n=150)
South Africa (n=119)

Scrum continues to be the most popular framework

As far as Agile frameworks are concerned, Scrum is by far the most popular (80%), followed by Kanban (42%). Based on our research over the years, Scrum has been the most popular framework as a result of the maturity and the driving forces from the large accreditation bodies, such as the ScrumAlliance, Scrum.org, and others. However, what we have observed over the years is that Kanban is becoming more popular. IQbusiness believes that Kanban will unlock Agility in non-IT and/or operations teams based on the pull-based flow principles that it applies. This is also valuable at the portfolio level in order to visualise and manage the work that is coming into the team environment. It is interesting that there are still hybrid/traditional approaches being used in some organisations. Regarding this, 15% of respondents from organisations with fewer than 5 000 employees mentioned the use of a hybrid framework, versus 22% of respondents from organisations that have more than 5 000 employees. This may be an indication that larger organisations still feel that they require traditional approaches to manage projects.
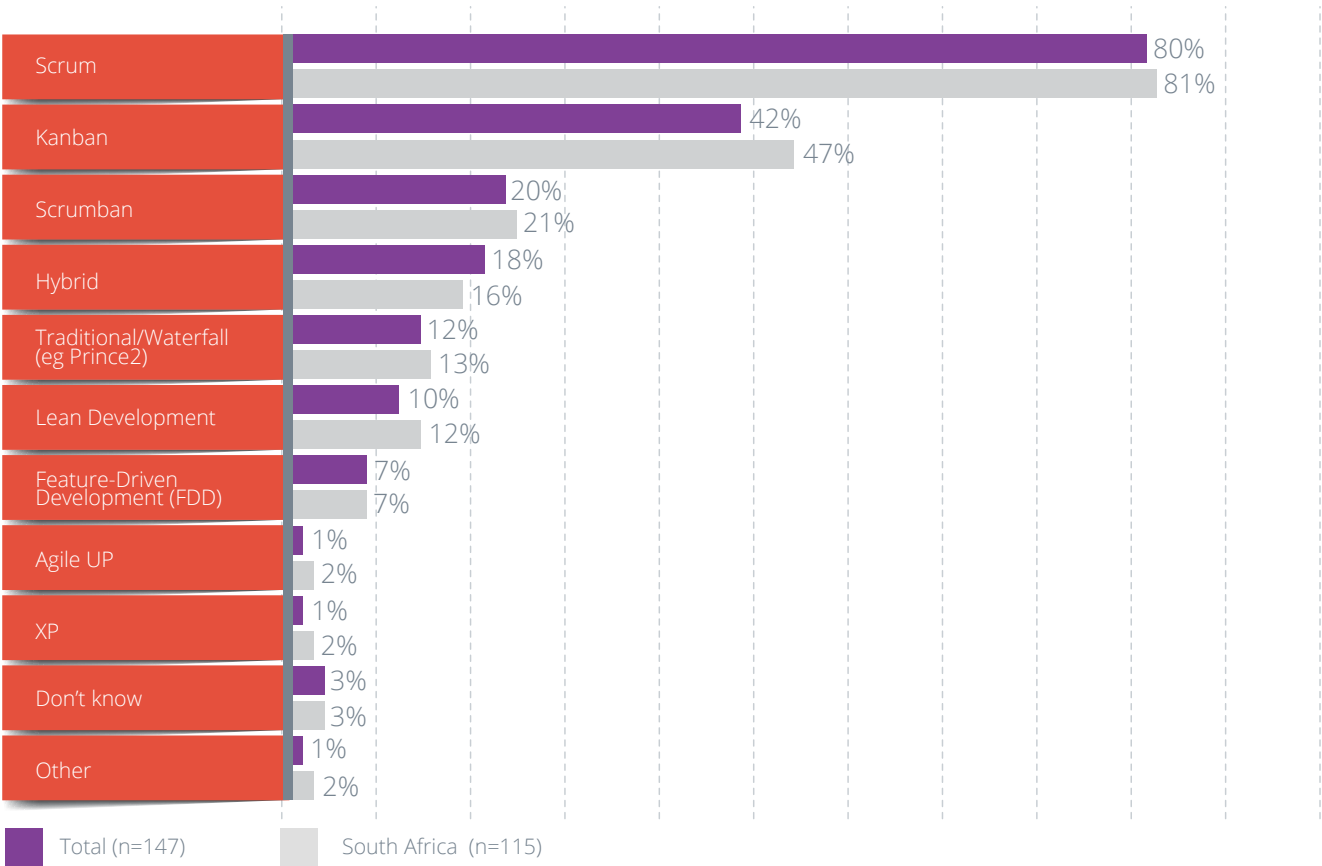
It follows then that the daily scrum is a practice that many Agile teams employ. In South Africa, as much as 90% of respondents reported using the daily scrum as a regular practice. This is followed closely by Iterations/Sprints (76%) and Iteration/Sprint planning (76%).

While the high percentage against daily scrum (87%) might suggest a high integration of Agile in daily practices, our experience has taught us that this could be misleading. Firstly, there is an 11% drop between daily scrums and the next practice (Iterations/Sprints), which suggests an incorrect belief that if you run daily scrums, then you are Agile. It is also clear that teams are not adopting Backlog Refinement practices as much as they should to ensure that the backlog is in a ready state to be committed by the team. Moreover, one of the
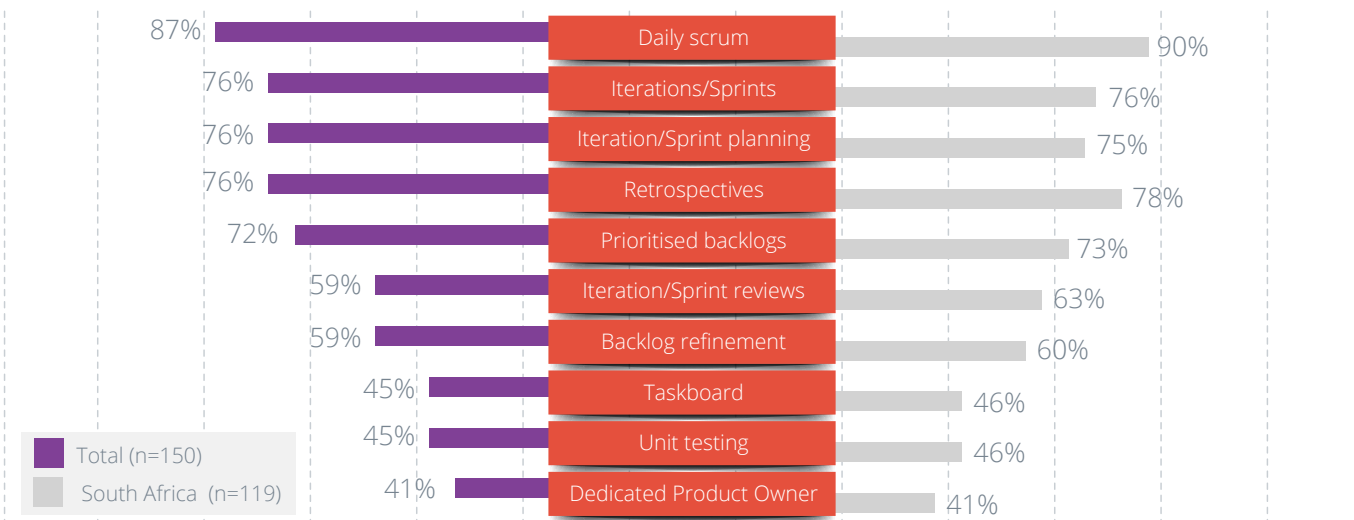
biggest challenges teams experience is the lack of a dedicated Product Owner providing the team with clarity of direction. Our experience is that this remains one of the critical success factors that teams and organisations are not focusing on enough. Typically, the best people to fill the role of Product Owner are operationally-focused and don't have the time to work with the team. However, where we have seen 'present' Product Owners, the teams tend to perform significantly better, and their products have a considerably larger impact on customer-driven value.

FRAMEWORK USED

Framework	Total (n=147)	South Africa (n=115)
Scrum	80%	81%
Kanban	42%	47%
Scrumban	20%	21%
Hybrid	18%	16%
Traditional/Waterfall (eg Prince2)	12%	13%
Lean Development	10%	12%
Feature-Driven Development (FDD)	7%	7%
Agile UP	1%	2%
XP	1%	2%
Don't know	3%	3%
Other	1%	2%

■ Total (n=147)   ■ South Africa (n=115)

PRACTICES, TOOLS AND/OR TECHNIQUES USED (TOP 10)

Practice	Total (n=150)	South Africa (n=119)
Daily scrum	87%	90%
Iterations/Sprints	76%	76%
Iteration/Sprint planning	76%	75%
Retrospectives	76%	78%
Prioritised backlogs	72%	73%
Iteration/Sprint reviews	59%	63%
Backlog refinement	59%	60%
Taskboard	45%	46%
Unit testing	45%	46%
Dedicated Product Owner	41%	41%

Velocity/Throughput, a vital metric for Agile teams

Half of the Agile practitioners from the various participating countries cited Velocity/Throughput as a vital metric that their team uses. This is followed by Work-in-Process (43%) and Planned vs Actual Stories per Iteration (38%). We saw earlier that speed of delivery is the biggest reason for adopting Agile, so it is not surprising that velocity is a key measure. However, if this is related to story points, this can often be misleading based on vanity metrics. Another observation from an IQbusiness lens is that velocity is often used (incorrectly) as a measure of productivity and even worse – a measure to compare performance between teams. Mature teams will focus on the leading indicators of how much business value they have managed to deliver as well as improved customer satisfaction.

While almost half of the teams do not scale Agile, SAFe® is the framework for many that do
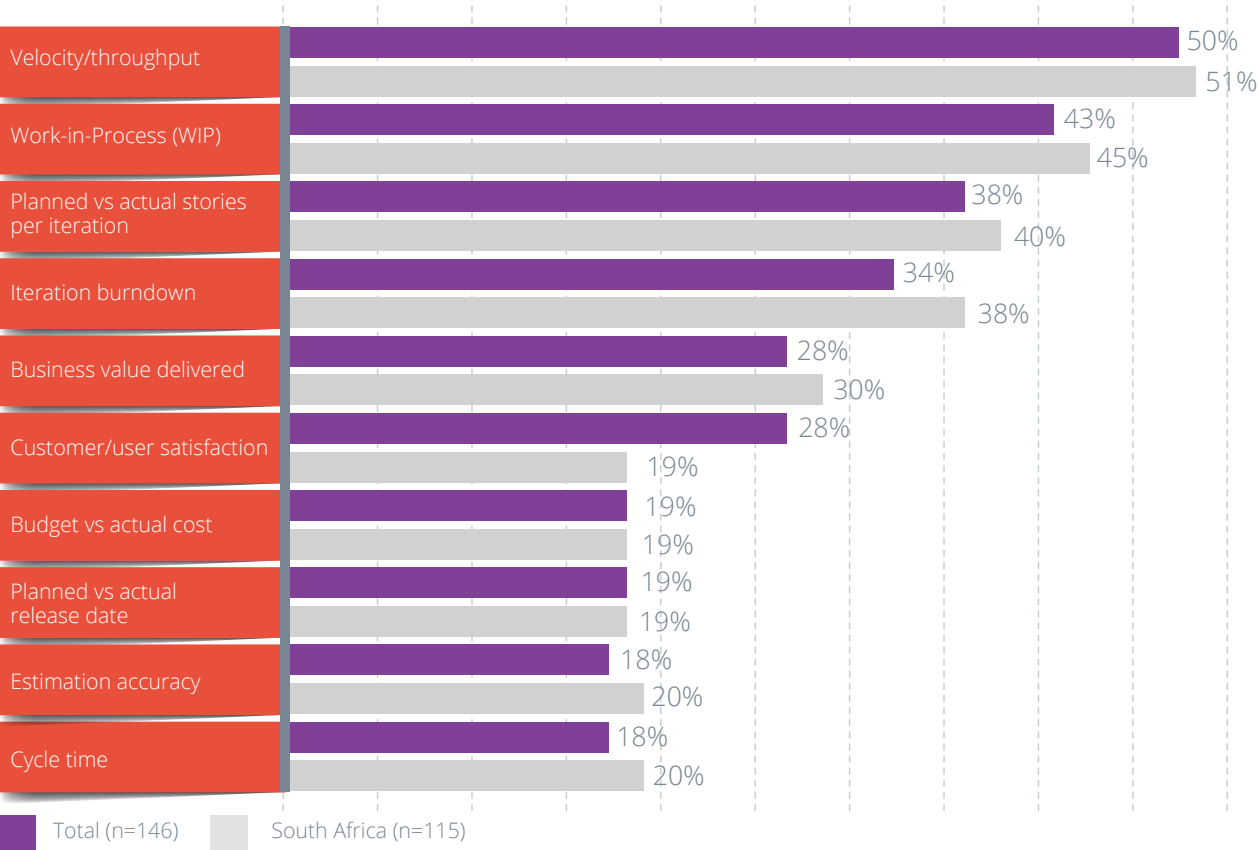
Scaled Agile Framework (SAFe®) is by far the most popular scaling framework used on the continent. Effectively, of those that do scale 62% use SAFe®, and this percentage increases to 69% for South Africa specifically.
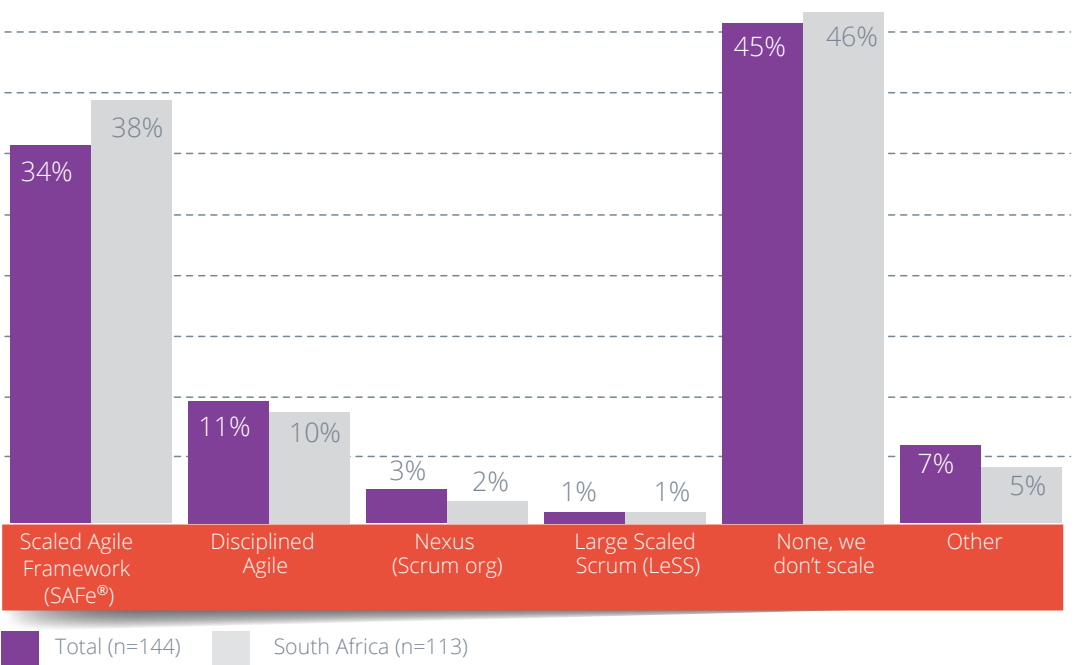
Whilst scaling frameworks such as LeSS, Disciplined Agile, SAFe® have all similar patterns, Gartner recognises that SAFe® is the industry leader of Agile at the Enterprise in a recent survey.

It is also interesting to observe that almost half of the Agile teams in Africa do not scale, a phenomenon that is driven more by smaller organisations, given that 51% of representatives from organisations with less than 5 000 employees reported that they do not scale, versus 39% of representatives from organisations with more than 5 000 employees.

METRICS AND REPORTING METHODS (TOP 10)

Metric	Total (n=146)	South Africa (n=115)
Velocity/throughput	50%	51%
Work-in-Process (WIP)	43%	45%
Planned vs actual stories per iteration	38%	40%
Iteration burndown	34%	38%
Business value delivered	28%	30%
Customer/user satisfaction	28%	19%
Budget vs actual cost	19%	19%
Planned vs actual release date	19%	19%
Estimation accuracy	18%	20%
Cycle time	18%	20%

■ Total (n=146)   ■ South Africa (n=115)

SCALING FRAMEWORKS USED

Framework	Total (n=144)	South Africa (n=113)
Scaled Agile Framework (SAFe®)	34%	38%
Disciplined Agile	11%	10%
Nexus (Scrum org)	3%	2%
Large Scaled Scrum (LeSS)	1%	1%
None, we don't scale	45%	46%
Other	7%	5%

■ Total (n=144)   ■ South Africa (n=113)

Business Agility

Business Agility is the ability for organisations to adapt to changes in the market, customer and technology space to provide them with a competitive advantage. The opportunity is to create a resilient business that can not only respond to these changes but embrace and thrive on change to provide a competitive advantage, enabling market-creating innovation (new products, services for new markets, and customers).

The goal of Business Agility is to create a responsive and adaptable operating model for organisations that balances speed and stability. This includes the culture, processes, structure, and enabling technology to respond to changes in the market and changes in customer needs. In this section of the report, we explore the propensity of organisations to change, look at the role that leaders are playing, unpack project-based execution in an Agile context, and provide some insights on customer-centricity.

Culture and silos are key obstacles to achieving the promise of Business Agility

Trying to embrace Agility in an environment that still maintains a siloed approach to operating is one of the key challenges pointed out by some of the Agile practitioners and leaders that we interviewed. Another challenge is the issue of organisational culture. Irrespective of the extent of organisation-wide Agile adoption it appears that the organisational culture in some companies lends itself more favourably to Agile than in other organisations, highlighting the point that Agile is as much about people and culture as it is about practices, tools, and techniques.

"The way our company is structured is the biggest problem [silos]."
– Project Management Executive in the Financial Services Sector.

"The main constraint hindering the adoption of Agile is probably culture."
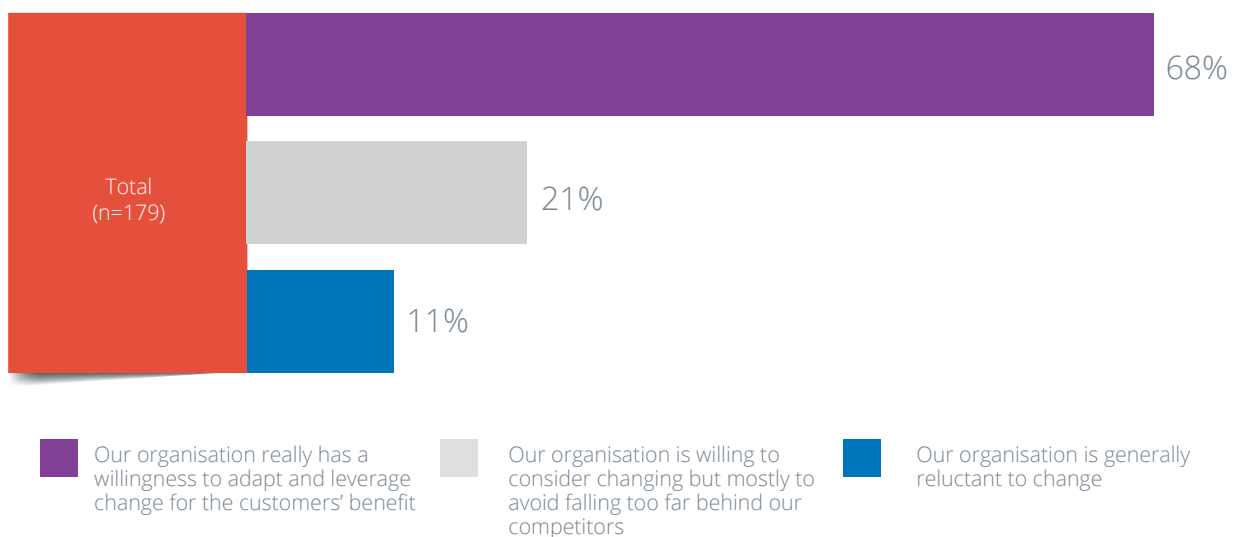– COO in the Financial Services Sector.

Organisations are generally supportive and have the willingness to go on this journey

"We've got leaders who have a high EQ and EI, who know what it means to lead instead of manage, that understand the value they'll get out of empowering their teams."
– Project Management Executive in the Financial Services Sector.

Two prerequisites for impactful adoption of Agile practices are: 1. The necessary support from the business, and 2. The willingness of an organisation to change. In the case of the former, it is encouraging to see that 86% of individuals responded in the affirmative when asked whether the organisation has been supportive of the Agile adoption. In this instance, 8% of respondents felt that the organisation was not supportive and 5% were unsure.

WILLINGNESS TO CHANGE

Total (n=179)

68%

21%

11%

- Our organisation really has a willingness to adapt and leverage change for the customers' benefit
- Our organisation is willing to consider changing but mostly to avoid falling too far behind our competitors
- Our organisation is generally reluctant to change

The Agile Business

With respect to the notion of willingness to change, slightly more than two-thirds of respondents indicated that their organisation really has a willingness to adapt and leverage change for the customers' benefit, whilst about one fifth are willing to change but only to remain competitive. The distinction is important – since the latter represents a reaction to market conditions, whilst the former lends itself more to the notion of remaining relevant and innovative, an approach that is more sustainable in the long term.

While Agile adoption is still mainly seen to be successful at the team level, benefits are being seen at the enterprise level as well.

"It feels like there's traction from an organisational perspective, that there's a lot more awareness and understanding at all levels of the organisation, both in software development and in non-software development teams."
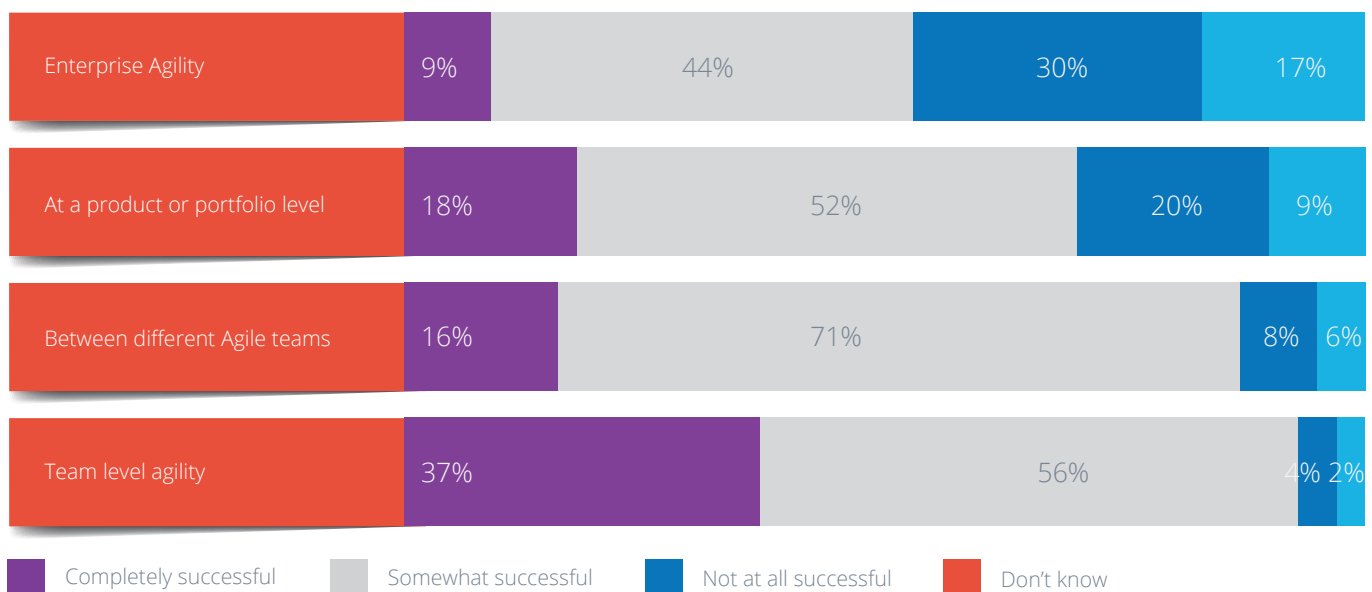– Chief Digital Officer in the Financial Services Sector.

At the team level, as much as 93% of respondents have reported either somewhat or complete success in adoption. Not surprisingly, this percentage becomes progressively smaller as we ladder up to the enterprise level, where 53% have reported partial/complete success in adoption. It stands to reason that mobilising a team, who have a shared goal around a new approach is far easier than mobilising an entire organisation, which highlights the magnitude of the achievement when this is done.

"The crux is balancing buy-in from the business. Adoption is typically not a problem in the delivery team, but large parts of the business are slightly less Agile. So, it's an ongoing process."
– Survey Respondent.

PERCEIVED SUCCESS OF ADOPTION AT VARIOUS LEVELS (n=180)

Level	Don't know	Completely successful	Somewhat Successful	Not at all successful	
Enterprise Agility		9%	44%	30%	17%
At a product or portfolio level		18%	52%	20%	9%
Between different Agile teams		16%	71%	8%	6%
Team level agility		37%	56%	4%	2%

Legend: Completely successful | Somewhat Successful | Not at all successful | Don't know

Leaders can do better

"I think what it needed was probably very strong leadership and direction of: this is what I want Agile to be, and this is how I'm going to enable it."
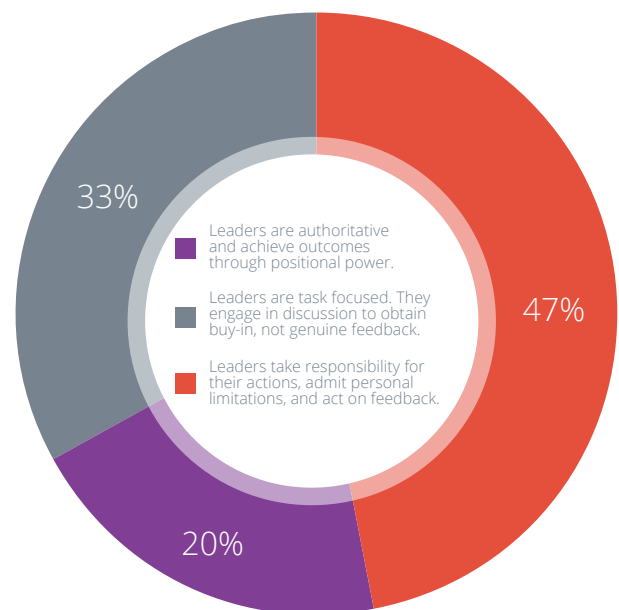– Chief Information Officer in the Insurance sector.

Training is a vital part of any change management process, and it is crucial for leadership in organisations to be appropriately trained if they are to promote a new way of working. We asked those respondents that are in managerial roles whether they have ever been on Agile-specific leadership training, and only 46% responded in the affirmative. This sets the tone for the remainder of this section on leadership, where as we will see, leaders have room for improvement.

EVER ATTENDED AGILE-SPECIFIC LEADERSHIP TRAINING (n=104)

54% 46%

Yes   No
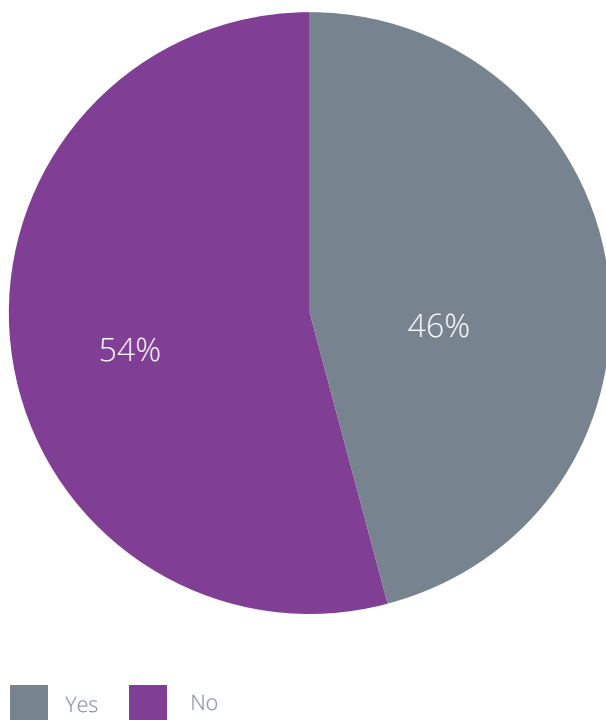
While almost half (47%) of respondents perceive their leadership to be mature and sincere in their approach, it is evident that the leadership needs to embrace a Lean-Agile mindset and model the behaviour that they are asking their team(s) and organisations to adopt.

LEADERSHIP PERCEPTION (n=172)

33%

Leaders are authoritative and achieve outcomes through positional power.

Leaders are task focused. They engage in discussion to obtain buy-in, not genuine feedback.

Leaders take responsibility for their actions, admit personal limitations, and act on feedback.
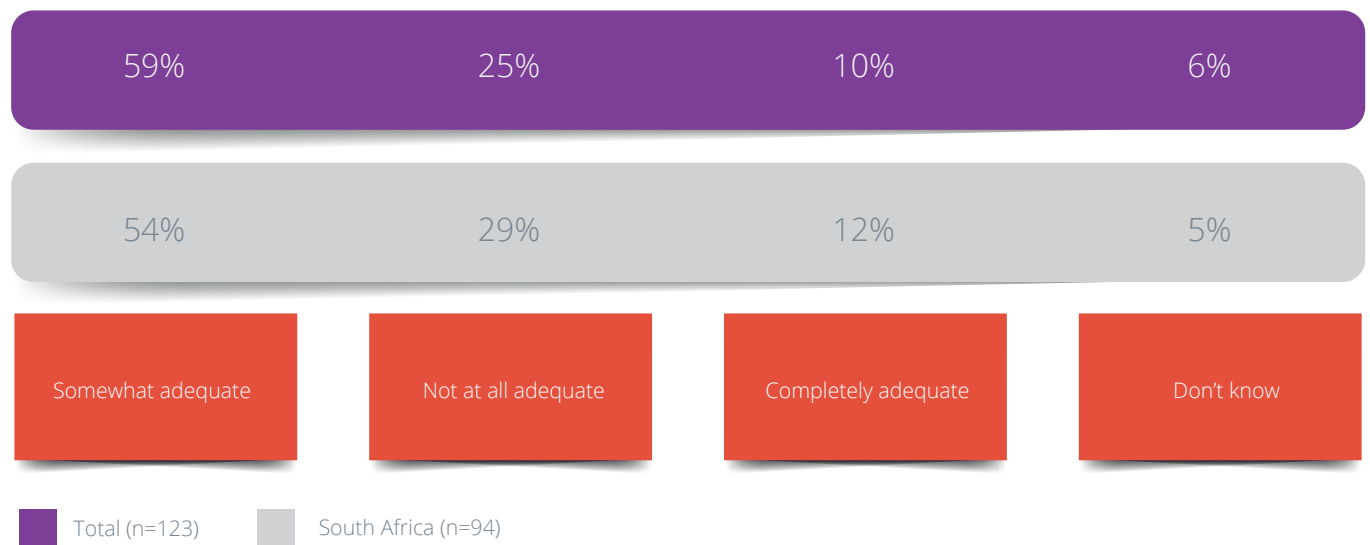
47%

20%

It is perhaps not surprising, then, that perceptions of change management with respect to Agile adoption are somewhat disappointing. Only 10% of respondents who have experienced Agile adoption in their organisation deem it to be completely adequate, with 59% rating it as 'somewhat adequate.'

Change management associated with Agile adoption is crucial because Business Agility is not a process or technology problem to solve, but as indicated, a people and a culture problem. As we are embracing Business Agility, the culture and mindset of leaders, teams, and individuals will be challenged and will often be met with resistance. Therefore,

it is highly recommended that a strong change management process is included in a company's journey to Business Agility. In order to make it stick, organisations and their leaders need to own their personal transformation journey. This change cannot be delegated to an external party or to the teams themselves.
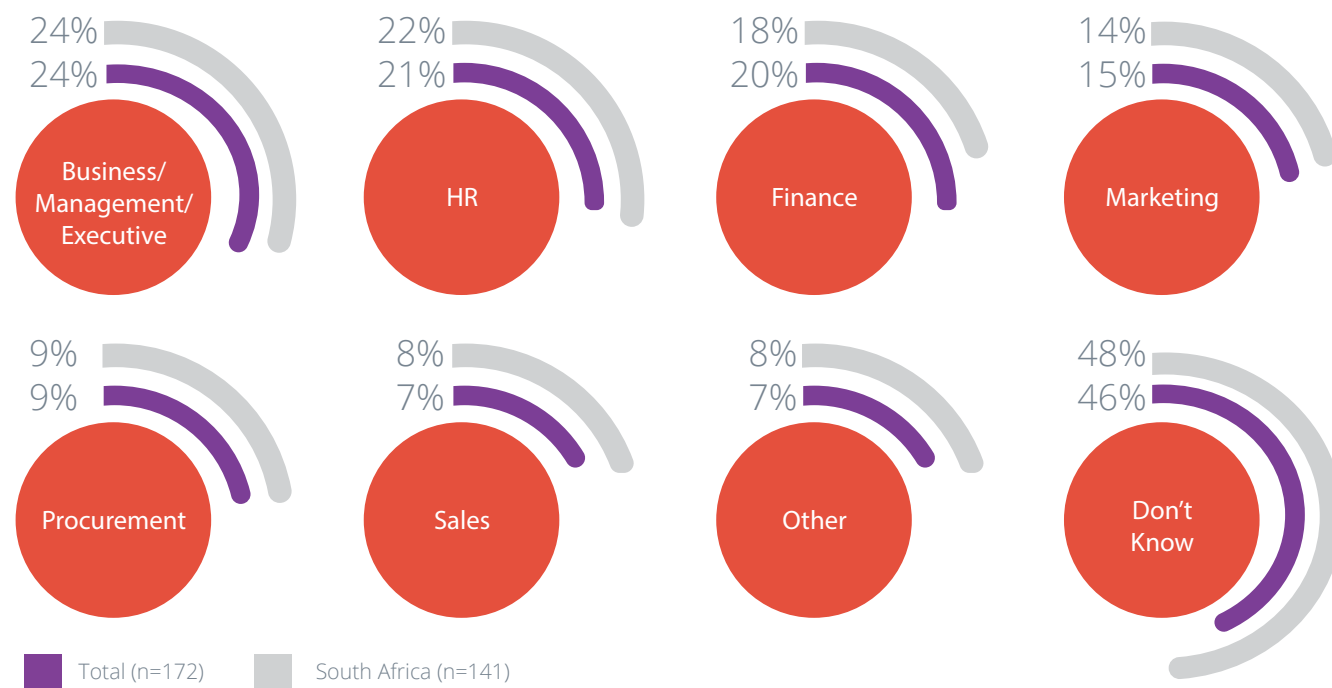
CHANGE MANAGEMENT OF AGILE ADOPTION

59%	25%	10%	6%
54%	29%	12%	5%
Somewhat adequate	Not at all adequate	Completely adequate	Don't know

Total (n=123)   South Africa (n=94)

The extent to which multiple departments outside of the IT/Software development space have embraced Agile practices is an indication of the extent of Agile penetration in the organisation and, by implication, the extent to which the leadership buys in to these approaches. To this end, it is encouraging to see the emergence of Agile adoption at the Executive level. Many HR and Finance departments are also beginning to see value in Agile adoption. It is our opinion that HR and Finance departments provide the key to unlocking Business Agility. Therefore, seeing that there is a relatively large percentage in these two functions outside of IT is promising. This data supports the notion that there is a growing interest in what is being referred to as Business Agility. The fact that just under half of respondents did not know of any other departments adopting Agile may be an indication that Business Agility has not been embraced deeply across the organisations, as the assumption would be if they did, the individuals would be aware of it based on the culture and mindset change embraced.

AGILE ADOPTION IN OTHER DEPARTMENTS

Business/Management/Executive
24%
24%

HR
22%
21%

Finance
18%
20%

Marketing
14%
15%

Procurement
9%
9%

Sales
8%
7%

Other
8%
7%

Don't Know
48%
46%

■ Total (n=172) ■ South Africa (n=141)

It is, and should be, all about the customer

The link between Agile and customer-centricity is an important one, and one of the fundamental reasons that teams adopt Agile approaches is with the customer need in mind. This link is beautifully illustrated in the below excerpt from one of our interviews with an Agile practitioner, who was speaking about the role that Product Owners play from a customer perspective.
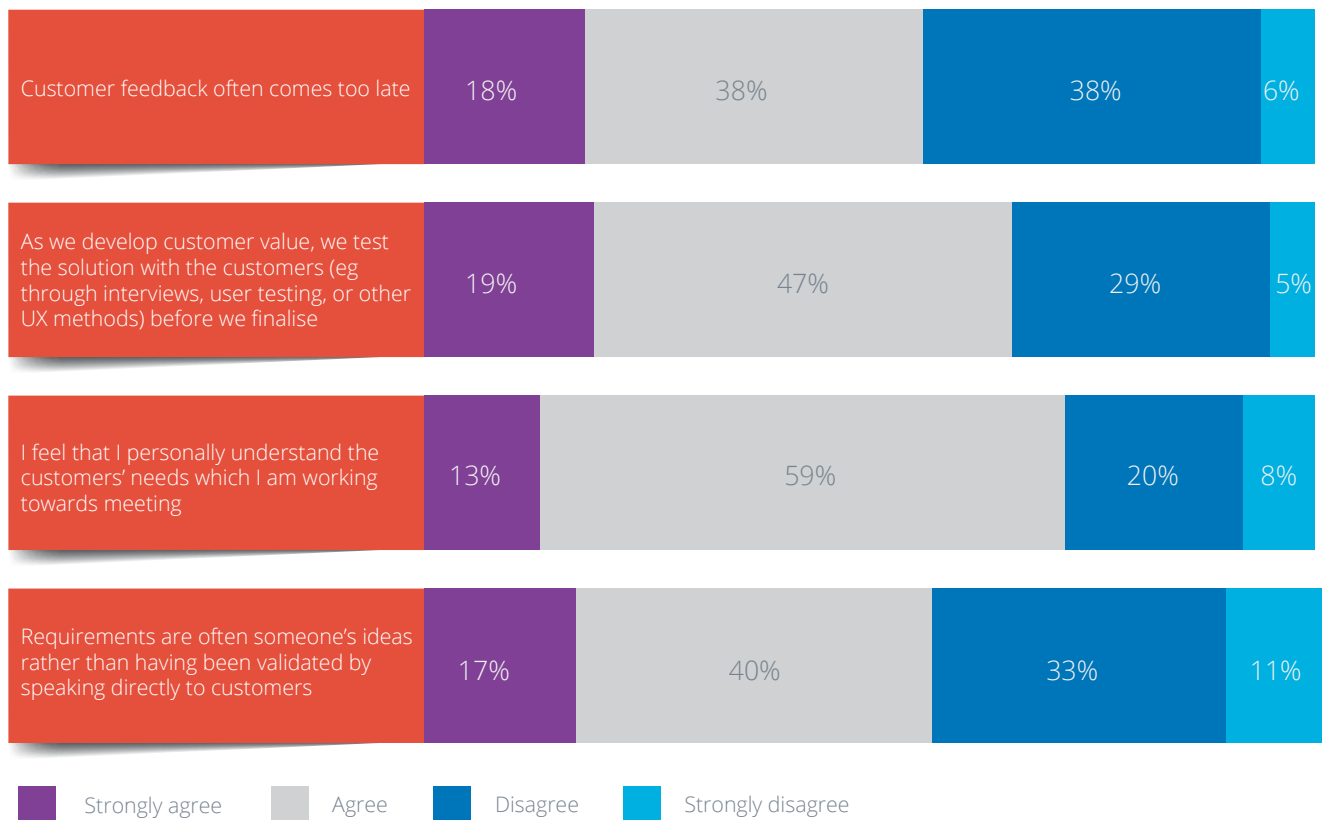
"I haven't come across another approach to execution that is as customer-focused as Agile is. And that really, for us, was the reason we decided to go very seriously into the product ownership or product management space of Agile. And we created that whole capability. It didn't exist in our business before. So what was great about that is, by putting these product owners in place, we had people that could own key parts of our product value chain and take accountability for being the voice of the customer in the business."
– CEO in the Financial Services Sector.

Most would agree that the customer needs to be at the heart of the work being executed. While there is evidence that deliberate strides are being made in this regard, there is also evidence that organisations on the continent are still very much on the journey to becoming truly customer-centric. For example, while it is encouraging to see that many organisations engage in the practice of testing while they develop (eg UX), and that many Agile practitioners feel that they understand the customers' needs, it is disappointing to observe that products often aren't built on the basis of direct customer engagement and that, even when customer research is being conducted, the feedback often comes too late in the development process.
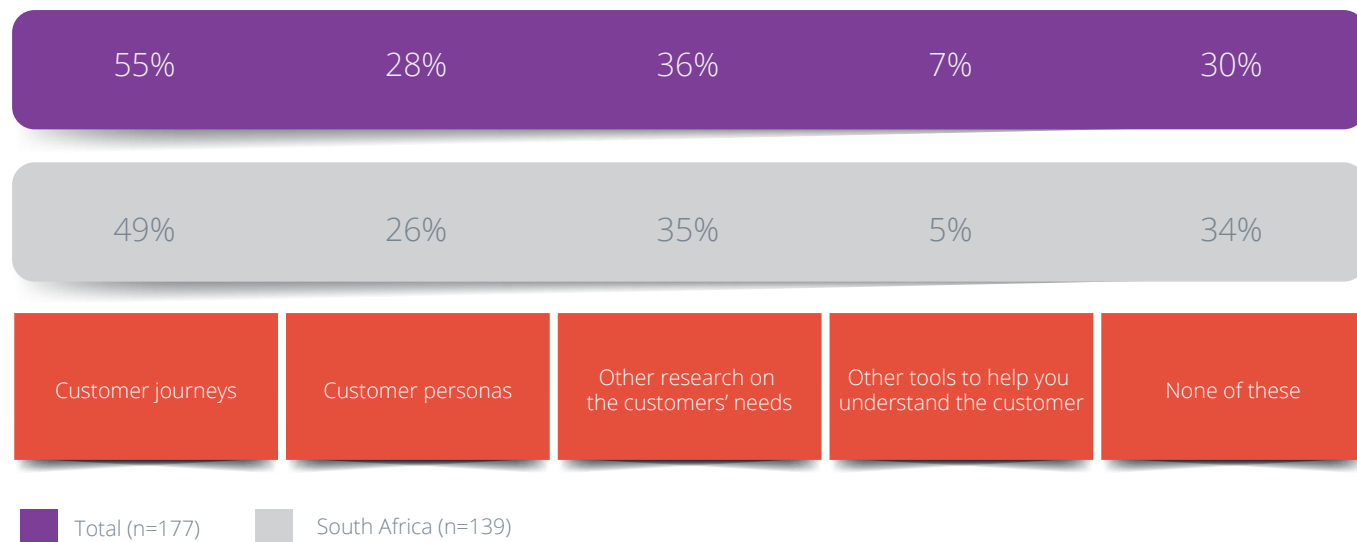
CUSTOMER-CENTRICITY (n=178)

Statement	Strongly agree	Agree	Disagree	Strongly disagree
Customer feedback often comes too late	18%	38%	38%	6%
As we develop customer value, we test the solution with the customers (eg through interviews, user testing, or other UX methods) before we finalise	19%	47%	29%	5%
I feel that I personally understand the customers' needs which I am working towards meeting	13%	59%	20%	8%
Requirements are often someone's ideas rather than having been validated by speaking directly to customers	17%	40%	33%	11%

■ Strongly agree   ■ Agree   ■ Disagree   ■ Strongly disagree

The notion that Agile teams and organisations in Africa are still very much on the journey to becoming truly customer-centric is supported by the data on the extent to which Agile team members have access to valuable customer-specific data. As illustrated in the figure below, access to data pertaining to elements such as customer journeys, customer personas, and other customer-related research isn't widely available. It might also be that this data was never collected, but there is nevertheless a clear lack of collective, data-driven, and customer-centric action. Also, it is very interesting to observe that South Africa falls behind the remaining countries in this regard, a finding that should be interpreted with caution, given the small base size associated with the other countries. In order to at least create the platform for Agile teams to base decisions on reliable customer evidence, organisations need to engage with customers directly and obtain the relevant data from them on an ongoing basis. If this is not happening then even Agile teams with the best of intentions will execute sub-optimally.
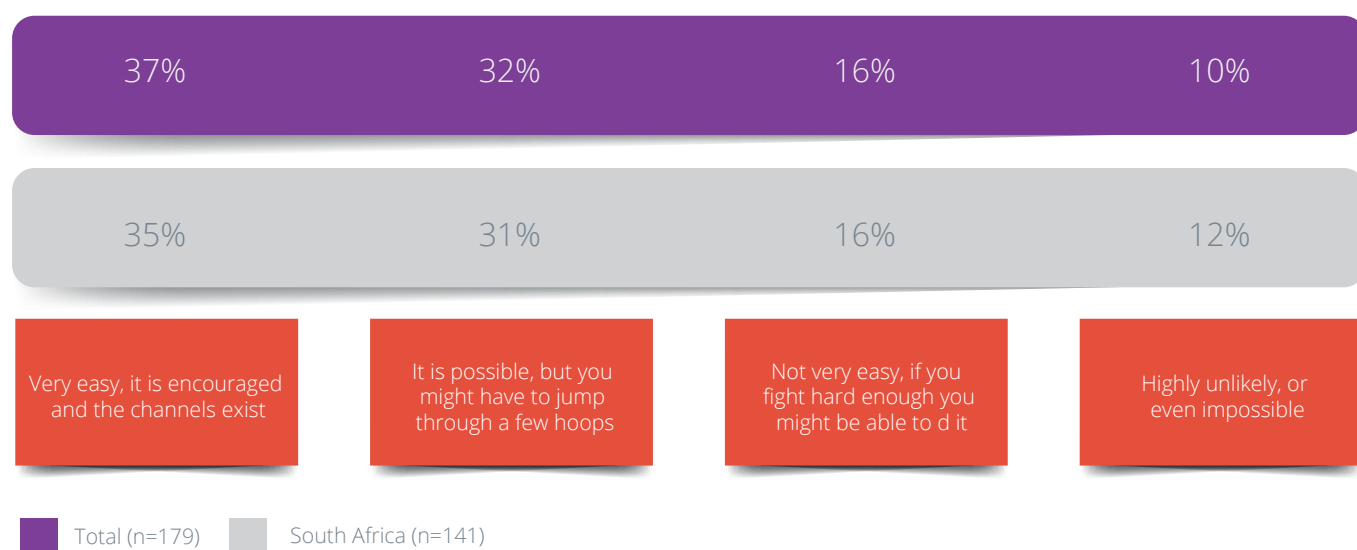
ACCESS TO CUSTOMER INSIGHTS

55%	28%	36%	7%	30%
49%	26%	35%	5%	34%
Customer journeys	Customer personas	Other research on the customers' needs	Other tools to help you understand the customer	None of these

■ Total (n=177) ■ South Africa (n=139)

When we examine data related to the ease with which teams can interact directly with the customer, we again see that there is room for improvement. Only 37% of respondents feel that it would be easy to engage the customer and that the channels to do so exist.

ABILITY TO INTERACT DIRECTLY WITH CUSTOMER

37%	32%	16%	10%
35%	31%	16%	12%
Very easy, it is encouraged and the channels exist	It is possible, but you might have to jump through a few hoops	Not very easy, if you fight hard enough you might be able to d it	Highly unlikely, or even impossible

■ Total (n=179) ■ South Africa (n=141)

Lean - Agile funding is still immature

The way projects are funded could also serve as an indicator of the extent of Agile penetration in the organisation's collective psyche, or at least that of the Finance department. In accordance with the insight that some Finance departments in organisations are seeing value in Agile approaches, we see that only 18% of respondents have indicated that their most recent project was funded through Lean/Agile budgeting, while a handful (3%) of respondents cited Zero-based budgeting. However, if we ignore the many respondents that simply do not know how the project was funded (29%), the majority of organisations still use traditional project-based funding as a way to fund projects. This is consistent with the findings that emerged from our in-depth interviews.

"We haven't done the transition to Agile finance or a more Agile finance model."
– Agile Practice Lead in the Financial Services Sector

"Finance still is very rigid in our world, and getting even more entrenched in terms of centralisation of divisions and cost control…"
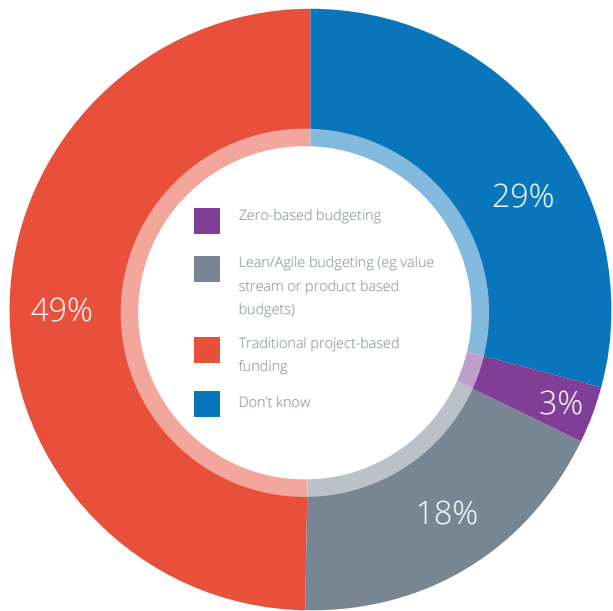– Senior Manager in the Retail Sector

"Why people want to do projects, is to secure funding. If you need funding for something, setting up a project to get is the worst thing we could be [doing]." – Former CEO in the Financial Services Sector

The traditional budgeting and funding process requires the collaboration of cost-centres, assignment of people, budgets, and schedules. This, therefore, requires several mini budgets to make the single project budget. This process is typically slow and complicated, takes commitment with regards to time, budget, and scope too early when the cone of uncertainty is at its highest and focuses on optimising for full resource utilisation versus the delivery of value. The fixed budget means that there is very little adaptability should there be a change in scope or deadline requirements. The implications of this are deeper than what might be perceived on the surface. Leaders that invest in Agile approaches will want to see results in the outcomes that are achieved. However, the funding processes of a project often do not match the adaptability of the execution element. This results in positive outcomes being compromised, an unfortunate eventuality, and one that requires attention.

It is interesting to note that a third (31%) of respondents disagreed (22%) or strongly disagreed (9%) with the notion that there is alignment between the various relevant departments around a common release objective strategy. A similar proportion disagreed with the idea that their team focuses on outcomes and products as opposed to outputs and projects, suggesting that a fair amount of work still needs to be done to alter the mindset and focus, even of teams that consider themselves to be Agile. It is also interesting to note that two thirds (60%) of respondents either agreed (39%) or agreed strongly (21%) that the organisation tends to set unrealistic targets. Finally, the resolving of cross-team dependencies prior to the delivery of a product is perhaps one of the most significant hindrances to product delivery.
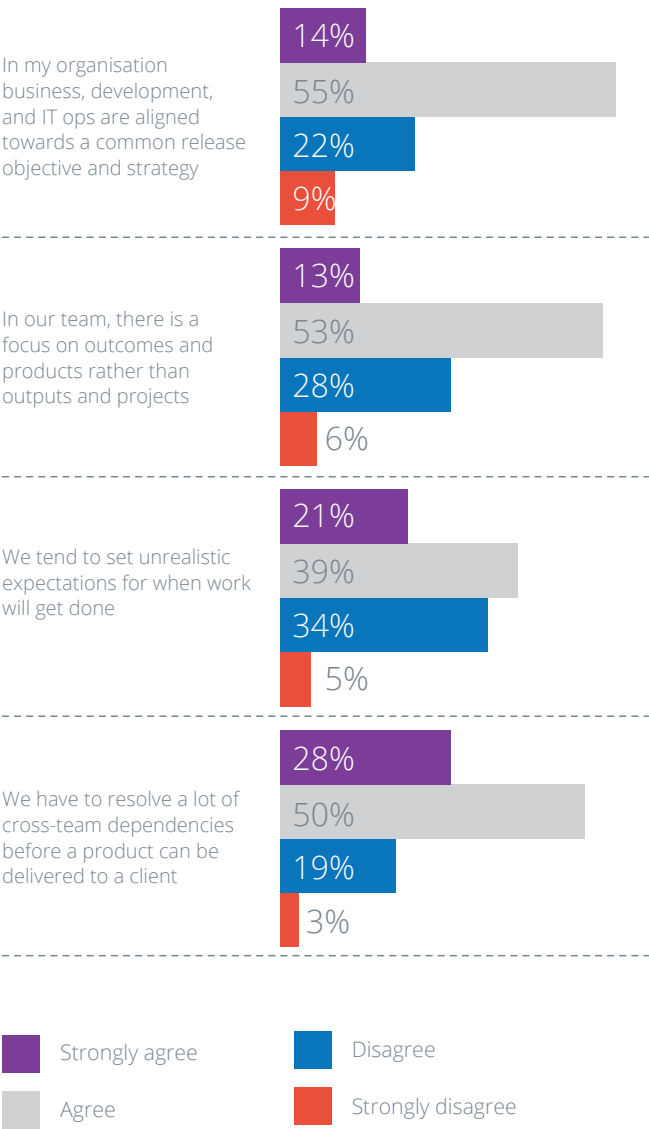
This indicates that teams are not necessarily organised around value. Dependency management is a key area of risk in projects and requires significant overhead to manage the delivery of the work.
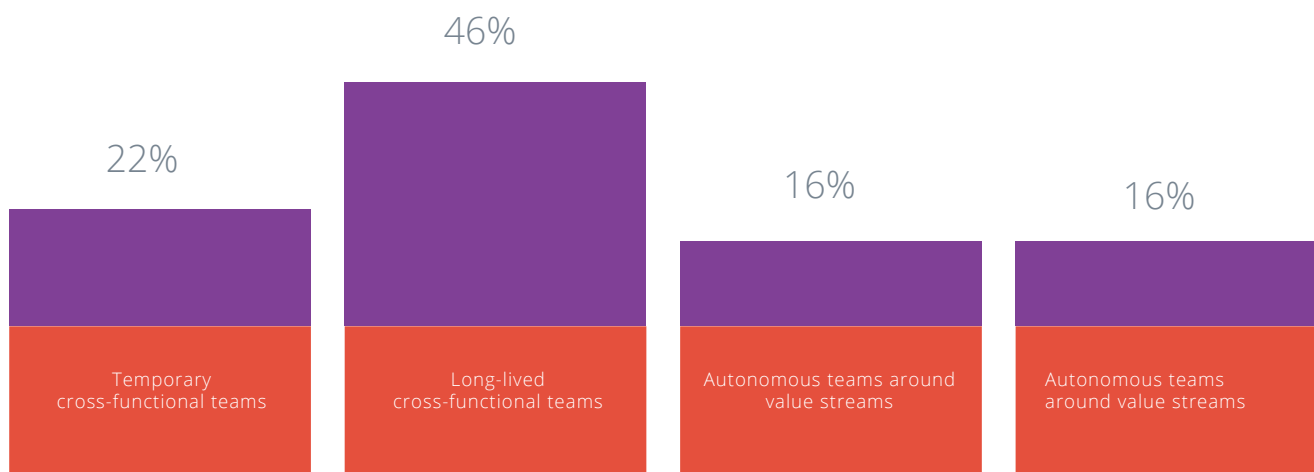
ORGANISATION FOCUS AND APPROACH (n=174)

In my organisation business, development, and IT ops are aligned towards a common release objective and strategy
- 14%
- 55%
- 22%
- 9%

In our team, there is a focus on outcomes and products rather than outputs and projects
- 13%
- 53%
- 28%
- 6%

We tend to set unrealistic expectations for when work will get done
- 21%
- 39%
- 34%
- 5%

We have to resolve a lot of cross-team dependencies before a product can be delivered to a client
- 28%
- 50%
- 19%
- 3%

Strongly agree
Agree
Disagree
Strongly disagree

FUNDING THE MOST RECENT PROJECT (n=174)

Zero-based budgeting
Lean/Agile budgeting (eg value stream or product based budgets)
Traditional project-based funding
Don't know

- 29%
- 3%
- 18%
- 49%

Our results show that more than three quarters (78%) either agree (50%) or strongly agree (28%) that this is the case when delivering a product in their organisation. This means that in order to deliver value to the client, teams need to work with many other teams to deliver this value.

We believe that the reason why 78% (agree or strongly agree) of respondents still have to resolve cross-team dependencies is due to being structured in silos and as component teams rather than feature teams organised around value, requiring high levels of coordination in order to deliver value to the client. Scaling frameworks, in particular SAFe®, have become popular in order to attempt to address this challenge. In terms of the way in which project work is divided, a popular approach is the formation of small, cross-functional teams that have the necessary skills collectively. This is either done through temporary (22%) or more stable (46%) teams of this nature.

PROJECT EXECUTION APPROACH (n=172)

| 22% | 46% | 16% | 16% |
| Temporary cross-functional teams | Long-lived cross-functional teams | Autonomous teams around value streams | Autonomous teams around value streams |

When asked whether their team experienced blockages or impediments with any of the departments that are not adopting Agile more than half of the respondents (55%) said "yes," and when we asked them to provide some insight into why these blockages are occurring, the responses tended to centre around the following perceptions:

• A lack of leadership buy-in.
• Resistance to change.
• A lack of understanding around Agile approaches and/or differences in approaches.
• Agile versus Waterfall.
• A siloed mindset.
• Finance processes misaligned to Agile.

It is our strong opinion, that the focus for organisations in the near future must be to adopt Lean Portfolio Management (LPM) practices. This includes the link between strategy and execution and the ability to manage the increasing demand from business, with the ever-increasing constraints of capacity, thus exposing the fallacy of doing 'less-with-more'. With the customer at centre of mind, LPM requires:

1. Strategic alignment and the management of Portfolio prioritisation and sequencing as well as Agile funding across value streams of delivery,
2. Agile governance processes eliminating wasteful red-tape, and
3. Continued focus on improving delivery through continuous improvement.

About IQbusiness

IQbusiness is the leading independent management consulting firm in South Africa, helping clients overcome their business challenges and achieve better results. Since 1998, we have been enabling banks, insurance companies, retailers and others to take their products to market faster, improve customer satisfaction, upskill teams, eliminate waste and strengthen governance and compliance.

Drawing on our core strengths - consulting, research and contracting - we solve clients' problems by providing innovative, faster and more cost-effective services and solutions, backed by teams with real expertise and experience.

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