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STATE OF AGILE AFRICA 2021

EXECUTIVE SUMMARY

The global pandemic has fast-tracked the need for businesses to be more adaptable, have a growth mindset, create a continuous learning culture and be faster to market, among other critical objectives. This has naturally raised the stakes for businesses to become even more agile across their teams, operations, and entire enterprise. In this year's 5th Annual State of Agile Report[1], we show how African organisations have adapted to these ever-shifting economic and social times.

Our findings indicate that agile adoption in Africa is on a maturing trajectory and growing in both the IT and non-IT industries. However, a hidden challenge to agile adoption in Africa is its diverse business environments, which can impact the appetite for agile, as remarked by one senior industry practitioner: "… I think you can compare Mauritius and South Africa, to a large extent; but, I mean, if you go to Kenya, for example, I'm not sure it will work the same …". Therefore, a caveat to our findings is that they require a nuanced view that keeps in mind that business environments in Africa differ.

This year's report contains a detailed analysis of Africa's agile journey, which has been shown to be similar to worldwide trends when comparing our results to the 15th Annual State of Agile (Global) Report[2]. Our report provides insights from our survey that have been further contextualised with our qualitative results. The key findings are summarised below:

DEMOGRAPHICS

Agile expands its territory

The increase in sample representation from "non-traditional" industries, such as Retail (3% to 10%) and Professional Services/Consulting (9% to 13%) is indicative that agile is gaining traction in these industries outside of the traditional financial services that have always been the leaders in the market.

The small and powerful voice

Smaller businesses of 50–250 employees have increased their representation in this year's survey from 5% to 12%. This finding is consistent with international trends, i.e., organisations with less than 1 000 employees represented 36% of respondents in the 13th State of Agile Report, which is based on 2019 data, compared with 39% in the 15th annual report, which is based on 2021 data.

TEAM AGILITY

There's another top reason for agile adoption

Accelerating Product Delivery has always been the top reason for agile adoption among organisations. A surprising finding in this year's survey is that the Ability to Adapt to Change is now the top reason, ahead of Accelerate Product Delivery. This is the first time that this has occurred since the report's inception. It is a very good sign, as people are understanding that although speed is important, Agility is the ability to adapt to change 'faster than the competitors'.

[1] From 2020, we extended this report to include the State of Agile from the rest of Africa.

[2] https://digital.ai/resource-center/analyst-reports/state-of-agile-report

Championing Product Owners

Let's support our Product Owners! The presence or absence of a Dedicated Product Owner can sometimes be the difference between success and failure for the team. This year's primary and secondary research has identified the gap in this pivotal role. Respondents have recognised this gap by increasing this practice from 41% in 2020 to 48% in 2021. This finding is also supported in the qualitative data: A change champion commented that they would create a Product Owner Academy to reduce this **"...very big shortcoming in product owners...".**

(SAFe)® scales for the top spot

Scaled Agile Framework (SAFe)® is still the most popular scaling framework: Amongst those respondents whose organisations scale, the proportion of respondents using SAFe® has increased from 35% to 50%. In addition, more teams are implementing a hybrid of frameworks, most likely because organisations are still on the journey to agility, therefore, needing both traditional and agile ways of working across the value chain to deliver on enterprise solutions.

BUSINESS AGILITY

Leadership lag continues

Much remains the same for leaders within organisations: Leadership training and understanding of agile has not improved, with about half of the leaders in this year's sample indicating that they have not attended agile-specific training, which is consistent with last year. This is further validated by the qualitative interviews where the consistent message was that leadership (not only need to buy-in, but provide active engagement) is critical to the success of agility. This begs the question: Are leaders sufficiently committed to agile in a context where teams are practicing the agile philosophy?

Change management makes a case

A crucial element for successful agile adoption is missing: Concerningly, change management continues to be the missing link. Consistent with last year, only 10% of respondents who have experienced agile adoption in their organisation deem the change management to be completely adequate. A senior practitioner emphasised that one's company's people need to be directed: **"[Customised framework] certainly helped the change management effort for people to start being able to have a go-to point to talk to it, and understand what it is trying to achieve, and what they are doing, and where they are needing support...".**

Know thy customer

We need to be better at bringing the organisation closer to the customer: While customer centricity is an important cornerstone for agile, it is concerning that more than a quarter (26%) of Agilists are expected to play their part in putting the customer at the heart of what they do without having access to insights of this nature.

ABOUT THE SURVEY

Sample Methodology

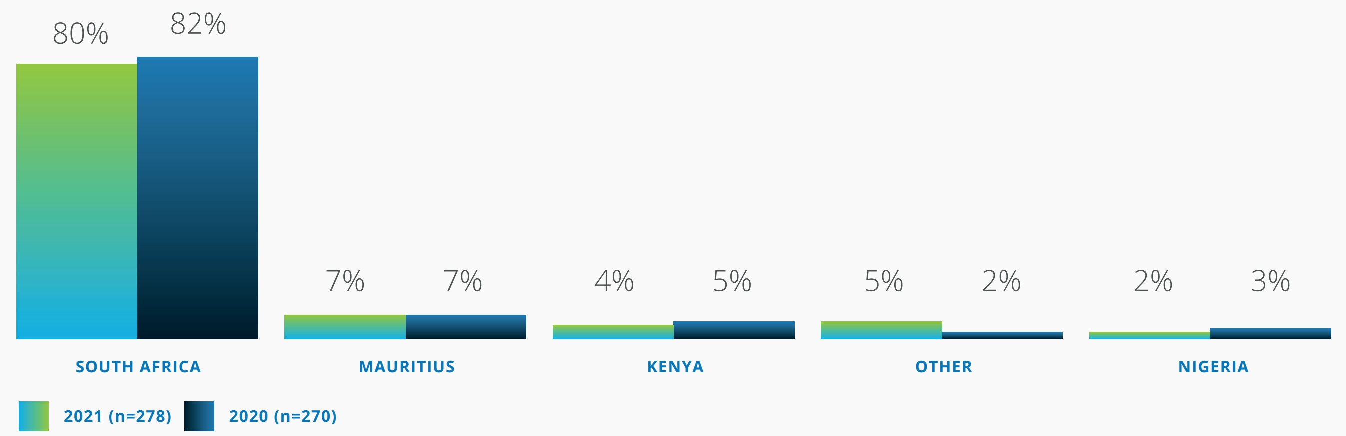
The IQbusiness State of Agile survey is an annual initiative which provides a practitioner-led view of agile practices across South Africa and more recently the African continent. The survey was conducted between July and August 2021. A survey link was emailed to agile practitioners in the IQbusiness agile network and the extended partner networks, attendants of IQbusiness agile training, and to the interested public via social media channels such as LinkedIn. In addition, insights and agile adoption acumens were gathered from five senior practitioners, executives and change champions in the industry to contextualise our survey findings.

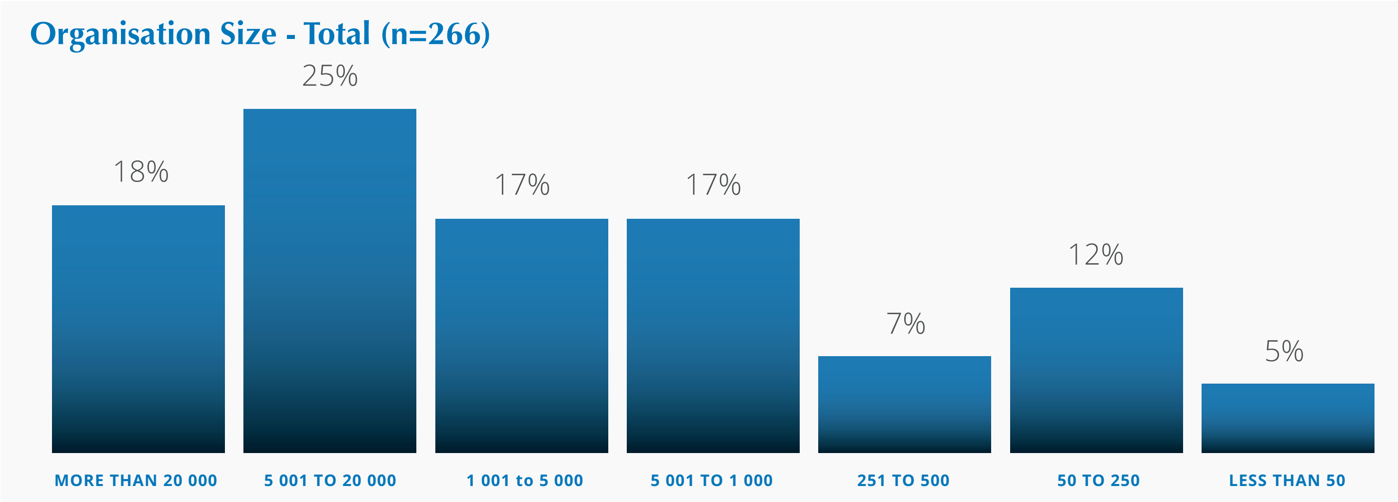
Sample Demographics

278 respondents participated in the 2021 edition of the survey (a slight increase from last year's 270 respondents), with respondents from South Africa accounting for 82% of the study population (up from 80% in 2020). This was followed by respondents from other African countries such as Mauritius (7%), Kenya (5%) and Nigeria (3%). Other countries also represented were Zimbabwe, Lesotho and Ghana.

Our sample is therefore homogeneous in the way it does business, i.e., similar to South Africa. As such, our findings mainly represent businesses that operate similarly to South African businesses.

Country Representation in the State of Agile Report

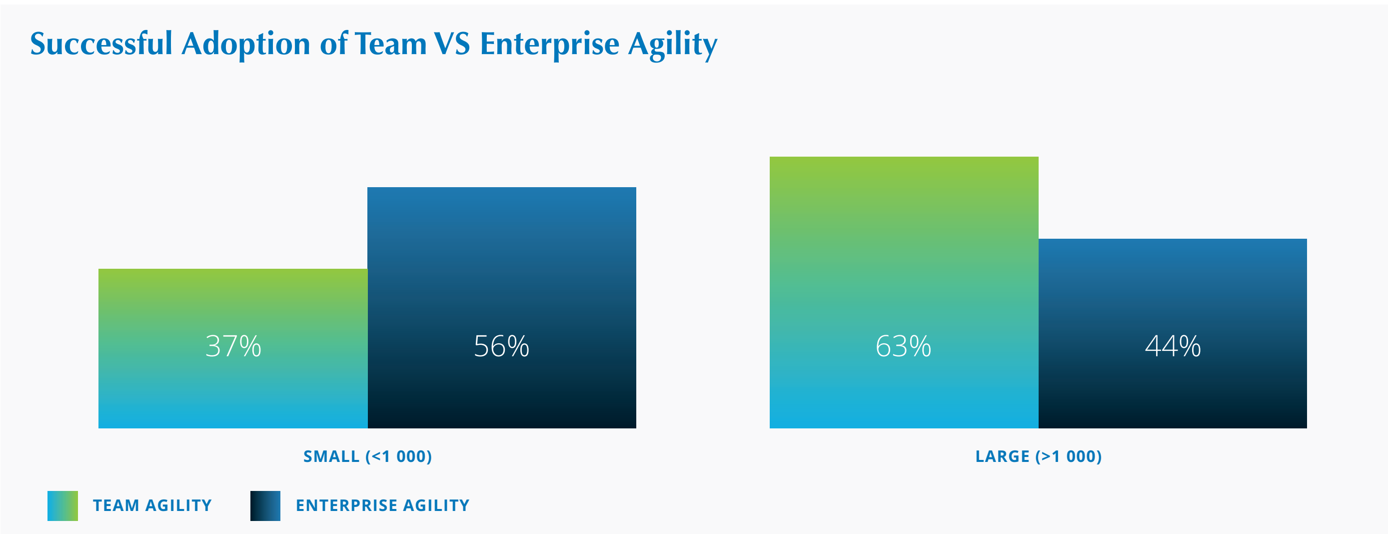




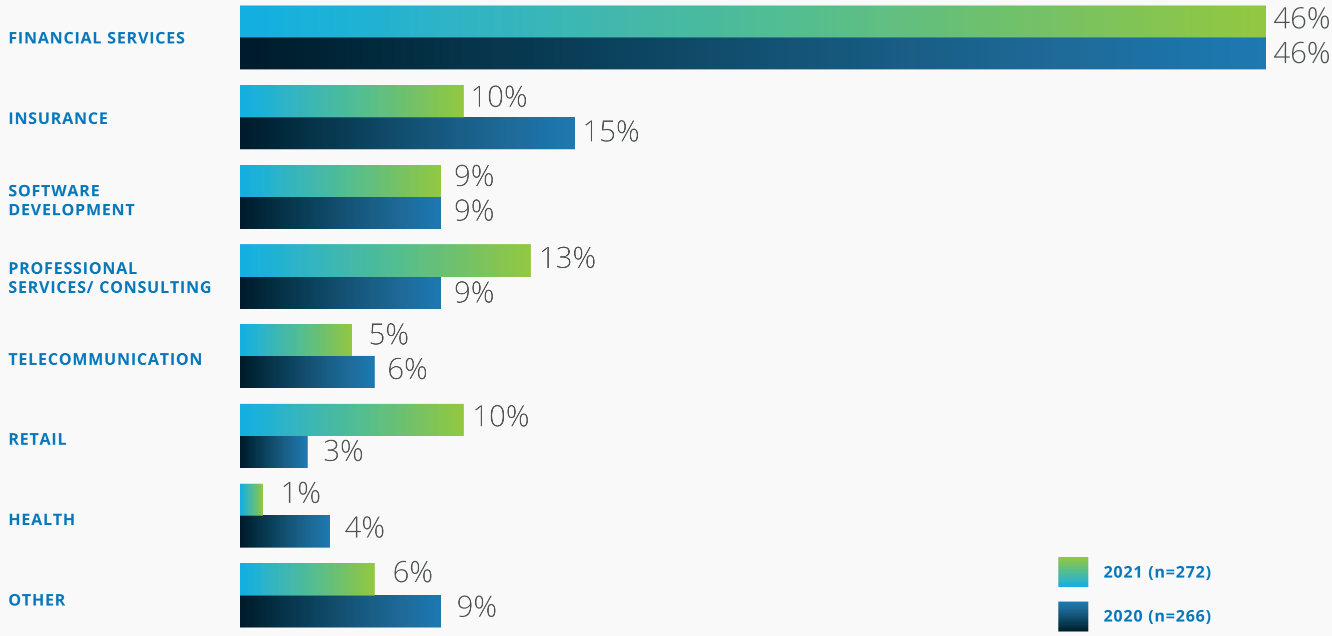
Most respondents are permanently employed (78%), work in large organisations (60%) of more than 1 000 employees and are maturing in experience (56% of teams have greater than two years of experience). Respondents mainly represent the financial industries (46%), with the majority (60%) working in the functional areas of IT/Software Development. These figures are consistent with last year's demographics, and perhaps not surprising given the IQbusiness agile network. These findings are also consistent with the global trend that has seen the Software Development (86%) and IT (63%) functional areas continuing to adopt agile principles and practices (15th State of Agile Report, 2021).

It is interesting to note that there is greater representation (from 5% to 12%) from smaller businesses of 50–250 employees – a finding consistent with international trends, i.e., organisations with less than 1 000 employees represented 36% of respondents in the 13th State of Agile (Global) Report, which is based on 2019 data, compared with 39% in the 15th annual global report, which is based on 2021 data. These figures echo the sentiment of agile proponents Darrell Rigby, Jeff Sutherland and Andy Noble, in their Harvard Business Review article in the May–June 2018 edition, whereby **"Small businesses, by their nature, are more likely to be agile".**

This is further supported in our survey findings. In the graph below, the blue segment (enterprise agility) is larger than the green segments (team agility) for smaller organisations, while for larger organisations we see the opposite pattern.



Primary Industry

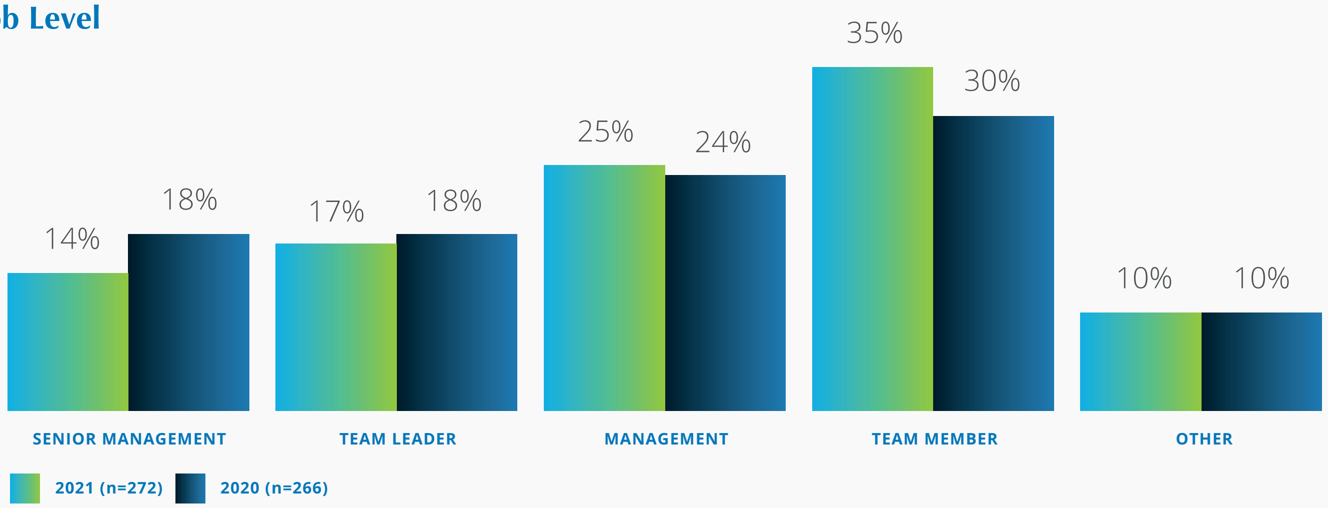


It is also encouraging to observe an increase in representation from respondents in the Professional Services/Consulting (from 9% in 2020 to 13% in 2021) and Retail (from 3% to 10%) industries. With the retail industry, in particular, having to "pivot" during the last 18 months in order to remain relevant and service customer needs, this is a possible explanation for the increase in retail representation.

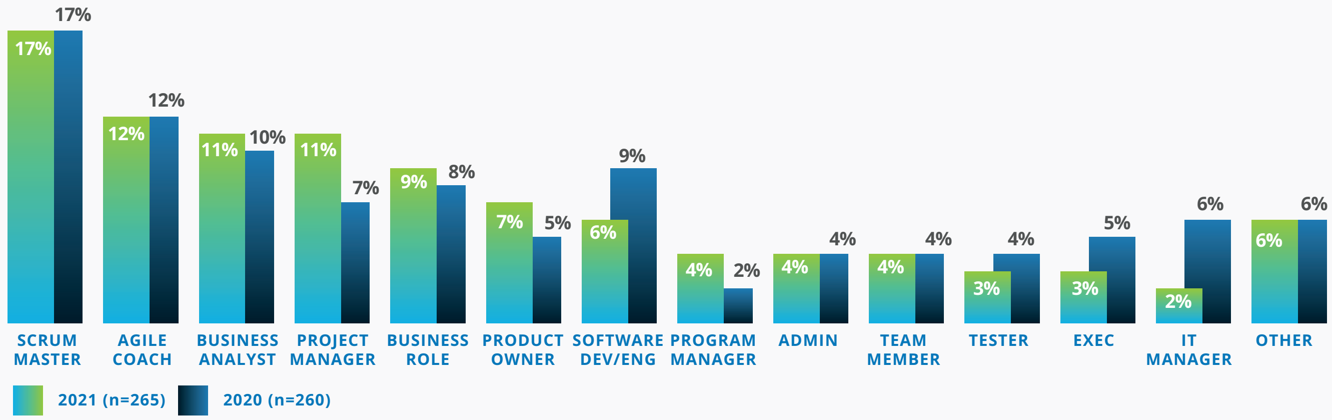
Team member (non-managerial employee) representation has increased from 30% in 2020 to 35% in 2021. This suggests that insights from practitioners who are responsible for implementing agile practices continue to remain prominent in this year's State of Agile survey. As was the case last year, the levels within organisations are suitably represented, suggesting a balanced perspective in the insights.

As with last year, Scrum Masters and Agile Coaches comprise almost 30% of the sample. Notably, there is an increase in representation among project managers.

Job Level



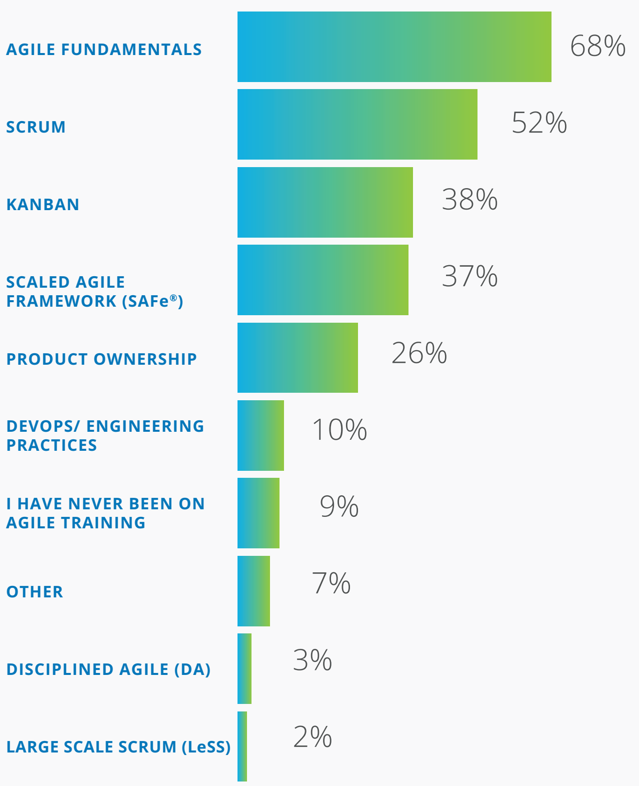
Agile Role



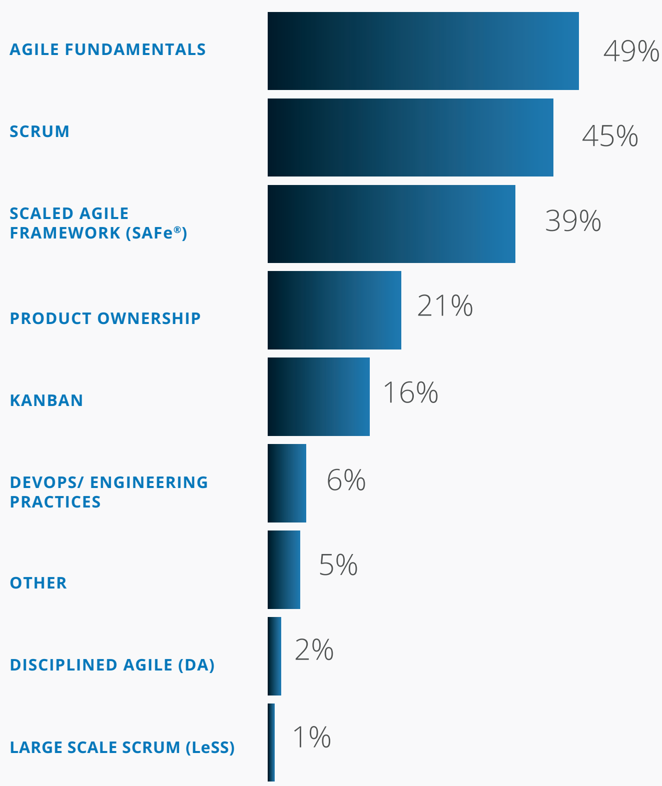
From a training point of view, Scrum, Kanban, and Scaled Agile Framework (SAFe®) continue to feature prominently. In 2021, we added a new response option to this question, viz, 'Agile Fundamentals', which tells us that more than two thirds of the sample have been on some kind of foundational agile training. **Interestingly, more than one third (39%) of respondents have been on certified SAFe® training, which suggests an increased appetite for scaling (SAFe® was at 19% in 2020).**

Agile Training 2021

*Respondents were able to select multiple reponses



Agile Certification 2021 (n=178)



TEAM AGILITY

Given that the implementation of agile occurs within team contexts, it is vital for us to examine insights and metrics that surround the notion of team agility. Moreover, understanding how teams view what agile means to them sheds light on how agile is currently put into practice. This includes any positive and negative sentiments for agile, and potential wish lists of how practicing Agilists would like to see the way forward for their teams.

In this year's report, the question, "In the context of your team, what does agile mean to you?" raised the following main points:

- **Iterative approach of agile –** the process of short cycles of planning, reviewing, testing, and then adapting highlights the importance of breaking projects down into smaller components. Learning how to work on these smaller components quickly and learning to fail quickly too can result in better ways of doing things faster.

"By being agile our team has a better view on the scope of work to be done since it is broken down into manageable portions..." – Survey respondent

- **Teamwork –** the need for more team members to work together in an agile way; in other words, to be on the same level of understanding of agile, and what it can do to fully harness the advantages of implementing this approach.

"Agile in our team, is the mindset of delivering value quickly and efficiently. Working together to achieve a common goal..." – Survey respondent

- **Changing mindsets –** echoing the above sentiments from teamwork, comments were raised about the need to reframe the mindsets of individuals who were seen as potential resistors to the adoption of agile. The qualitative data also shared these concerns, but also provided practical and supportive steps to changing mindsets:

"At the moment there are various misconceptions when it comes to agile and what it means from a team perspective... agile from a team perspective requires a mindset change..." – Survey respondent

Senior Agile Practitioner: "... So, not being defensive or not shooting them down on how they currently work but articulating a very strong vision of the future and just focusing on that... That got business buy-in off the bat, immediately, and that helped the journey going quite well."

- **Customer-focused –** the solution should be valuable to the customer. This should be validated through continuous customer feedback, and not simply a tick-box exercise to show that work has been done.

"Putting the customer at the heart of everything we do. Being flexible and adaptable when customer or shareholder needs change ... placing decision autonomy with those who know the most about our customers, celebrating our mistakes." – Survey respondent

Compared to last year's themes that tended to centre on notions such as: adaptability, effectiveness, innovation, efficiency, collaboration and value delivery, this year's themes focused on customer-centricity, the objective of delivering a product, the practical implementation of agile, the iterative approach of agile and the support for agile, through teamwork and changing mindsets. The below quote says it all:

"It's about continuous learning – do a little, learn a little and try again. It's about the people, making sure they feel valued and have all they need to be able to do the best job possible. It's about collaborating, making decisions as a team. Committing to work, delivering on it with as high a level of accuracy as possible." – Survey respondent

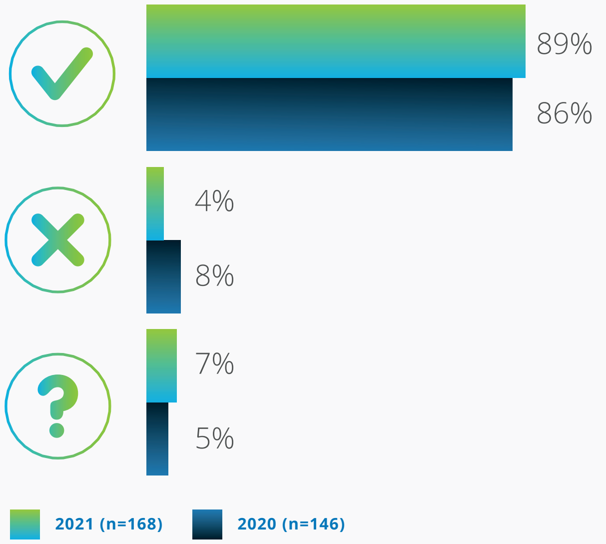
AGILE TEAMS ENTER NEXT CATEGORY OF MATURITY

Organisational support for agile adoption remains high from 2020. This is an important first step, as described from the qualitative data:

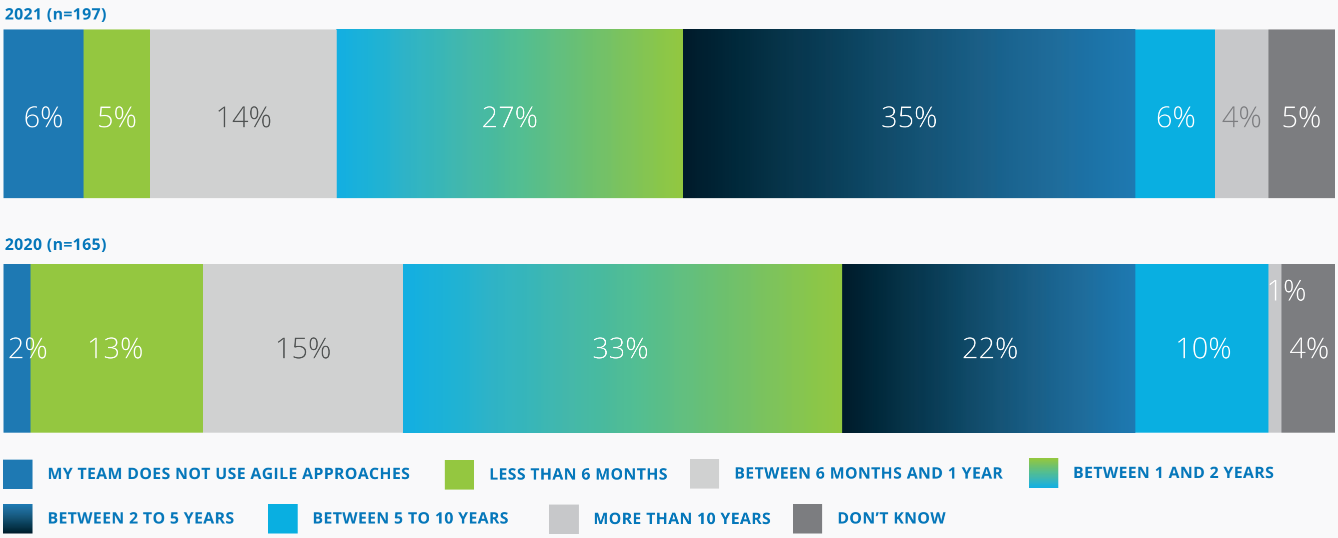
> **"... creating that compelling vision of what we can do ... And getting all levels of the organisation to buy it. ... from the start, ... made it easier for me to entrench it."**

Younger teams are gaining more experience. This year the proportion of the sample in the 2–5-year team experience category makes up more than a third (35%) of the sample, compared to 22% from 2020. This is likely an indication that many teams are continuing with agile because they are experiencing the value of it, thus moving into the next category of maturity.

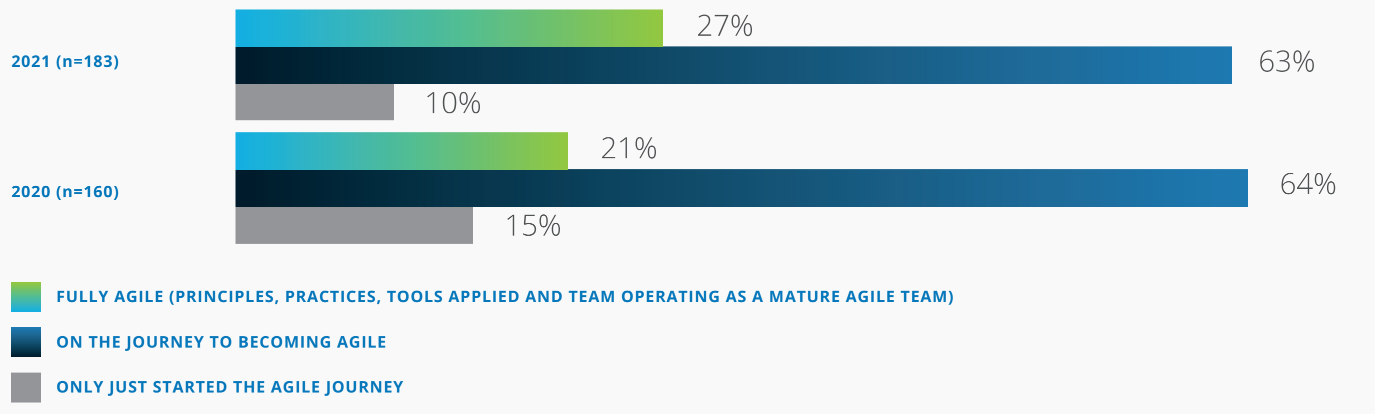
Has the Organisation been supportive and/or involved in the agile adoption?



How long has your team been employing agile approaches?



Do you consider your team to be...?



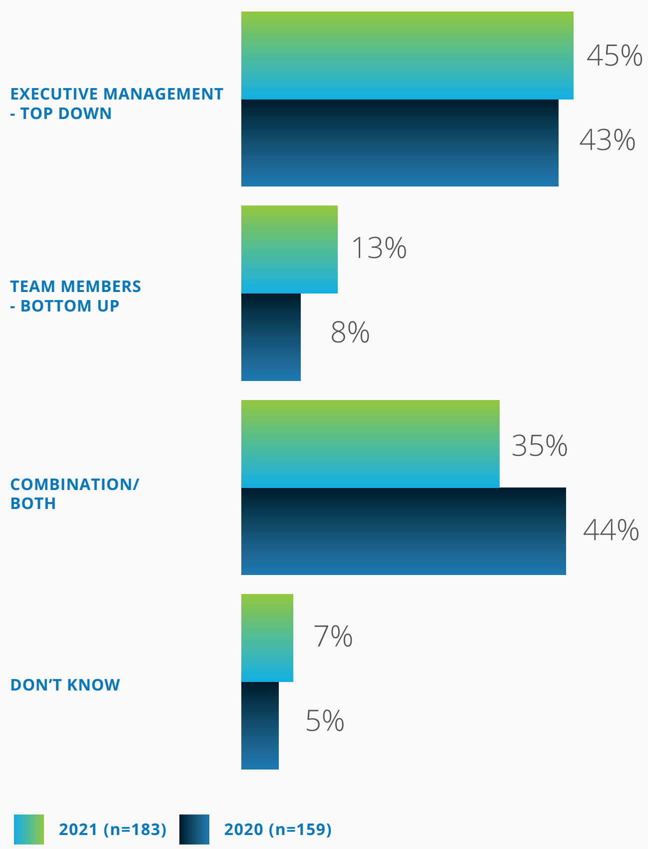
Of the 94% of respondents in 2021 who have experience with agile, 27% state that they are fully agile compared with 63% who state that they are on their journey to becoming more agile. Compared to last year, the improvement in the proportion of those who are fully agile (from 21% to 27%) suggests that agile maturity may be on the rise on the continent.

Agile adoption is still mainly being driven from a top-down approach, although teams are having more say as well. This is reflected in the increase in adoption that is bottom-up driven, from 8% to 13% in 2020 and 2021, respectively.

The qualitative data also shows that teams are driving their own agility:

"...we shifted IT completely, not just from our Business Agility, but strategy, operating model, ways of working, everything... So, we set up a new team. And one of the first teams we set up was a Change Champions team, which was made up of all levels of people across IT. And they've been driving it. It's not me or leadership or IT leadership coming up with what the changing should be. It's them coming up with what the rollout of the change plan should be." – Agile Change Champion

Thinking about the work you are currently doing, who decided to use an Agile approach?



THE EXPECTATION IS DELIVERY AND ADAPTABILITY

The reasons for adopting agile remain similar to last year: the top reasons remained accelerating product delivery and adapting to change. 45% of respondents indicated that adapting to change was one of their top reasons. This reason was also ranked as one of the top 3 benefits, with 42% of respondents agreeing that adapting to change had greatly improved. The drop in accelerating product delivery from the number 1 reason to the number 2 reason is a fundamental finding, as this is the first year since the report's inception that it has not been ranked number 1. This is actually a very good sign, in that practitioners and senior executives are understanding that although speed is important, agility is the ability to adapt to change 'faster than the competitors'.

The other top reason this year was to improve business/ IT alignment. The top 3 reasons for adopting agile correspond with one of the top 3 benefits of improved business/IT alignment, as agreed with by a senior practitioner:

> "First, a better alignment between Business and IT, clearly. And then the time to market."

These findings demonstrate what we have consistently seen in the years that we have conducted this research; i.e., the team's reason for adopting agile is not necessarily aligned to the benefits that they have experienced and that there are key benefits that emerge, which might have had little to do with the original reason for adoption. Foremost amongst these are improved project visibility and improved collaboration. It is encouraging to see that these additional benefits consistently emerge above the adoption reasons.

Top 3 Reasons:

ABILITY TO ADAPT TO CHANGE
49 - 45%

ACCELERATE PRODUCT DELIVERY
58 - 36%

IMPROVED BUSINESS/IT ALIGNMENT
24 - 34%

Top 3 Perceived Benefits:

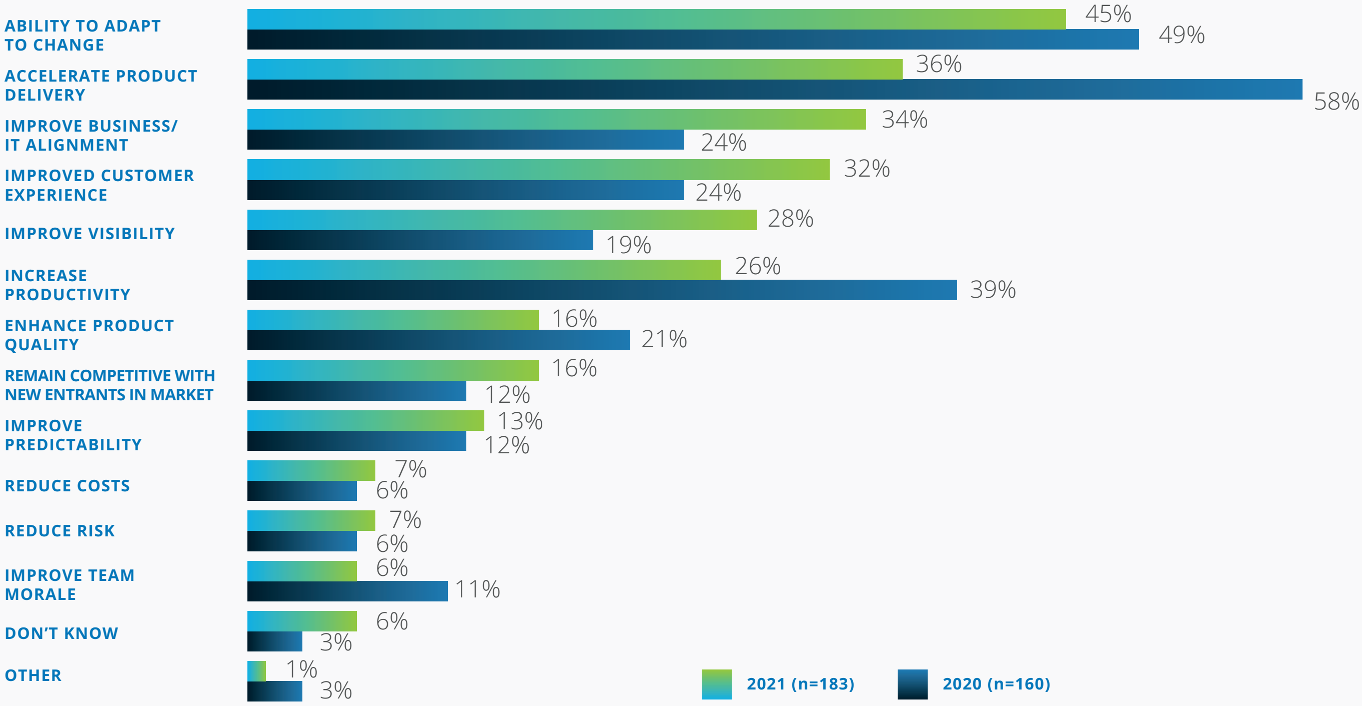
IMPROVED PROJECT VISIBILITY
55%

IMPROVED COLLABORATION
53%

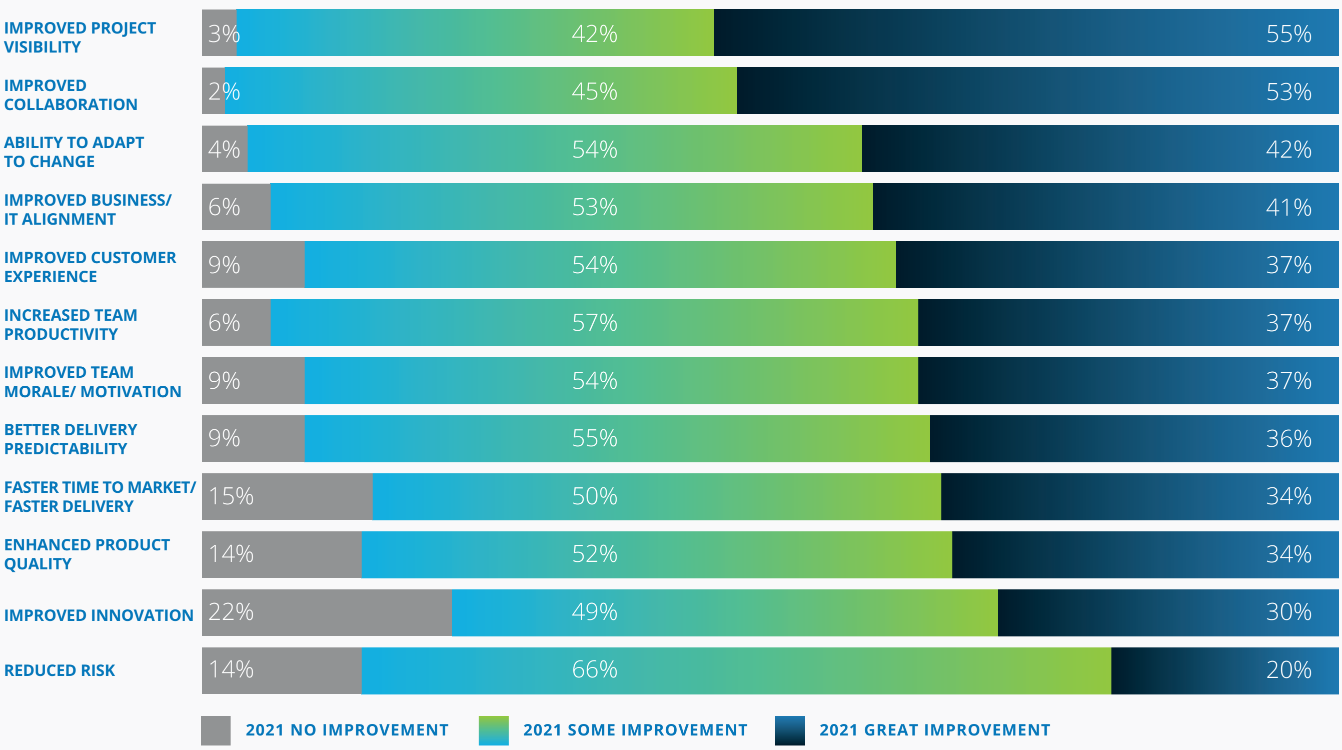
IMPROVED BUSINESS/IT ALIGNMENT
42%

What were the reasons for adopting Agile in your team?

*Respondents selected a maximum of 3 reasons



Perceived benefits 2021 (n=189)



METRICS THAT MATTER

It is important to measure performance by focusing on the right metrics, as summarised by the following senior practitioner:

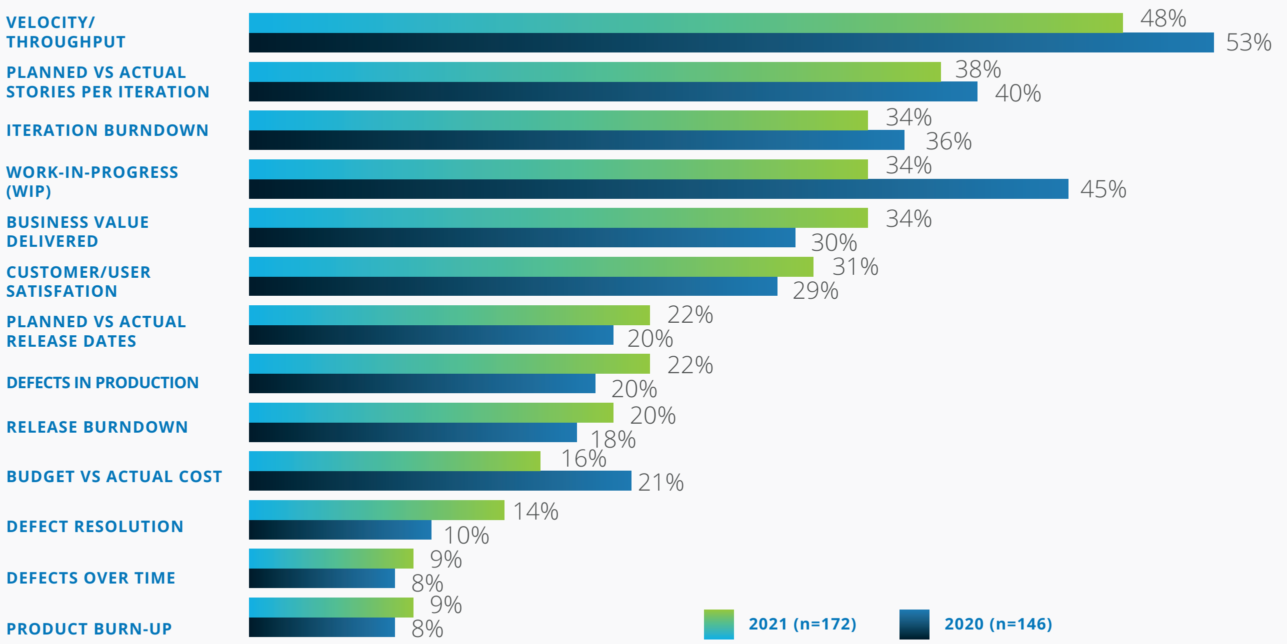
"... maybe a lot more focus on metrics upfront. I think we... Now we're getting into the art of metrics and now we're getting to defining that and taking it forward."

The metrics that teams use to track their performance of agile adoption are similar to last year, although the distribution of preferred metrics are more diverse with slight increases of around 2% to 6% in the following: business value delivered (from 30% to 34%), customer satisfaction (from 29% to 31%), and defect resolution (from 10% to 14%). The increases in these metrics support the need to understand the why of agile and the advantages of using the iterative process to quickly pick up on points of failure and to resolve them quickly. The increases in these metrics align with findings from the global State of Agile report, where business value delivered and customer satisfaction were the most preferred metrics (49% of the community endorsed the use of these two metrics) followed by velocity at 45%. The focus on outcomes-based metrics remains important for measuring agile success in agile teams and indicates the maturity of agile in organisations.

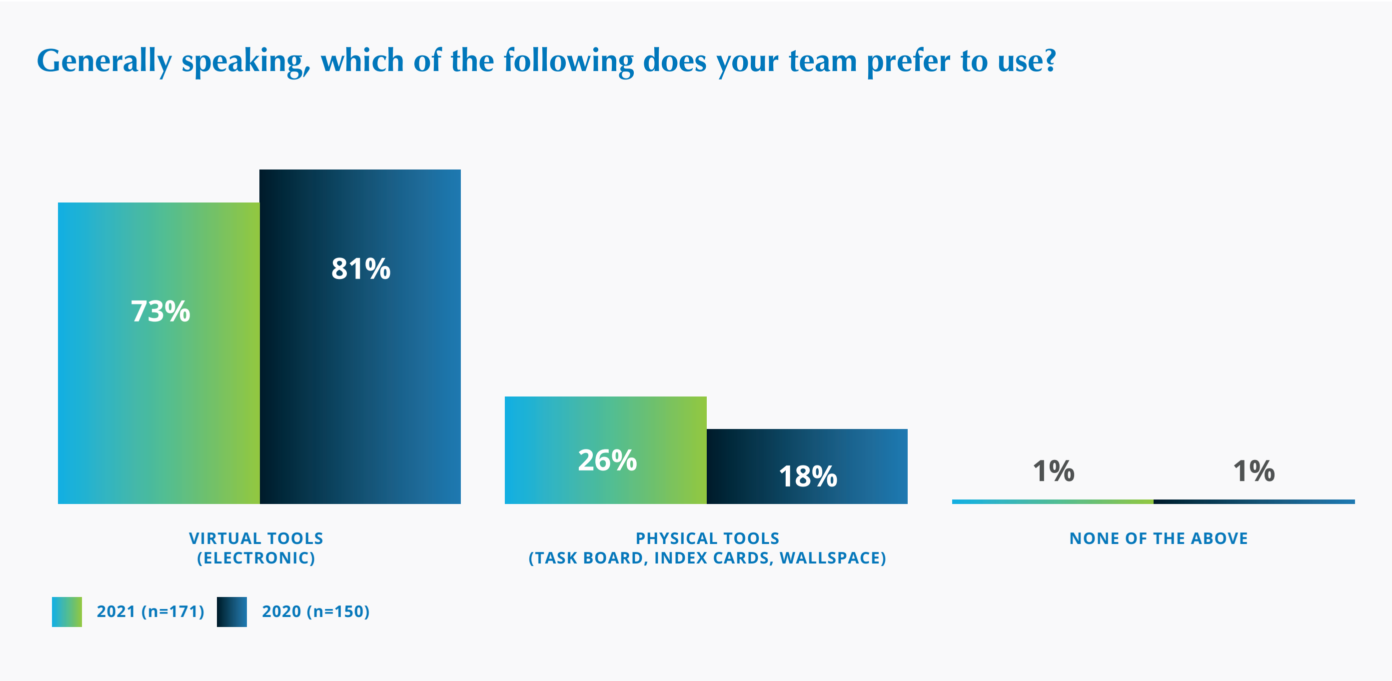
On the other hand, the Work-in-Process (WIP) has fallen out of favour, dropping from 45% of respondents using this reporting metric compared with only 34% of respondents in 2021. WIP metrics require high levels of insights and there may be an assumption that teams are still under pressure to deliver work in parallel rather than limiting the 'work' based on capacity available.

What metrics and reporting do you use in your team?

*Respondents were able to select multiple repsonses to this question



EXISTING: DO VIRTUAL TOOLS NEED MORE ATTENTION IN THIS DIGITAL AGE?



73% of respondents state that their teams prefer to use virtual tools. This finding is not surprising given our current work-from-home state. It is however noteworthy to mention that this has dropped from 81% to 73% from last year, with the preference for physical tools having appropriated this 8% drop.

This increase may be a signal that teams are missing the use of physical tools from their office environment and that equivalent virtual tools are not as salient as physical tools. This may indicate an opportunity to introduce a hybrid approach to work when returning to the office by balancing the tacit experience with physical tools with the richness of functionality available with virtual tools, e.g., easier reporting and capturing metrics.

DOING AGILE IS NOT THE SAME AS BEING AGILE

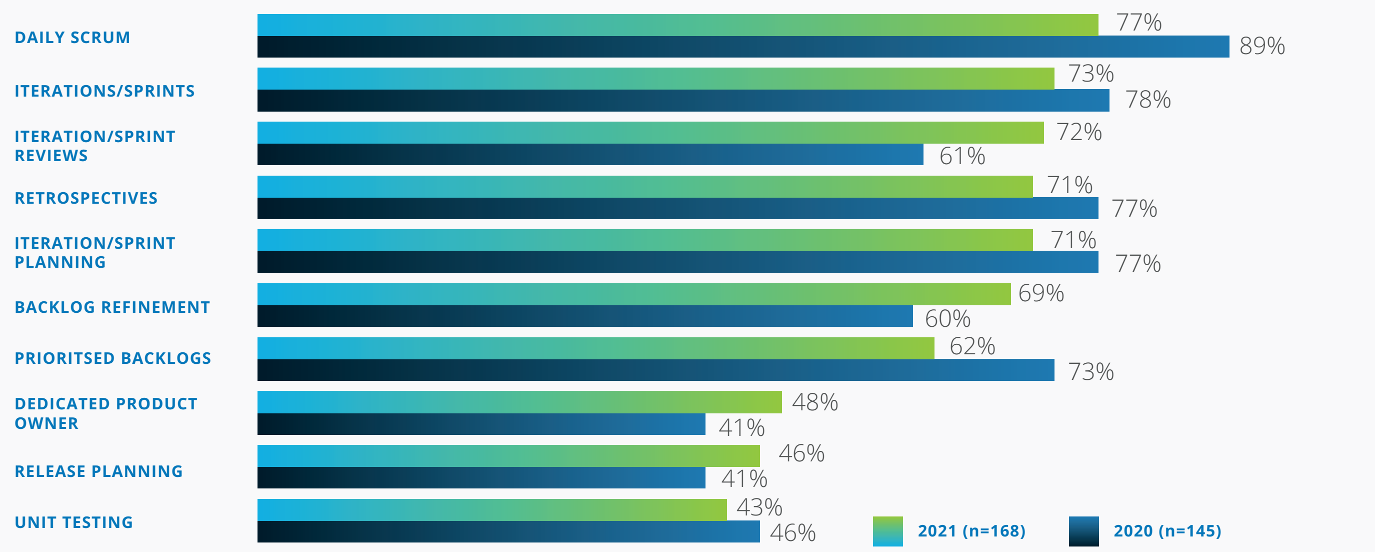
The top 10 practices, tools and techniques teams use remain the same, and the top 3 are still: daily scrum (77%), iterations/sprints (73%) and iteration/sprint reviews (72%). Interestingly, 11% more of the respondents this year cited iteration/sprint reviews as a practice that they use, which could be an indication that quicker feedback loops are being valued more. These findings are aligned with the global report (15th State of Agile Report, 2021), where daily stand-ups or daily scrums are also popular practices, with most respondents (87%) favouring this practice, followed by retrospectives (83%), and sprint or iteration planning (83%). Another noteworthy practice that has increased is product ownership (from 41% in 2020 to 48% in 2021), suggesting that more teams are appreciating the importance of this role in the context of driving positive outcomes associated with agile adoption. Product ownership has also been identified in the qualitative data as an area for growth:

Agile Change Champion: "… if a team starts becoming strong and your Product Owner doesn't grow with them, you start really becoming inefficient. If the product owner cannot articulate very clearly the benefits, or really direct the squad in terms of prioritisation… we have a very big shortcoming in product owners. …we actually don't have a product owner chapter, or community of practice…"

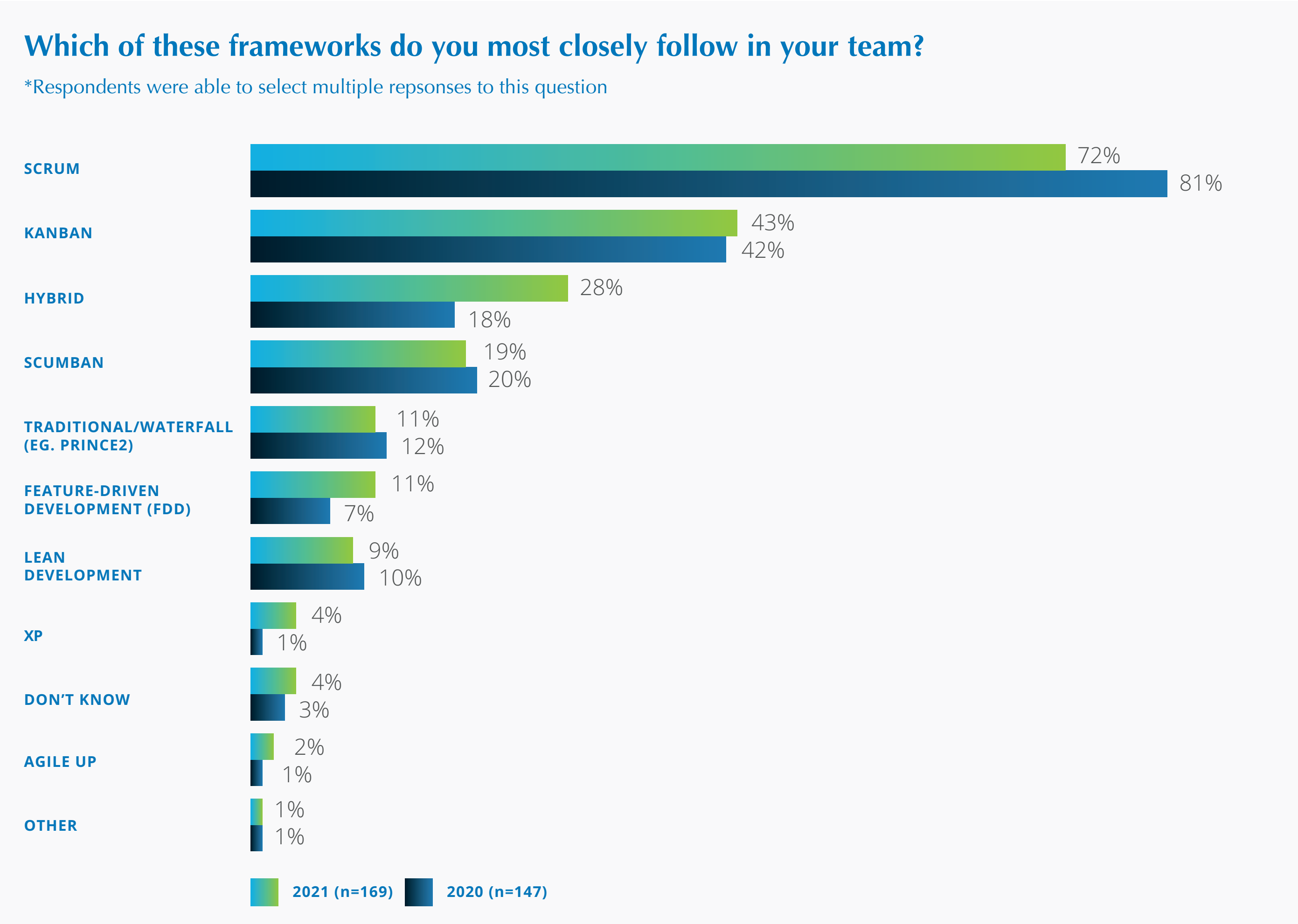
Compared to last year's insights, where there was an incorrect belief that if you run daily scrums, then you are agile (89% of respondents reported having daily scrums in 2020), this year's responses are what would be expected of a team that has meaningfully integrated agile, i.e., the proportions for each practice such as iterations/sprints, iterations/sprint reviews, retrospectives, and backlog refinement are similar to each other.

Which of these practices, tools and/or techniques do you use in your team?

*Respondents were able to select multiple repsonses to this question



[EXISTING] HYBRID FRAMEWORKS ARE ON THE RISE



The most well-used frameworks remain Scrum (72%, down from 81%) and Kanban (at just over 40% of respondents), although hybrid approaches have become increasingly popular as well (from 18% to 28%).

This suggests that many more teams are adopting an integrated approach, i.e., pulling specific elements from various agile frameworks to best suit their team's workflow and outcome. This may also include integrating agile elements with existing traditional business approaches. Whilst this is generally the case where teams are adopting agile across the organisation at different speeds, resulting in the need to use hybrid practices, the risk may be that these teams might regress to traditional practices when meeting organisational impediments. As highlighted by a change champion in the qualitative data:

"… when things get tough, you go back to Waterfall."

(SAFe)® IS STILL THE KING OF SCALE

The most preferred scaling framework is SAFe® (Scaled Agile Framework), increasing its popularity from 35% in 2020 to 50% in 2021, which is aligned with the 15th State of Agile Report (2021) where 37% of world respondents closely follow SAFe®.

The jump from 35% to 50% is aligned to the AgilityHealth agile maturity path, indicating that as teams mature through their adoption, they will adopt scaling frameworks such as SAFe®. Based on our experience and exposure in the industry and validated by the survey responses, SAFe® is the preferred scaling framework. The risk is that organisations are trying to solve scaling agility by adopting a framework blindly without understanding the problems that they are attempting to solve.

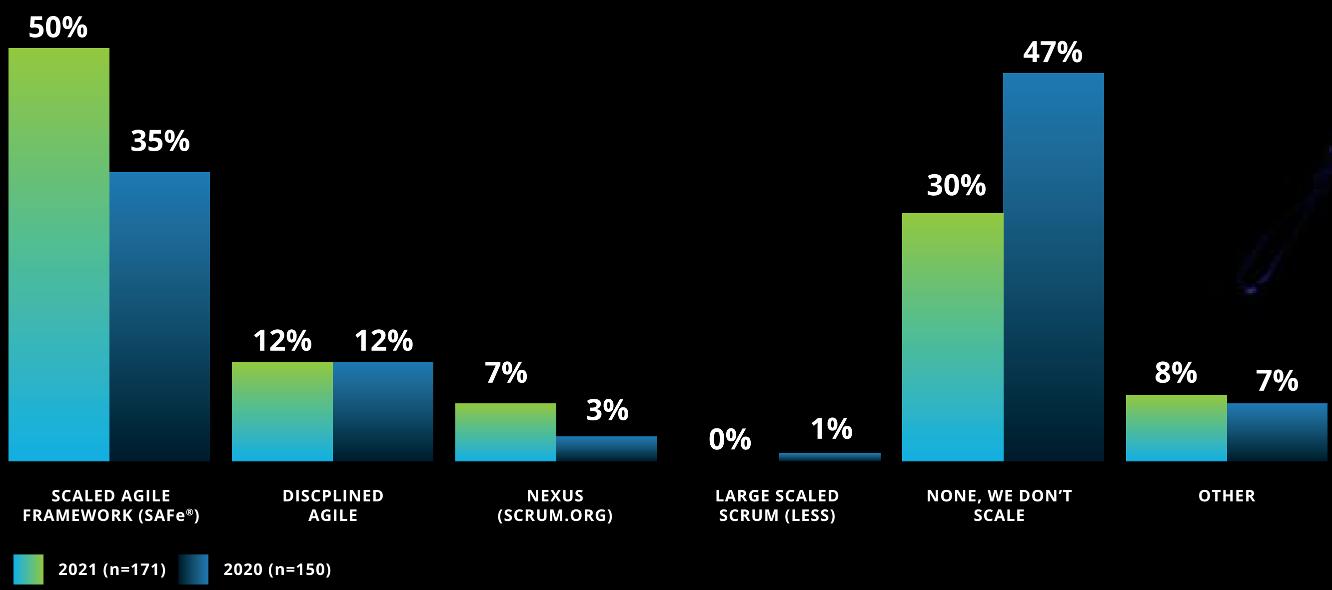
The following qualitative interview statements from senior practitioners summarise the usefulness of the SAFe® framework:

"... must have been in 2018, where I thought, no, this has got the nice principles. It's not tightly coupled, which allows you to use the frameworks, use the principles, but also make it customisable for quite a large organisation."

"... SAFe had the enablers, the hardening, and it had the synchronisation ... creating integrated delivery."

Which scaling framework do you use in your organisation?

*Respondents were able to select multiple repsonses to this question



BUSINESS AGILITY

Agility is increasingly becoming a strategic imperative across industries from commerce to education and even government.

The pandemic has proven that organisations need to adapt to market conditions quickly in order to remain relevant and competitive. Globally, there has been a rapid increase in agile adoption across several functional areas – both IT and non-IT departments – of an enterprise. For instance, while agile adoption in software development teams has become more pronounced, increasing from 37% in 2020 to 86% in 2021, adoption rates have more than doubled in the non-IT lines of business in the same period (15th State of Agile Report, 2021). This speaks volumes about agile becoming more mainstream.

Given the strategic imperative of agile adoption, an organisation's willingness to be open to change is a first step to unlocking enterprise buy-in.

This is particularly important given the resistance that organisations experience in implementing change, as stated by a senior executive:

"the maturity of the IT team was quite primitive with regard to agile. ... getting them to understand and buy into a vision of how agile really works. I remember one of our first meetings, one of the teams said, no, but we are agile. We do agile very well. This is how we do it."

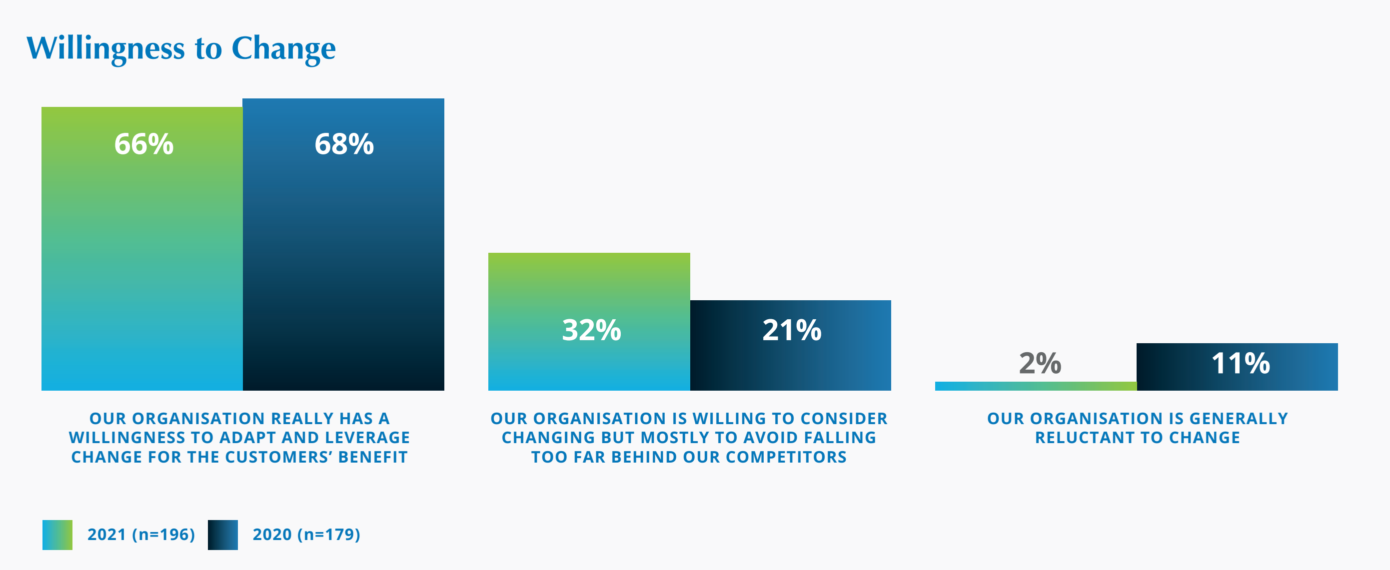
Research has revealed that adopting agile is an exercise in change management given the fact that when a move to agile is poorly managed, there is greater resistance to agile overall (Prosci Research of Change Management and Agile, 2021).

Business Agility means:

"The ability to adapt to change, learn and pivot, deliver at speed, and thrive in a competitive market ... because, gone are the days when big eats small. Today fast is eating slow. The ability to learn and deliver faster than competitors may be the only sustainable competitive advantage."

Sally Elatta, Evan Leybourn

IS ORGANISATIONAL CULTURE BECOMING MORE PROGRESSIVE? THE JURY IS STILL OUT



When examining the notion of perceived willingness to change, it is interesting to note that, consistent with 2020, about two thirds (66%) of respondents indicated that their organisation demonstrates a willingness to introduce changes for the customers' benefit. Encouragingly, very few respondents feel that their organisation is reluctant to change in 2021, even if the drive behind the change is to remain competitive.

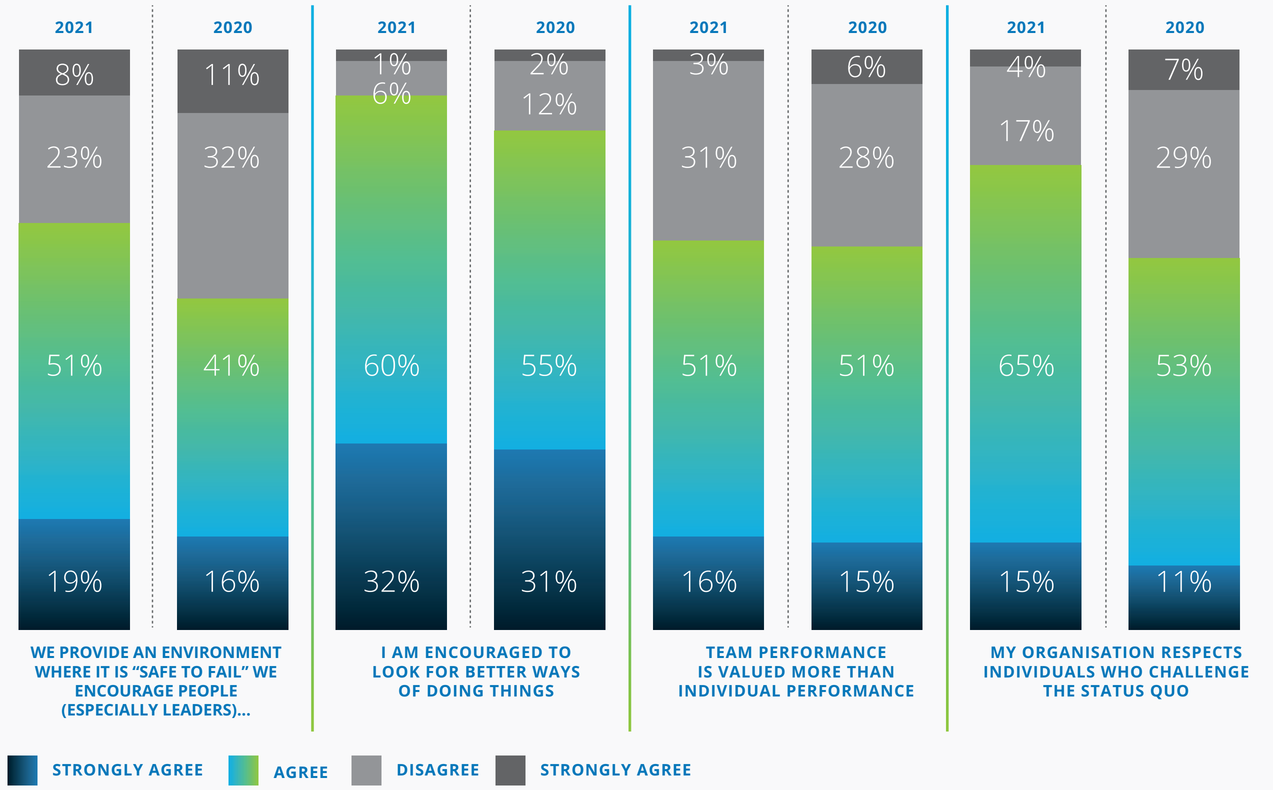
This perception is shown in the qualitative interviews, where one senior practitioner remarked that:

"the benefits of Business Agility, in one sentence, for me, is putting value into our clients faster, with better built-in quality".

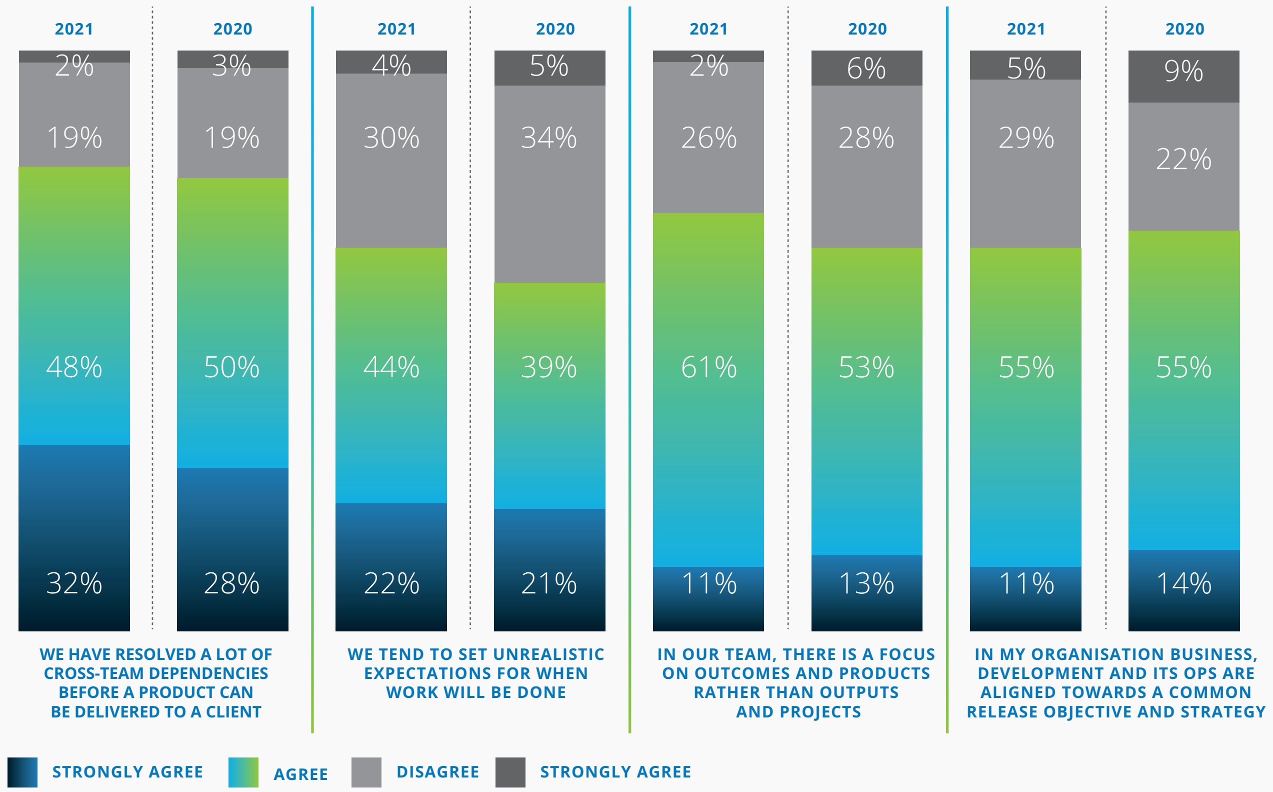
Comparing 2021 to 2020, 80% of respondents agreed or strongly agreed with the notion that their organisation respects individuals who challenge the status quo, compared to only 64% from 2020. It is promising to see that 92% of respondents are encouraged to look for better ways of doing things – compared to 86% last year.

Whilst there is a positive view that organisations are focusing more on outcomes than outputs and we have broken down the silos across the value chain (bottom 2 questions), in order to deliver value, we still need to manage many dependencies and, as a result, create unpredictable expectations of delivery (top 2 questions).

Organisation Ways of Work Culture in 2021 (n=195) vs 2020 (n=175)



Organisation Focus and Approach in 2021 (n=196) vs 2020 (n=174)



LEADERSHIP CONTINUES TO LAG

The successful adoption of the agile principles and practices is dependent upon leaders modelling the right behaviours. Therefore, it is important for leaders in the organisation to be ready to truly lead the way. One of these attributes requires leaders to have a Lean/Agile mindset and, unfortunately, consistent with last year, we continue to see that less than half of the leaders in the sample have been on agile-specific training – and whilst such training is not mandatory for the success of agile adoption, it can often be a pre-requisite for successful agile culture shifts.

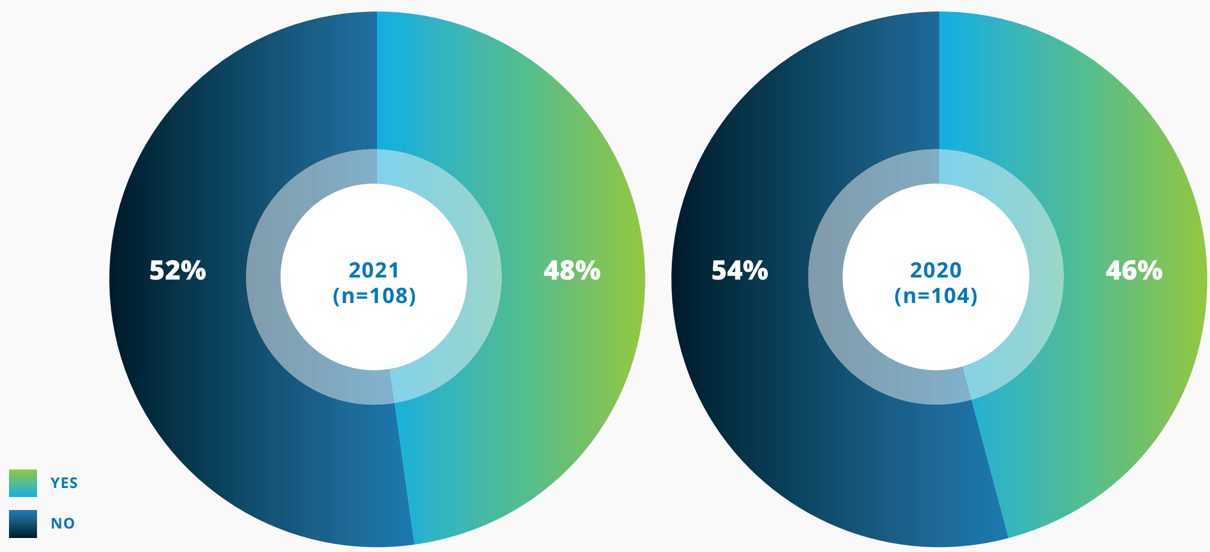
This leadership challenge is also recognised in the qualitative data below:

"... if you start interrogating it, people have not gone and even attended SAFe® training. So, there's this, I know everything, I understand everything, but I've not spent the time to go on training. ... how do you guide your teams if you don't understand the framework?"

The same senior practitioner also raised the consequences of not truly understanding agile:

"the real challenge lay when we had to challenge more of the deeper-seated assumptions and beliefs about what it means to be an agile organisation and how to do agile right without causing chaos in the organisation".

Ever attended Agile-Specific Leadership Training

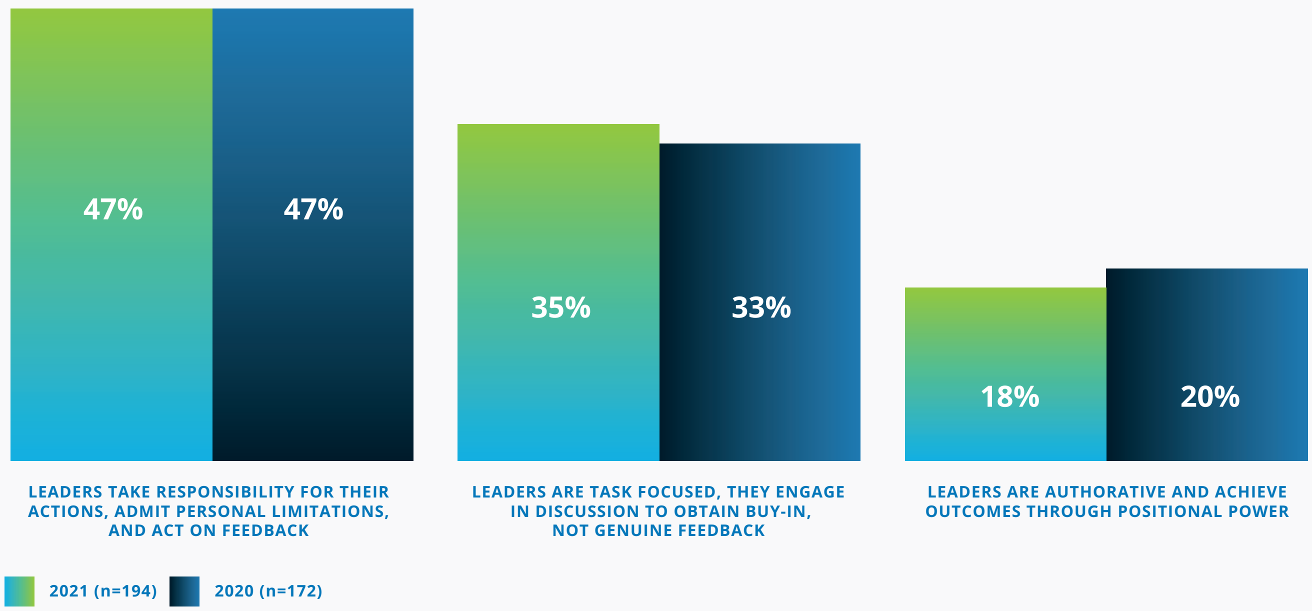


About a third (35%) of respondents perceive their leaders as people who only engage in discussions with employees to obtain buy-in, not to genuinely solicit feedback. This has not changed over the last two years.

This view is also echoed in the qualitative data, where discussions only occur at a high level, even at senior management level without really getting into the nitty-gritty of the practicalities of agile:

"And I really believe, therefore, we have discussions high on opinions and low on facts."

Leadership Perception



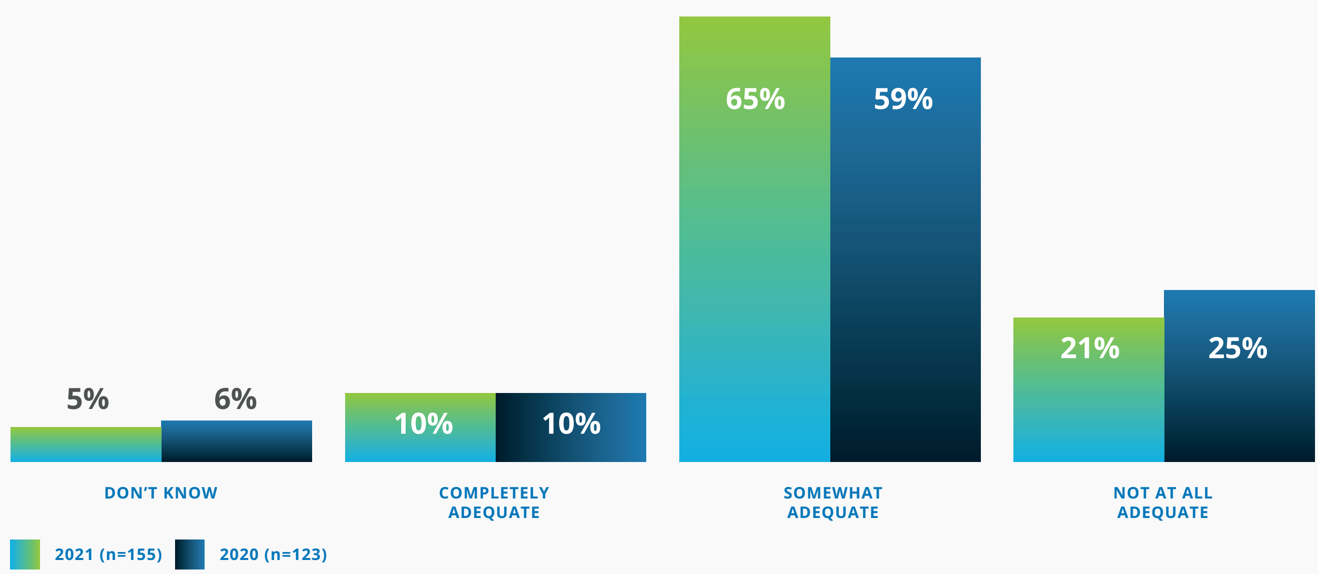
THE VITAL INGREDIENT, CHANGE MANAGEMENT... LEFT OUT, AGAIN

It is discouraging to see that perceptions of change management with regard to agile adoption have not improved. Only 10% of respondents who have experienced agile adoption in their organisation deem it to be completely adequate, with 65% regarding it as somewhat adequate. This is consistent with last year. Given the investments that organisations make when adopting agile, the absence of the requisite level of associated change management is a costly mistake that some organisations appear to be making. This is further validated through our qualitative interviews, where a common theme was that this is more of a culture and mindset change than a process implementation.

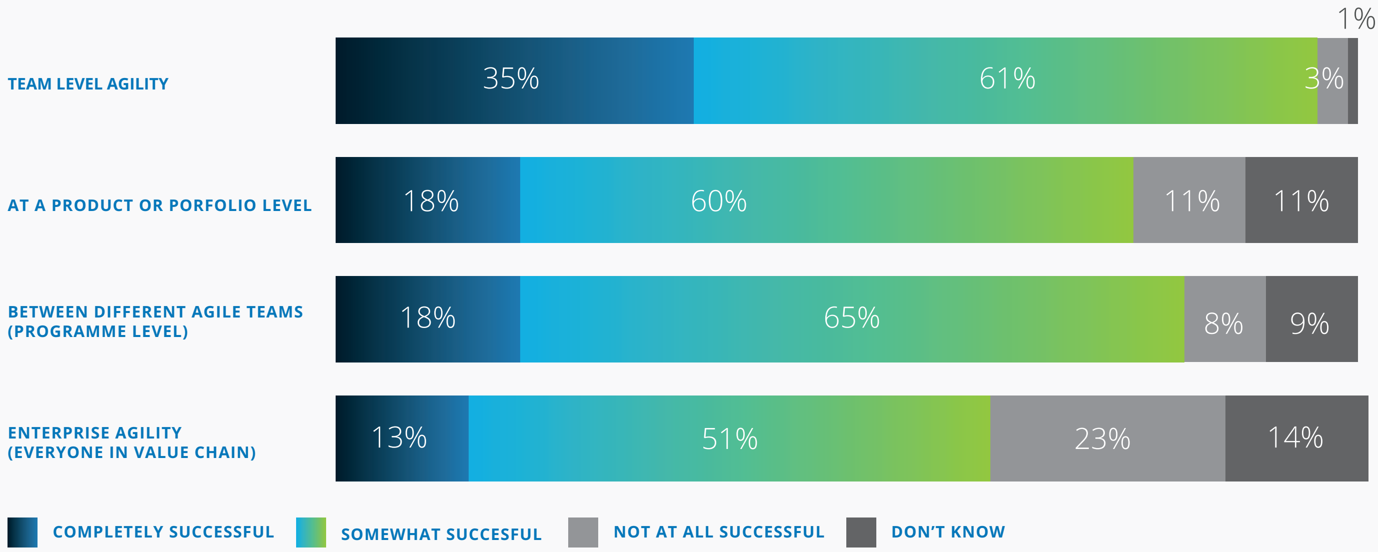
A senior practitioner said that if they had a fresh start to restart their agile journey again, they would begin with the following changes:

"I would start with a clear culture change... starting with the leaders to understand, leaders to let go, to empower, to be not obsessed about reports and written feedback, to not continuously keep interrupting the squad, trusting the squad..."

Change Management of Agile Adoption

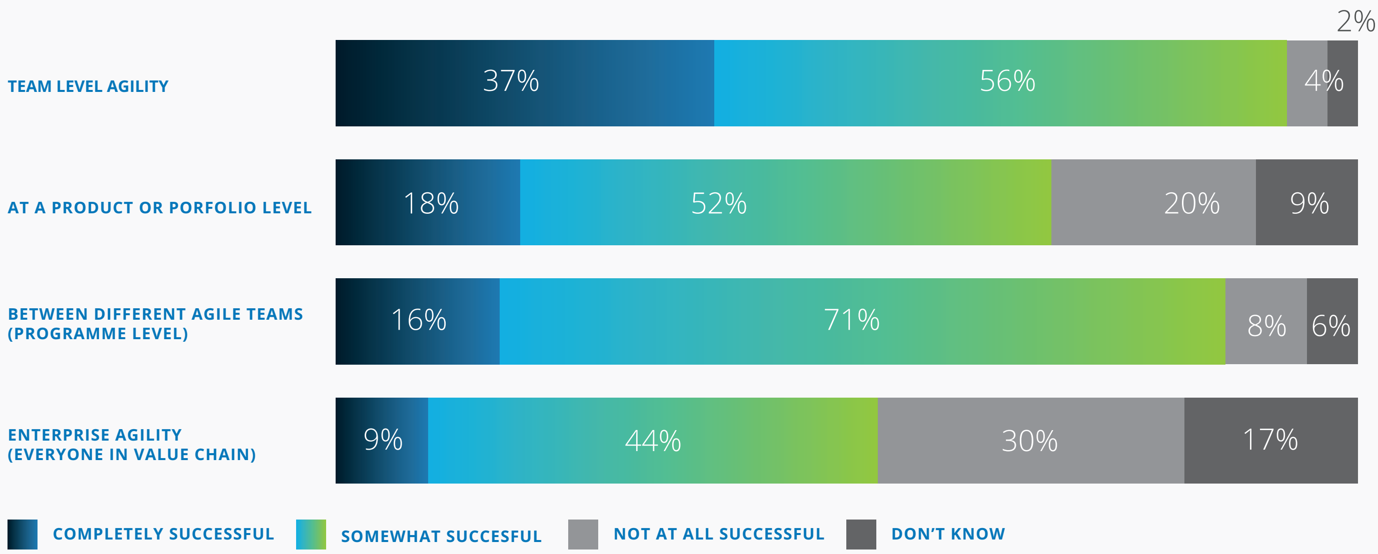


Perceived Success of Adoption at Various Levels (2021 n=194)



Perhaps due to this and other reasons, the perceived success of agile adoption at various levels has not changed dramatically between 2020 and 2021, although there have been minor positive shifts. Unsurprisingly, perceived success at team level is comparatively strong, but as we ladder up to enterprise level, perceptions of success are reduced. This is normal, as scaling agility remains a challenge across organisations.

Perceived Success of Adoption at Various Levels (2020 n=180)



THE EVOLUTION OF AGILE GOES ALL-INCLUSIVE

Evidence from the last two years suggests that there is tangible growth in agile adoption outside of the IT and/or Software Development space. The largest improvement in agile adoption is in the Business, Management and Executive areas, which showed an increase of 14% from 19% in 2020 to 33% in 2021. HR and Finance departments are also evidencing growth. **One change champion described the journey of their Finance department in adopting agile:**

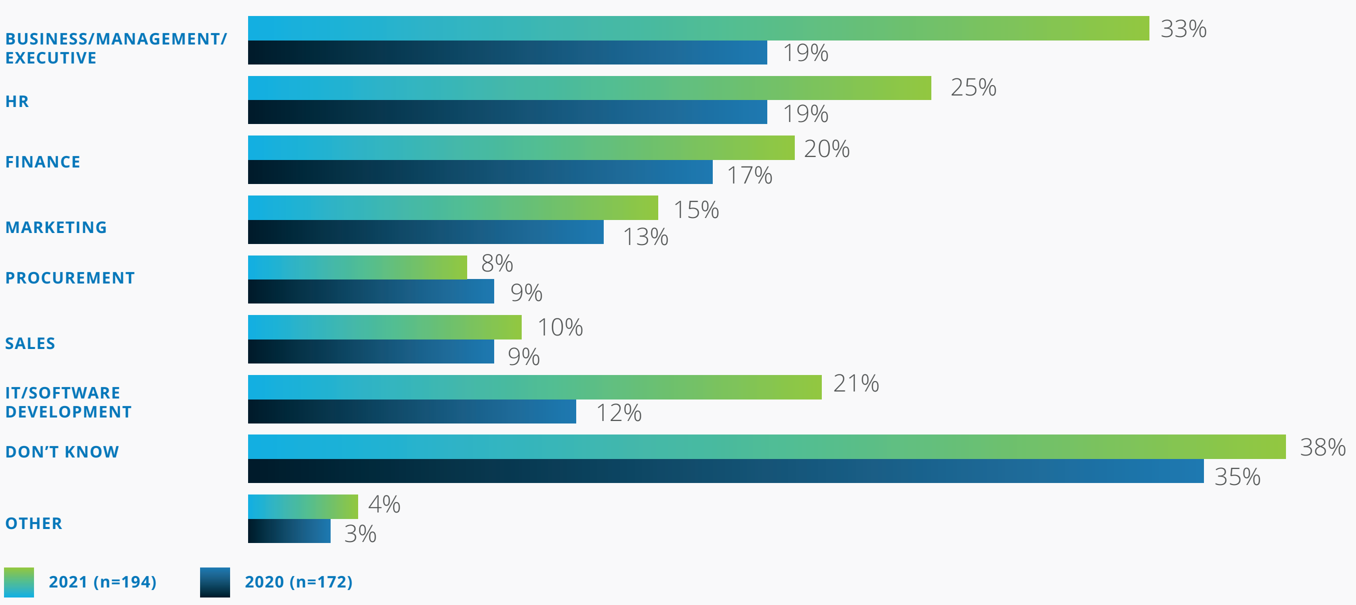
"... These kind of support functions like Finance are very important. And they have evolved... We're not there yet..."

These areas show some promising growth opportunities for future agile adoption and may also become useful case studies for other non-IT spaces such as procurement, breaking down the perceptions of these typically traditional (sequential, rule following and risk-averse **"we don't have this risk-averse way of doing things"**, as stated by a senior practitioner) departments that the agile way would not work for them.

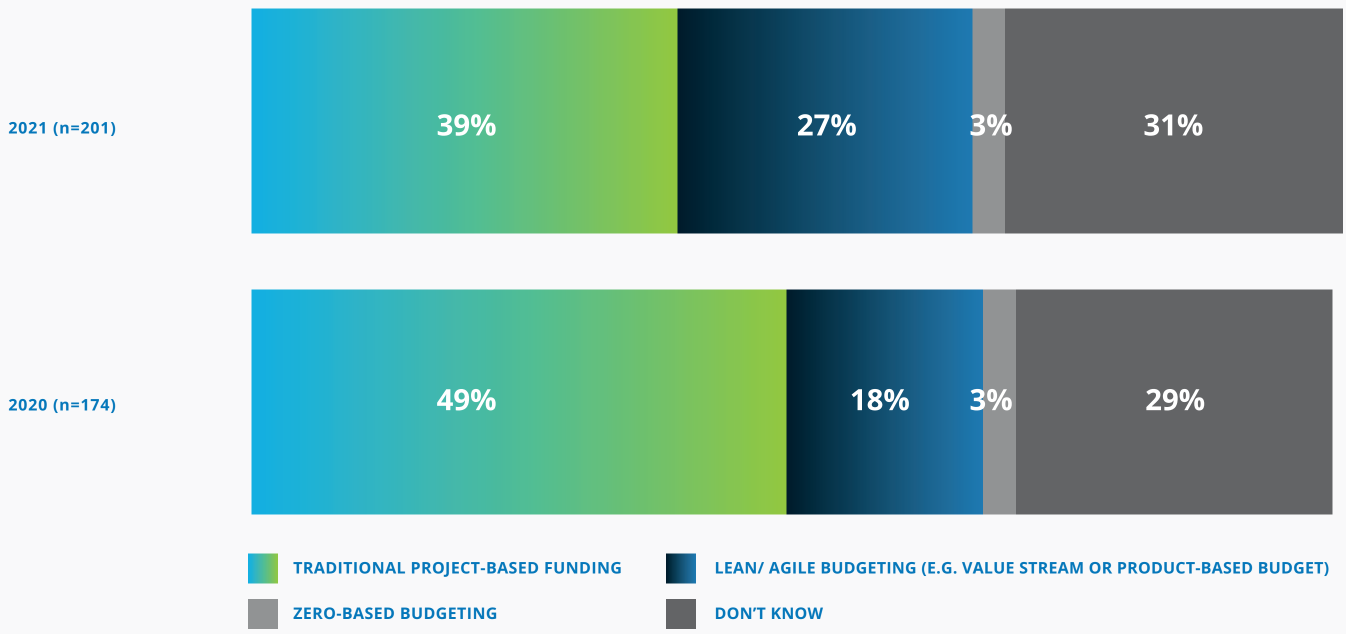
On the topic of Finance departments, the financing of projects continues to be an impediment to agility, although it is very promising that traditional project-based funding models have declined from 49% to 39%. This decline has been mostly attributed to implementing more Lean/Agile budgeting, in line with worldwide trends in agile where Value Stream Management (VSM) is the new guiding philosophy to overcome misalignment of business and agile practices (15th Annual State of Agile Report, 2021).

Agile Adoption Across Departments

*Respondents were able to select multiple repsonses to this question



Funding the Most Recent Project



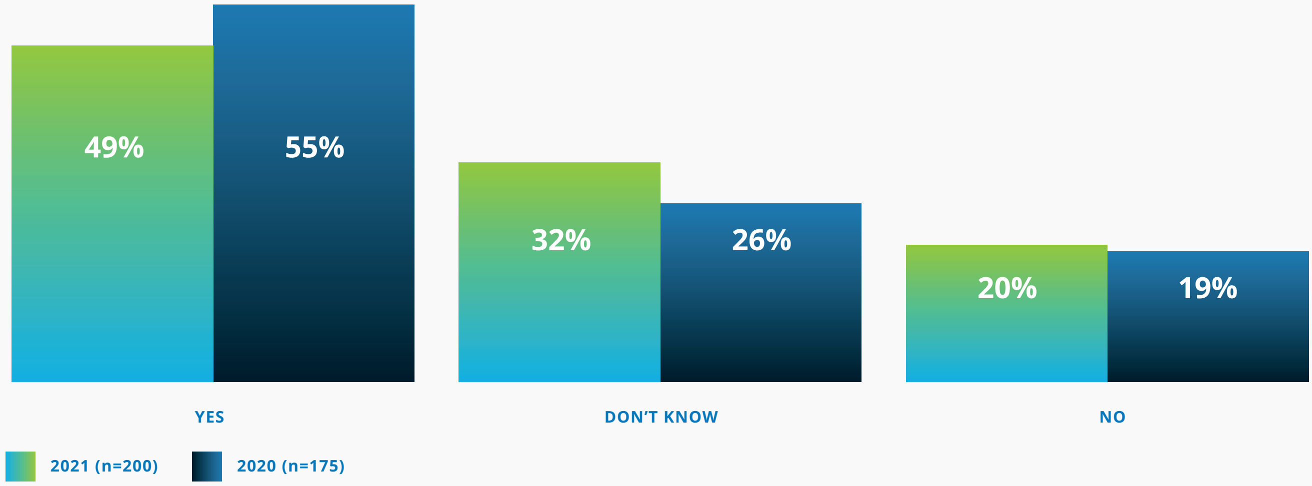
Just under half (49%) of our respondents reported that they have experienced some organisational impediments when dealing with non-agile teams. This is a 6% drop compared to last year, although the culprits for the blockages unfortunately remain the same.

The main barrier for teams experiencing organisational impediments with non-agile teams is still the misalignment of agile practices, tools and techniques for work prioritisation compared with traditional project management. This has resulted in work being done in silos, causing further challenges and frustration amongst agile teams who are aiming to work quickly. Much of the open-ended responses have raised their negative sentiments for the following departments: Finance, Legal, HR, Procurement, and external partners.

Another barrier that has remained is the lack of support and resistance from other teams, departments and the organisation's leadership. Exasperation can be noted from the descriptions given by the respondents, where the amount of resistance to change is substantial, and the departments, teams and even individual leaders are working in silos, making collaboration and prioritisation of projects extremely difficult to coordinate.

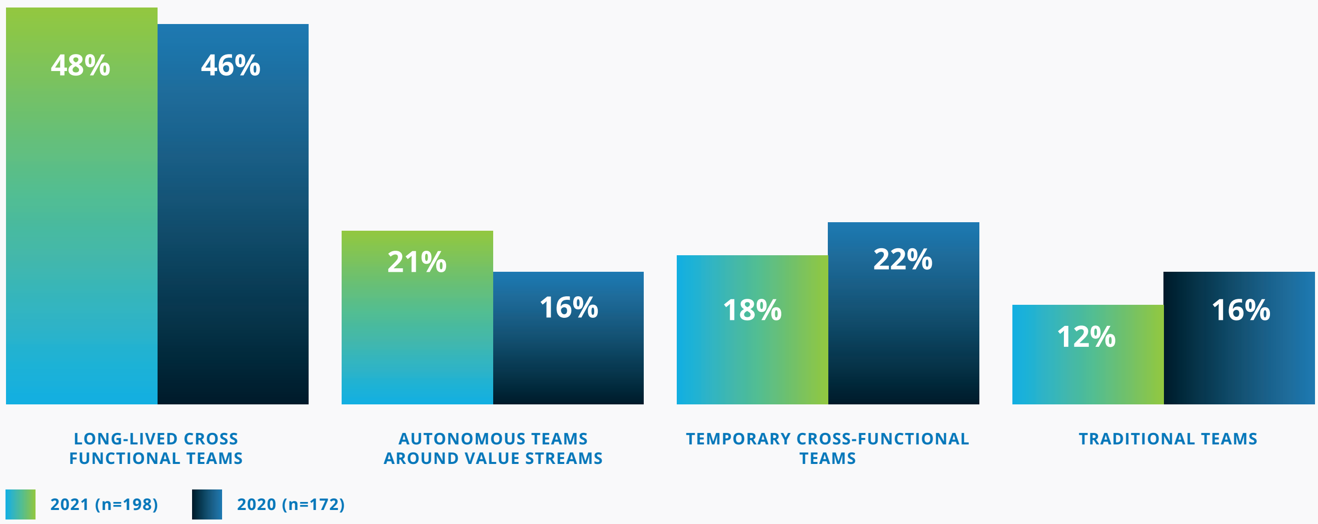
The responses to organisational impediments suggest that organisations should invest more time and energy in ways to align objectives and priorities on a programme and portfolio level. Where teams have applied agile, and other teams have not, the lack of leadership in managing the organisation's agile journey can be a simple yet powerful pivoting point for stronger and deeper agile adoption. Instead, what is seen are non-agile teams moving slowly to support agile teams, other non-agile teams adopting agile at painfully slow rates due to resistance and misunderstanding of agile principles (resulting in misalignment of priorities), and dis-satisfied teams and Product Owners overall.

Has your Team Experienced Blockages or Impediments with any of the Departments that aren't Adopting Agile?



It is positive to note from respondents this year that there has been a move from temporary cross-functional and traditional teams (a total drop of 8%) to that of value streams and long-lived cross-functional teams. This finding is expected from organisations that are maturing on their agile journey, and also indicates that organisations are getting closer to scaling agility, since this move is one of the critical success factors of scaling agility in organisations.

Project Execution Approach

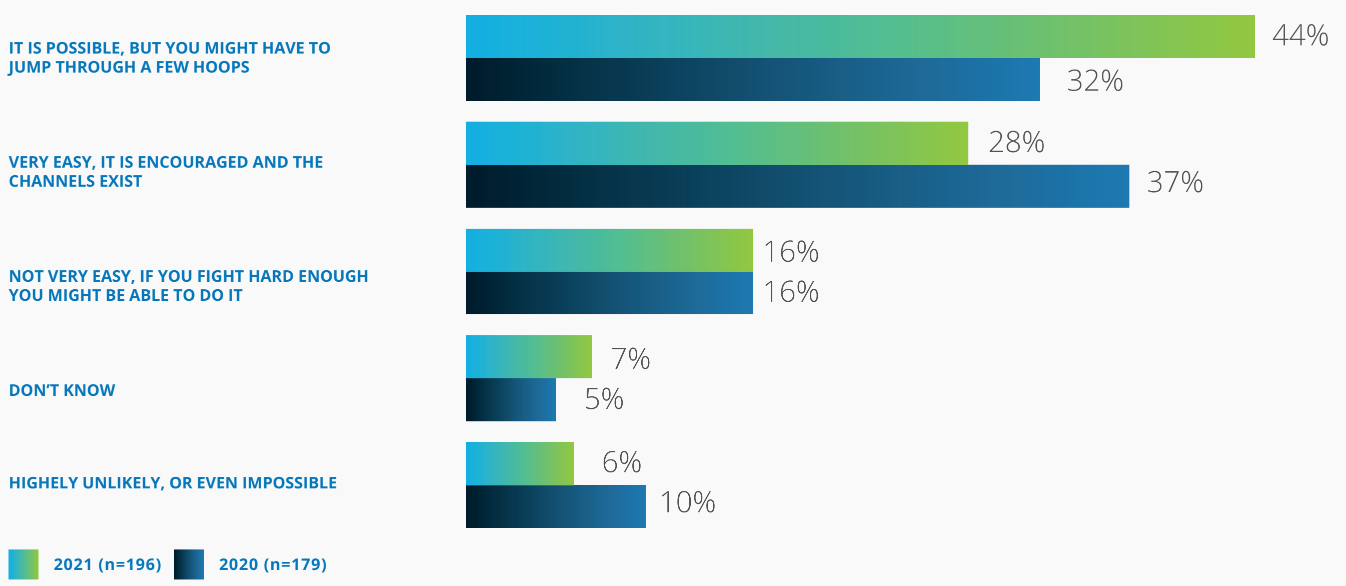


KNOW THY CUSTOMER!

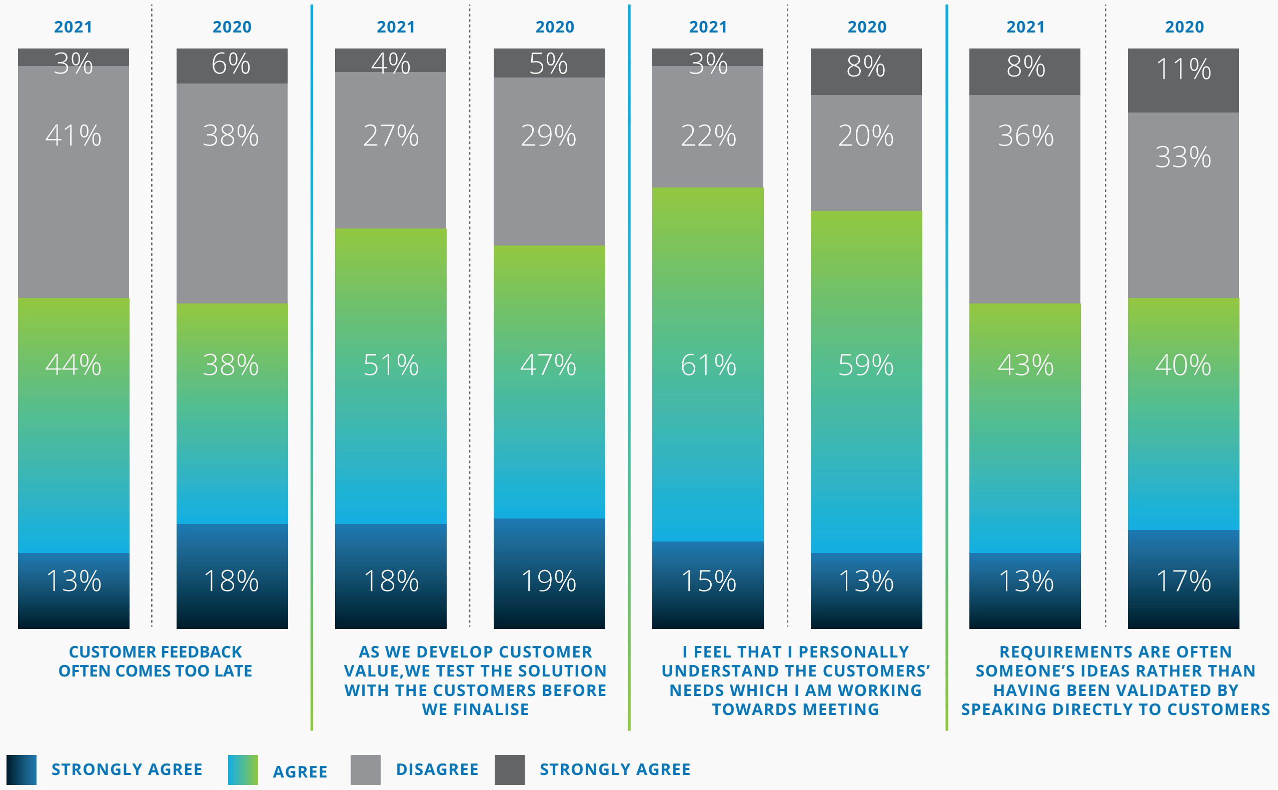
Customer-centricity has become an important cornerstone for Business Agility. It is therefore somewhat disappointing that direct access to customer information is still a challenge, with only 28% of respondents agreeing that they have easy access, dropping from 37% who said so last year. This sentiment is continued in the customer-centricity approach of the organisation, which has remained similar to last year. Even though organisational teams know the importance of incorporating the customer into their product journey, the practical implementation of this appears to be a barrier for organisations in general.

The journey to a more customer-centric delivery must be driven by continuous feedback from the customer. In other words, it needs to be evidence-based resulting in actionable insights. This often begins through the creation of customer insights, such as customer journeys, personas and other findings derived from customer input/feedback. Whilst it is encouraging that some agile teams continue to have access to such insights, it is concerning that more than a quarter (26%) are still expected to play their part in putting the customer at the heart of what they do without having access to insights of this nature. Whether it is the case that the insights exist and have simply not been shared or that the insights were never derived, this appears to be an opportunity for improvement in many organisations.

Ability to Interact Directly with Customers



Customer Centricity 2021 (n=193) vs 2020 (n=178)



It is interesting that the qualitative interviews give the sense that the feedback loop between customers and business is much closer than the respondents say, albeit at a slower pace, as remarked by a senior practitioner:

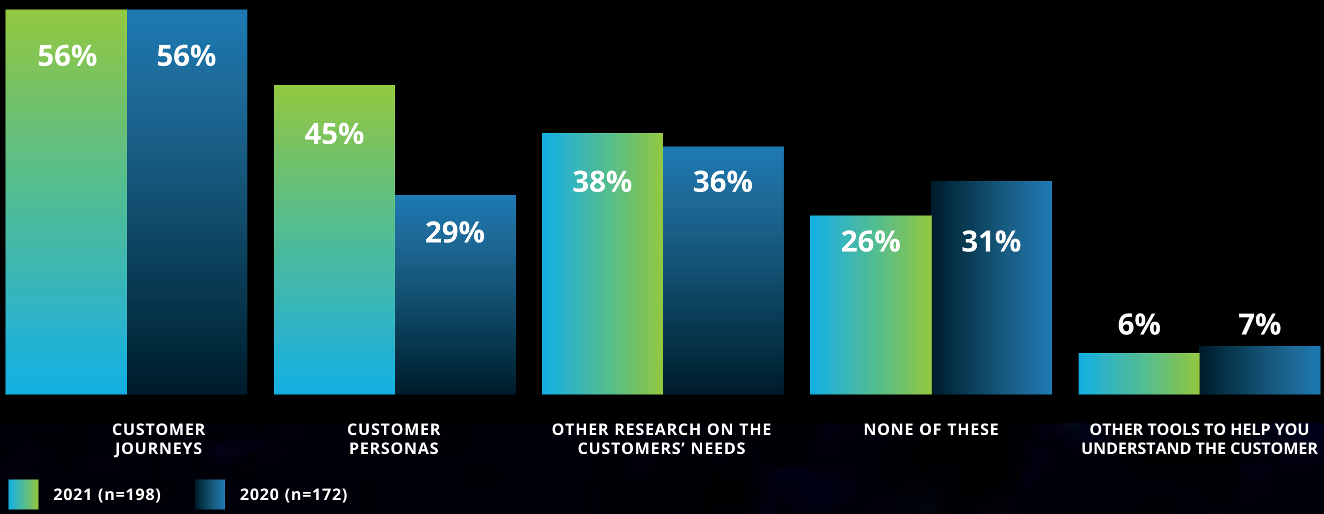
"On the customer satisfaction, we're making good progress. It's slower than we wanted, but all the new journeys, customers are satisfied. And you can see the change"

While another company is talking about embarking on the next steps of their customer experience journey:

"I think we're ready now to expand into the next elements… CX roadmap, we're trying to create a one-member experience, whether you're in X or whether you're at X or Y you get the same, similar customer experience…", and a third company is employing: "… a product/client-centric model, and what that means for us is that we've organised the business into… Let's call it product areas … we've realised that agile's not just about building a product; it's about building, running, and approving a product".

These positive customer-business alignments suggest that the team on the ground may not be aware of the overarching changes, or if they are, the process has not been communicated transparently or directly to the teams. This can frustrate the teams that have been assigned to drive this change, which again points to the need to have better change management, specifically in communication channels.

Access to Customer Insights



IN CLOSING

The original vision of this annual initiative was to provide a lens of agile maturity from a South African perspective rather than from a global perspective where South Africa would have very small representation. This vision was further extended to include individuals and organisations from Africa outside of South Africa from 2020.

Whilst we still have a long way to go to obtain the broader African insights, the perspective is that, where adopted, the maturity of agile is comparable to our European and American counterparts. Organisations globally are facing some of the same challenges in adopting agile at scale: leadership buy-in, Product Ownership immaturity, lack of change management and customer-centricity.

In the recently released Business Agility report from the Business Agility Institute, we would like to quote a paragraph from the preface by Jon Smart: "'We were at our best at the beginning of the pandemic' is something I've heard said by people at every organisation I've spoken to and worked with, on the topic of business agility. People come together, work across functional silos, unified with a very clear set of outcomes to achieve, take collective ownership, apply the appropriate level of governance, and have psychological safety to experiment early and often, to achieve the outcomes sooner."

The statement above is usually followed by the question:

"How can we keep these ways of working going all of the time, as normal, in a sustainable manner, without a global pandemic?"

From our report, it is clear that we have made great strides in achieving these practices, specifically at the team level, but we have much work to do in order to achieve the promise of Business Agility. It is, however, universally agreed that this journey is worth embarking on, as organisations come to the realisation that Business Agility is an imperative, not only to remain competitive, but also for relevance and ultimately survivability. The organisations that were most agile and resilient were able to withstand the impact of the pandemic, whilst those that embraced Business Agility were even able to thrive.

Achieving business agility means that businesses need to be courageous, humble and patient, as remarked by an Agile Change Champion:

"... we've learned in business agility... it requires quite a large amount of courage and humility..."

Organisations need to accept that failure happens and that it is an opportunity to learn and grow from (the ability to adapt to change), and to accept that agile is a process, as it is about managing changes for people across all the levels, particularly those stubborn levels, which will take time, patience and thoughtfulness. It is a group journey where the weakest link is those with fixed mindsets, and overcoming those who have tropophobia can lead to greater innovation and success, pushing the business forward into an ever-changing world with confidence and long-lasting resilience.

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