



Agility and its Role in Increasing Your Organization's Resilience

DRJ'S 62nd CONFERENCE

**A CLEAR VISION
OF RISK & RESILIENCY**



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Presentation Objective

Gain an understanding of what makes agile organizations different from "non-agile" organizations and why agile is better!

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The Agile Organization Defined

An agile organization is a term applied to organizations which are **quick in responding to changes** in the marketplace or environment.

The agile organization is **focused on its customer's needs** which call for customized rather than standardized offerings.

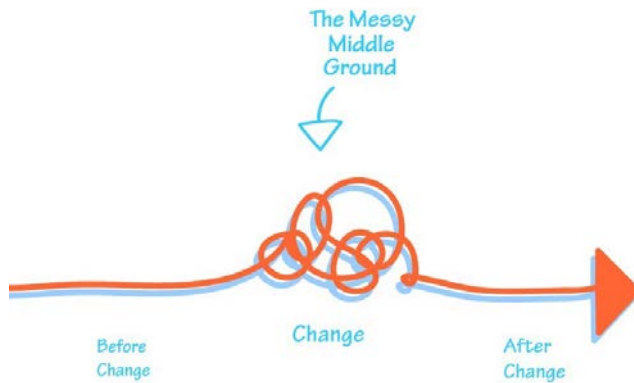
A highly agile organization **uses advanced processes, tools, and training** which enable successful reactions to the emergence of new competitors, rapid advancements in technology and sudden shifts in overall market conditions.

They commonly thrive in **non-hierarchical organizations** without a single point of control.

Definition of Organizational Resilience – ISO 22316

“The ability of an organization to absorb and adapt in a changing environment to enable it to deliver its objectives and to survive and prosper.”

Change is Messy



"All great changes are preceded by chaos."
Deepak Chopra

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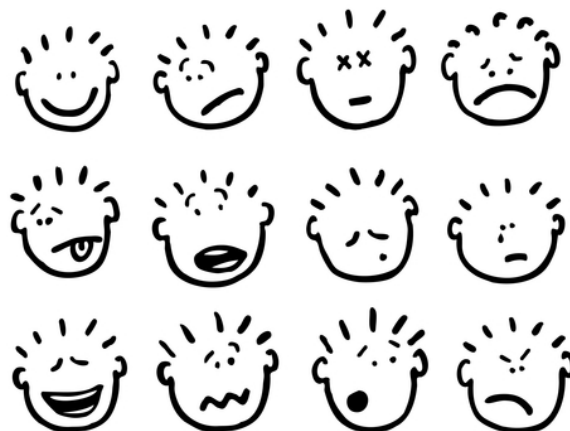
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Change is Emotional



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Change can't be Forced



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Traditional Change Models Don't Work



Hierarchical (Top Down). Produces resistance oftentimes compounded by the use of consultants hired to “push” change onto the employees

Caters to Sporadic Change. Frequently steamrolled by the fast-paced nature of change. Don't reach their goal before being superimposed by “new” changes.



Views Employees as a Disturbing Factor. Managers maintain control of the change process by limiting employee involvement.

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Types of Behaviors That Support Change Management

1. Taking risks
2. Assuming new responsibilities / letting go of old ones
3. Seeking feedback
4. Asking for help
5. Helping others
6. Sharing information
7. Experimenting
8. Talking about errors and failure

Behaviors that exist in a climate marked by mutual respect, trust and psychological safety.

An organization that makes good use of its employees' many and diverse insights makes it easier for anyone to articulate improvement-oriented suggestions. This type of organization has the capacity to efficiently identify and implement useful ideas.

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Why Agile?

Rapidly changing business conditions are demanding more flexible organizations, The pace of change has gotten a lot faster. It's more intense.

Impact of digitization, increasing globalization, companies looking well beyond their traditional borders, and short-term thinking.

The need for far **greater organizational responsiveness and continuous and systematic (not episodic) innovation** means that we do need a more fundamental rethink of the appropriateness of corporate structures that are typically dominated by functional silos and hierarchy.

Why Agile? The Agile Advantage – Survey Results

2/3s of respondents said their sectors are characterized by rapid change. In such environments, the need for companies to demonstrate agility is top of mind.

3/4s of respondents said agility ranks as a high strategic priority in their performance units.

81% percent of respondents in agile units report a moderate or significant increase in overall performance since their transformations began.

On average, respondents in agile units are 1.5 times more likely than others to report financial outperformance relative to peers, and 1.7 times more likely to report outperforming their peers on nonfinancial measures.

Companies in more volatile or uncertain environments are more likely than others to be pursuing agile transformations.

How to “be agile”

Each organization needs to *find its own path* and make smart decisions about the selective application of agile structures, processes and working.

Agile is **not one-size-fits all**, and it is just as important to think about *being agile* as it is about *doing agile*.

In order to truly take advantage of the opportunities afforded by digital technologies we need to think about resources, processes and priorities **in a very different way**.

Most companies start by deploying *small, multidisciplinary teams* in more focused, less scaled ways to *innovate, generate new value and help support change*.

General Traits of Agile Organizations

1. They are made up of skillful, self-aware individuals who are also great team players.
2. Their leaders inspire others without losing the cohesion within the entire system.
3. Their organization is based on continuous learning.
4. They use an open communication style such as collaboration and sharing.
5. They focus on long-term business value.

Organizational Development (OD) & Agile

infoq.com

OD approaches organizations as open systems, (that is, systems that constantly interact with and adapt to their environment), and therefore works with organizations at a **systemic level**, and not just with some parts of the organization.

Adopting Agile needs a shift in organizational and management practices that include:

- Moving from a **mechanistic organization to an organic one**, or an effective mix of both
- Relinquishing a **'command and control' style** to a **collaborative style**.

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Organizational Development (OD) & Agile

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Reward systems need to change to promote team work and retaining people

The challenges in **re-organizing teams** include:

- Teams have to be trained and coached to perform as self-organized teams, to learn and adapt with the environment.
- Customer collaboration being an important aspect, requires the team to build an atmosphere of mutual trust and open communication. It may also be difficult to get some customers to participate actively in many of the processes
- Moving to agile requires organizations to do away with rigid processes that hinder teams to work in the new methods.

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The Agility Challenge

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Agile companies regularly rethink and, if necessary, redesign their structures, governance mechanisms, and processes to strike a balance between speed and stability.

It is about instilling the right kinds of behavior for “how we do things around here.”

Sharing of behavioral norms such as a bias for action and the free flow of information increase agility. The clearer and more widely adopted these kinds of behaviors become throughout all levels and units of a company, the easier it will be to change structures, governance, and processes in pursuit of agility.

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Is Agility and Stability a Paradox?

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Stable: Reliable & Efficient **VS** **Agile: Nimble & Adaptive**



To survive and thrive in today's competitive and constantly changing world, it needs to be both.

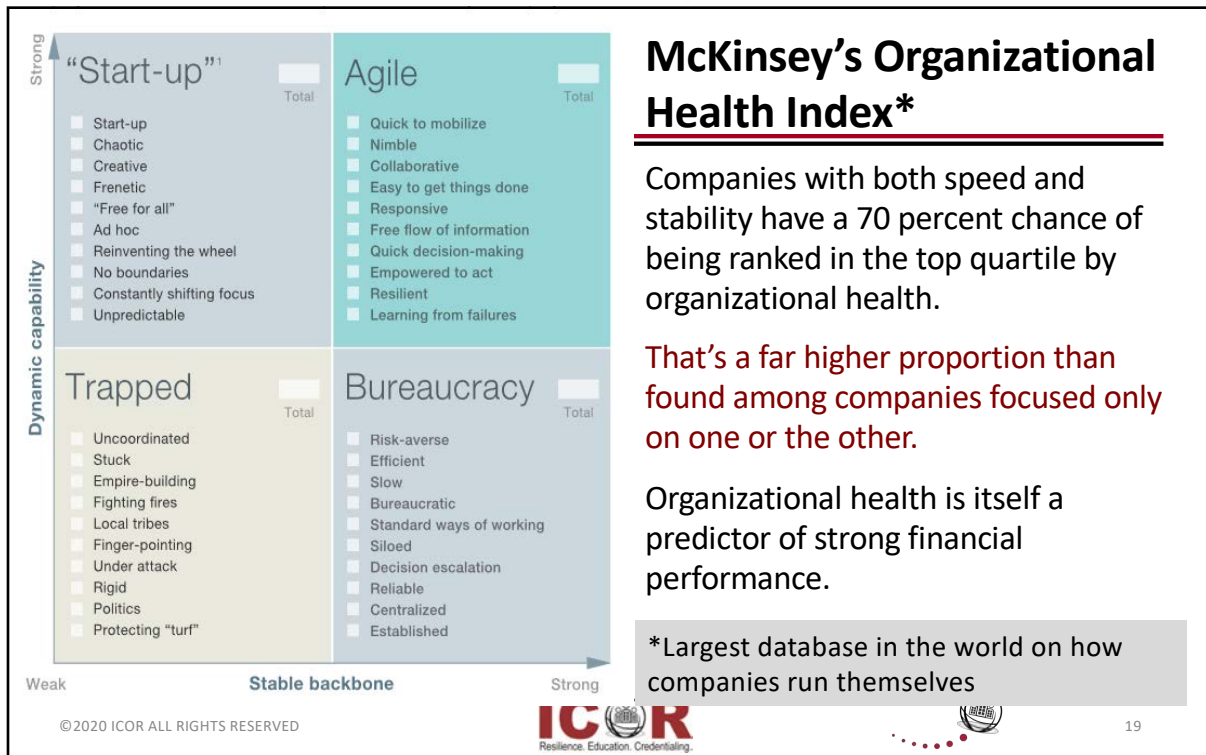
Organizations can become more agile by designing their organizations both to drive speed and create stability.

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Behaviors of More Agile Organizations

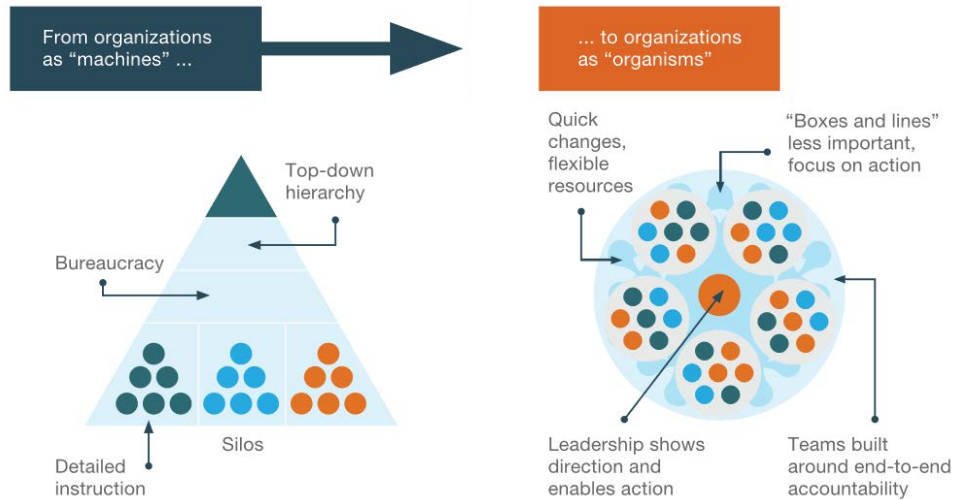


Consider how you can influence the part of the organization where you operate in order to implement these behaviors.

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From “Machines” to “Living Organisms”

Mckinsey.com



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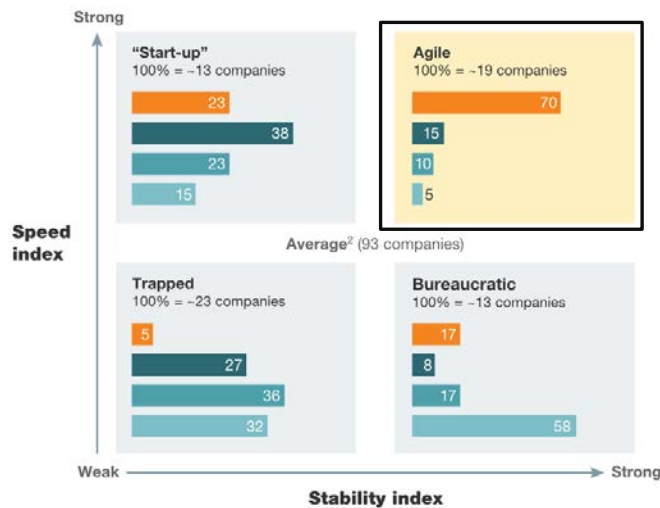
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Agility Pays – Combine Speed with Stability

Top quartile Second quartile Third quartile Bottom quartile



The odds that an “agile company” would rank in the top quartile for organizational health were 70%.

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Moving to Agile

	Today		Future
Organizational Structure	Hierarchical Business Functions	→	Projects, Squads, Teams, Shared Services
Teams & Projects	Teams formed slowly over time	→	Teams assemble and stop quickly
Jobs & Roles	Job descriptions, job levels, job titles	→	Assignments, tasks, expert roles
Managers	Managers "own" teams and people's careers	→	Managers manage projects and "sponsor" people
Careers	Jobs are "owned" by the manager and not shared	→	Jobs open in transparent marketplace
Flexibility & Space	People "assigned" jobs by management	→	People sought out based on skills, work on multiple projects
Rewards	People rewarded by level, tenure, experience	→	People rewarded by outcomes, reputation, sponsorship
Culture	Inclusion, Sustainability, Diversity	→	Citizenship, Collective Thinking, Shared Values

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Are you ready for Agile?!?

Embrace the magnitude of the change. The biggest challenge is the misalignment between agile ways of working and the daily requirements of people's jobs, a lack of collaboration across levels and units, and employee resistance to changes. Agile transformations are more likely to succeed when they are supported by comprehensive change-management actions to co-create an agile-friendly culture and mind-sets.

Be clear on the vision. The results show that agile units excel most at creating a shared vision and purpose and aligning on this vision through actionable strategic guidance. In contrast, at companies that have not yet started a transformation, one of the most common limitations is the inability to create a meaningful or clearly communicated vision.

Decide where and how to start. Organizations that have not started agile transformations most often say it's because they lack a clear implementation plan. While the right plan will vary by company, depending on its vision, companies should first identify the part(s) of the organization that they want to transform and how.

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4 Cultural Recipes That Work

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- 1. Fail fast and learn from it.** Being willing to try things that don't work the first time. Fail in small, contained ways. Create a culture where you tell the truth about what happened so you can learn from it.
- 2. Role clarity matters a lot.** Role clarity is not your job description. Role clarity is understanding what you are accountable for, where you should spend your time, what do you get to decide on your own, and what do we have to decide together?
- 3. Top-down innovation.** The decision-makers who matter have agreed what the priorities are and how they're going to resource it. Top down innovation is as much about what you're not going to do. This requires a good external view.
- 4. Be project-based.** Use projects to develop new products, to bring things to market, to approach customers in different ways, and to reduce costs.

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Case Study: Agile Transformation at ING

agilebusinessmanifesto.com

ING staff are organized into about 350 nine-person 'squads' (multi-disciplinary teams) and 13 'tribes' (squads with interconnected missions).



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Agile Methodologies Expanded Beyond IT

Agile methodologies—which involve new values, principles, practices, and benefits and are a radical alternative to command-and-control-style management—are spreading across a broad range of industries and functions and even into the C-suite.

npr National Public Radio employs agile methods to create new programming



Saab to produce new fighter jets.

C.H. Robinson, a global third-party logistics provider, applies them in human resources



C.H. ROBINSON



GE relies on them to speed a much-publicized transition from 20th-century conglomerate to 21st-century “digital industrial company.”

<https://hbr.org/2016/05/embracing-agile>

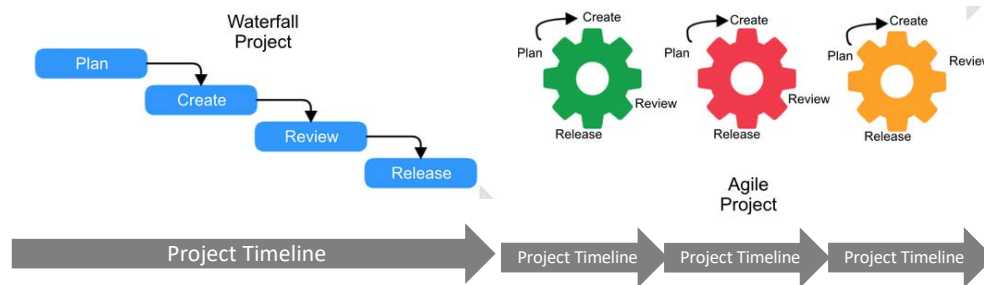
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Traditional vs. Agile Project Management



One larger project with a linear sequential life cycle model that does not allow changes once the project development begins.

A continuous iteration of development and testing that allows changes as needed.

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Which type of project management methodology is used at your organization?



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Agile = Innovation: 6 Crucial Practices

Companies that create an environment in which agile flourishes find that teams can churn out innovations faster in both those categories

1. Learn how agile really works. There are several different implementation models:

SCRUM: emphasizes creative and adaptive teamwork in solving complex problems.

Lean: focuses on the continual elimination of waste.

Kanban: Concentrates on reducing lead times and the amount of work in process.

<https://hbr.org/2016/05/embracing-agile>

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2. Understand Where Agile Does or Does Not Work

Because agile requires training, behavioral change, and often new information technologies, executives must decide whether the anticipated payoffs will justify the effort and expense of a transition.

Depends on having a cadre of eager participants. “Build projects around motivated individuals. Give them the environment and support they need, and trust them to get the job done.”

Agile fits some activities more easily than others. Agile works well for strategic planning and marketing, for instance, where complex problems can often be broken into modules and cracked by creative multidisciplinary teams. That isn't the case for selling for example.

<https://hbr.org/2016/05/embracing-agile>

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3. Start small and let the word spread

Large companies typically launch change programs as massive efforts. But the most successful introductions of agile usually start small.

They often begin in IT, where software developers are likely to be familiar with the principles. Then agile might spread to another functions, with the original practitioners acting as coaches.

Each success seems to create a group of passionate evangelists who can hardly wait to tell others in the organization how well agile works.

<https://hbr.org/2016/05/embracing-agile>

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4. Allow “master” teams to customize their practices

Over time, experienced practitioners should be permitted to customize agile practices.

If a team wants to modify particular practices, it should experiment and track the results to make sure that the changes are improving rather than reducing customer satisfaction, work velocity, and team morale.

<https://hbr.org/2016/05/embracing-agile>

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5. Practice agile at the top

- Senior executives who come together as an agile team and learn to apply the discipline to these activities achieve far-reaching benefits.
- **Their own productivity and morale improve.**
- They speak the language of the teams they are empowering.
- **They experience common challenges and learn how to overcome them.**
- They recognize and stop behaviors that impede agile teams.
- **They learn to simplify and focus work.**
- Results improve, increasing confidence and engagement throughout the organization.

<https://hbr.org/2016/05/embracing-agile>

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6. Destroy the barriers to agile behaviors

More than 70% of agile practitioners report tension between their teams and the rest of the organization.

They are following different road maps and moving at different speeds.

1. Get everyone on the same page.
2. Don't change structures right away; change roles instead.
3. Name only one boss for each decision.
4. Focus on teams, not individuals.
5. Lead with questions, not orders.

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Let's Get "Agile" in Business Continuity

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BIA Methodology – Avoiding BIAs Gone BAD!

"It took us over 6 months to complete our BIA and by the time we finished our report, our results were no longer valid..."

"Can't get top management support so we can't conduct the BIA more than every 3-5 years..."

"Too many questions / information needed – couldn't get people to answer our survey..."

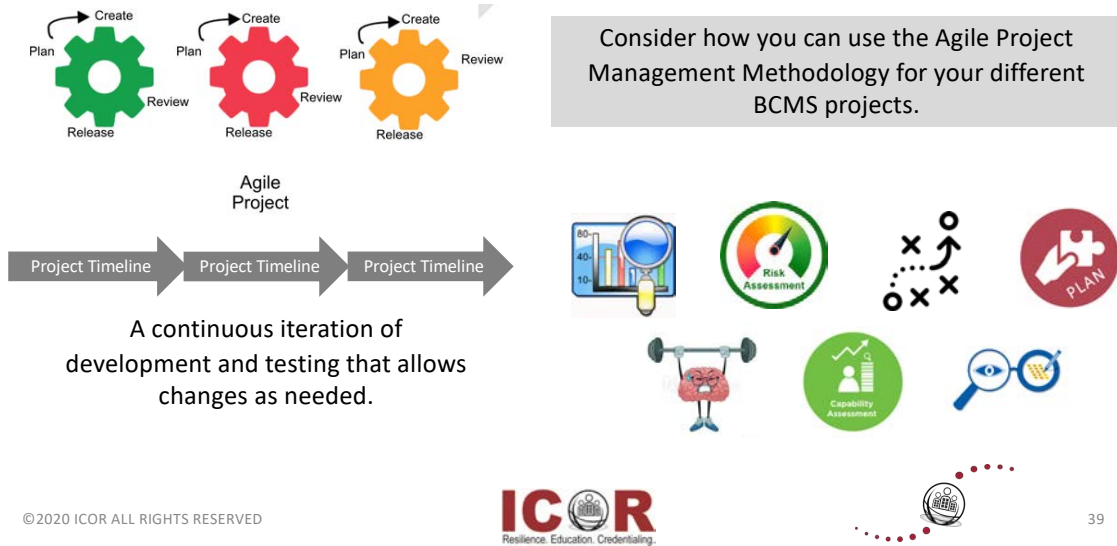
Why Traditional BIA Methodology Doesn't Work (as often as we'd like it to...)

Everything changes
and nothing stands still.

Heraclitus

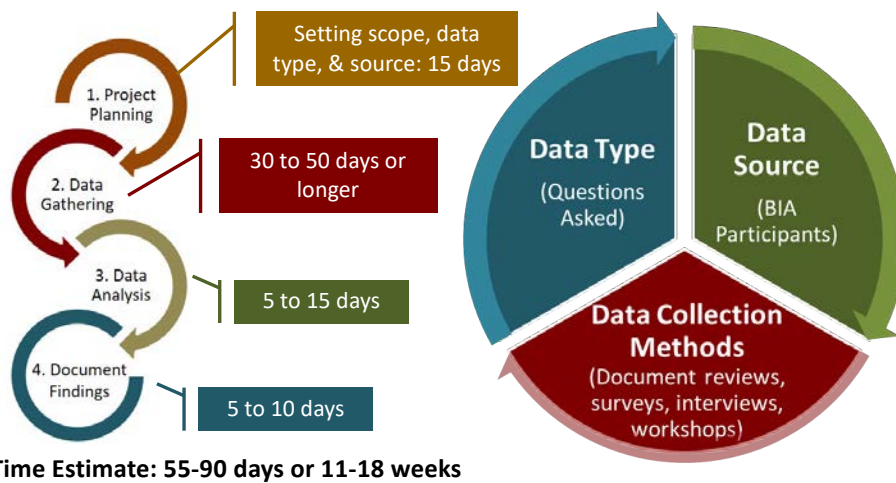
quadracy

Using Agile Project Management in BC



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“Typical” BIA Methodology / Project Management



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Case Study: Agile BIA - Sprints

When a new IT project is launched, the IT/DR lead and the BC lead are included in the meetings – usually during sprints 2 or 3.

Because they are part of the project team, they are aware of all new projects and their role is to determine the impact to the organization of this change from the IT/DR and BC viewpoint.

Does the project require a formal review of business impact and risk assessment? If so, they are responsible for this contribution to the project. If not, they monitor.

Outcome: The IT/DR and BC leads are aware of all potential changes to the IT organization and the potential impact to the BCMS. They can ask questions and provide input early on and manage change while it is happening instead of reacting to it.

Case Study: The Agile BCMS

During any new organizational initiative, BC representatives consider how the potential changes will impact the BCMS.



The driver for scheduling updates (or any other BCMS project) is upon the deployment of the relevant sprint.

The Agile BIA

How can you deliver BIA data that is correct, credible, consistent, complete and current?

1. Break out or divide up the different BIA requirements into smaller ongoing projects versus one large project completed every few years.
2. Ensure that at least one BCMS representative is included on at least the IT Agile Project Management Team and manage the impact of changes to the BCMS.
3. Report data as it is collected rather than every few years.



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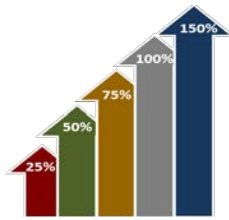
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Collect Data Using Sprints – Driven by Change



Collect RTO &
MTPD
Information



Collect service
level / capacity
Information



Collect Impact
Over Time
Information

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Collect Data Using Sprints – Driven by Data Category



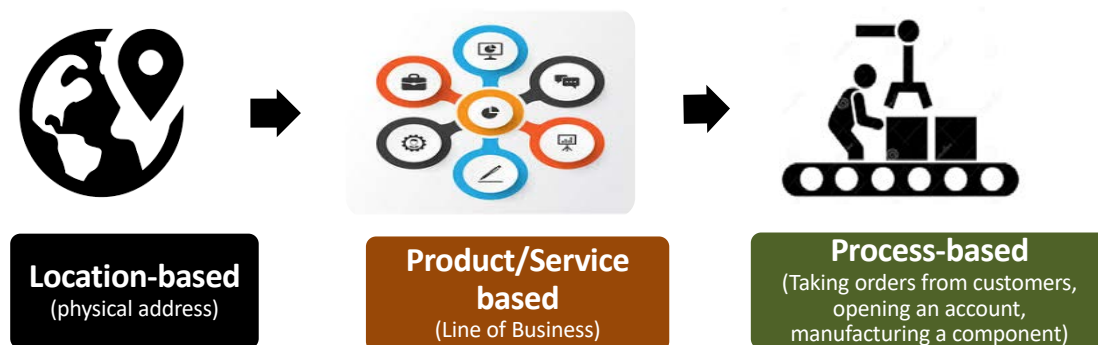
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Collect Data Using Sprints – Driven by Business Area



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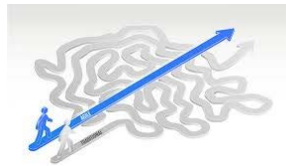
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Agility for Disaster Recovery



Automate to Reduce Downtime
Automate detection and notification of a disruption. Centralize management.



Reduce Complexity
Planned failover, DR failover, and failback. Physical/Virtual Mix & Multi-tier Application



Standardize
Use a consistent set of tools across all applications, operating systems, virtual technologies, and storage vendors

An adaptive and flexible methodology is required for an efficient disaster recovery in confronting unintended and cascading consequences. Use AGILE PM in Disaster Recovery.

Are Agile are Your Teams?

What can those responsible for testing and exercising your teams and management system capabilities learn from Agile IT testing?

Great Teams Run Great Exercises – Build Your Teams First

Trust: You can speak openly and freely about your team. Team members can count on each other and are reliable. Tell the truth even if it's uncomfortable.

Respect: Team members are empowered to contribute their best. There are a mutual respect and real concern.

Constructive Interaction: Conflict can arise as a mean of opportunity for discovery, creativity and growth. The team should avoid defensiveness, criticizing and finger pointing.

Optimism: The team shares an inspiring vision. The team members are enthusiastic and appreciative of each other. There is a strong spirit of fighting together for the goal.

Camaraderie: Empathy, good humor and playfulness are appreciated. There is a strong sense of belonging to the team. The team members celebrate and recognize accomplishments.

Communication: Clear and efficient communication is appreciated. What is not valued are less direct approaches such as gossiping, stonewalling or politicizing.

Values Diversity: The team is open-minded and appreciates differences in ideas, perspectives, backgrounds, personalities and approaches. Diversity is crucial.

Agile Performance Management - Enabling Continual Improvement

What can those responsible for measuring organizational performance learn from Agile Performance Management?

Collaborative, Continuous Feedback and Development

Create a dynamic performance evaluation process that can evolve and adapt according to the changing environment. Continuous improvement is the focus.



Monitoring, measuring, analyzing, and evaluating how well the organization's management systems meets the requirements of an international standard is oftentimes an "annual" activity that misses the opportunity to take advantage of opportunities for continual improvement.

Is it possible to take an agile approach in a regulatory environment?

Compliance is about making sure that you are doing the right thing and being able to prove it.

Build compliance into the process of delivery – instead of "bolting it on" just before delivery.

Focus on quick wins, not multi-year plans.

Almost all of the compliance obligations rely on a **controlled change management environment**. If you implement that once then it can be used for every obligation - that means that you don't have to implement a different change management control for every obligation.

References – Learn More!

The primary source for this presentation is from McKinsey and Associates:

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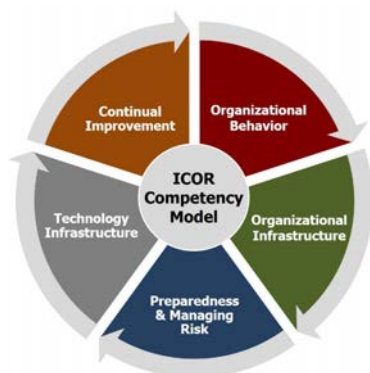


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Learn More

Become a Leader in Organizational Resilience



5 Learning Clusters
25 Professional Competencies
3 Levels of Certification

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Questions?

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