Certified Agile Organization™

Business Agility Profile for
COMPANY NAME

Report prepared by Evan Leybourn

Table of Contents

Executive Summary

1   Overview

What is a Certified Agile Organization™?

Business agility is a set of organizational capabilities, behaviors, and ways of working that affords your business the freedom, flexibility, and resilience to achieve its purpose. *No matter what the future brings.*

With this freedom, companies can instinctively seize emerging and unforeseen opportunities for their customers' benefit. They can confidently navigate change, rapidly learn, adjust course, and deliver value at speed.

Certified Agile Organization™ from the Business Agility Institute is a distinction which recognizes those organizations who have set themselves on the path towards business agility. Certified Agile Organizations earn recognition for their progress, gain insights for future growth, and highlight opportunities to attract and engage people aligned with their vision.

The Business Agility Institute has designed an approach to organizational certification that recognizes the nuances and complexity in assessing business agility. This unique approach recognizes that:

1. most organizations have both high and low capability at the same time
2. business agility is a continuum, not something the company has or doesn't have – what is important is understanding how much agility an organization has
3. business agility can be demonstrated in thousands of different ways, using different approaches, practices, frameworks, and operating models

What's important is the journey and your progress along the way. This allows a nuanced view of business agility, which has been assessed for this report and certification.

This report outlines COMPANY NAME's business agility certification rating (out of 6 stars) and overall progress across the organization. It also highlights key challenges, progress to date, and the business agility progress of specific capabilities, roles, and functions. This report will also identify several immediate "next steps" that may continue to improve the business agility capabilities of COMPANY NAME.

2   Overall Business Agility

Business agility capability at a glance

The Business Agility Institute undertook a broad assessment of COMPANY NAME's business agility capabilities through survey-based data and primary evidence. 233 respondents shared their observations and experiences of COMPANY NAME culture, processes, and policies. Survey respondents were made up of:

Role	Number of Responses	% of Responses
Senior Leadership / Executive	10	4%
Management	94	40%
Individual Contributors	126	54%
External Partners*	3	1%
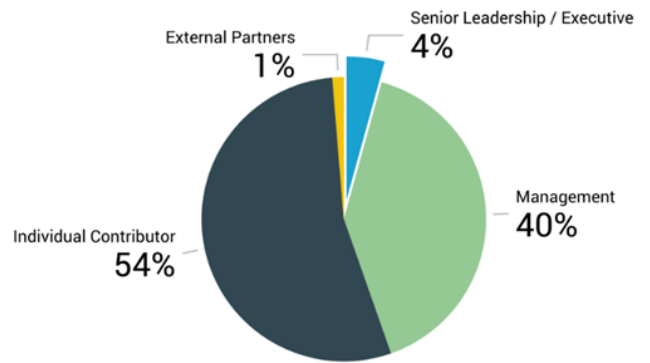
Depending on their role and function, respondents were asked between 75 and 100 questions covering all primary capabilities of business agility. Respondents were asked to provide a rating to each question on a psychometric Likert scale (a 5-point psychometric scale specifying a level of agreement or disagreement).

All evidence and information were integrated into BAI's proprietary business agility capability model. The following chart summarizes the current overall business agility across COMPANY NAME.
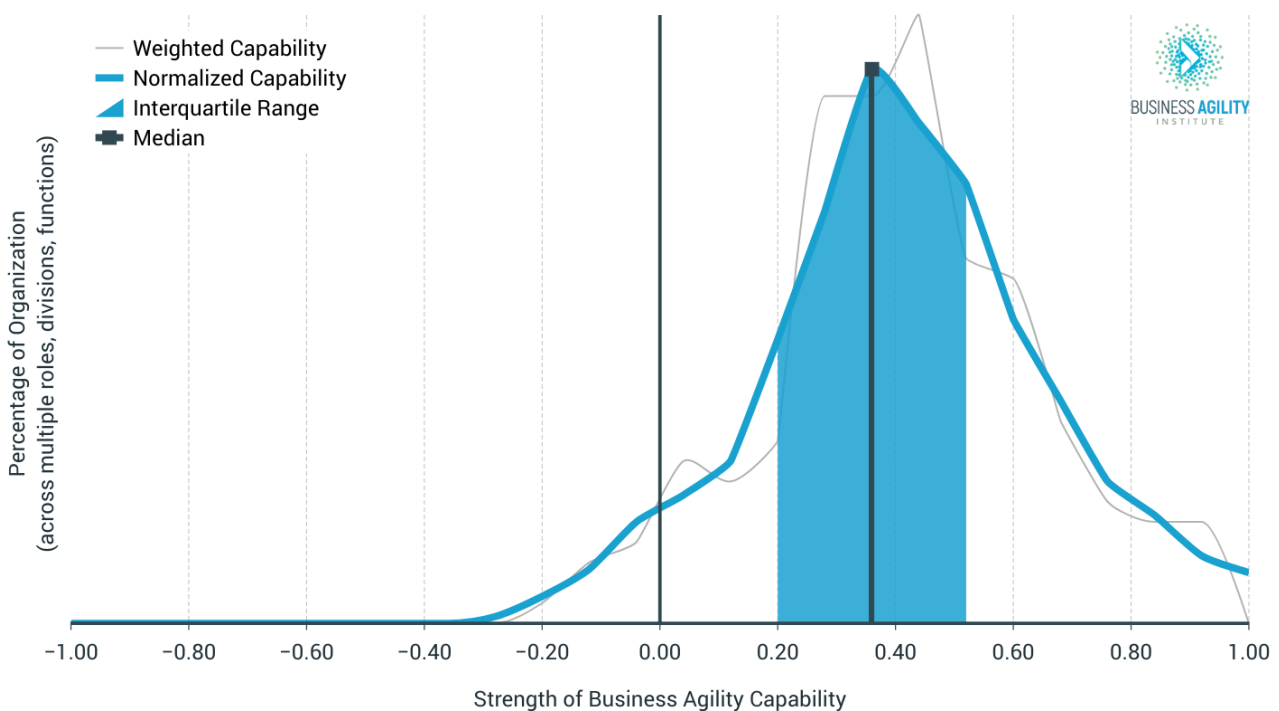
2.1   What does this mean?

The above chart highlights COMPANY NAME's overall business agility capability across the organization. There are a small number of teams and functions with rigid, inflexible, and bureaucratic capabilities (below 0 in terms of business agility), but most teams and functions sit within the 2nd positive quartile (0.25 to 0.5) of capability.

The highlighted section is the **Interquartile Range (IQR)**. This represents most of the variance in business agility capability across the organization. The higher the variance the more likely there are both high capability and low capability teams operating simultaneously in the organization. Based on the submitted evidence, COMPANY NAME's IQR is low-moderate. This is within the normal range for an organization of its size and complexity.

The dark point is the **Median** capability for COMPANY NAME. This represents the average of business agility capability across all functions and roles in the organization. COMPANY NAME has a low-moderate median, midway through the 2nd positive quartile. This is within the normal range for an organization of its size and complexity and contributes to the 3-star rating.

The solid blue line is the **Normalized Capability.** This represents the percentage of teams at each level of business agility capability across the organization (vertical height). After normalizing and assessing against evidence, COMPANY NAME demonstrates a moderate level of business agility capability in most roles and functions. There are several exceptions which will be covered later in the report.

Across the organization, different teams in COMPANY NAME have divergent capabilities and experience in business agility. Some teams exhibit low-maturity behaviors while other are higher. This wide range creates an overall moderate capability in business agility. The 3-star rating for COMPANY NAME reflects this.

3 Certified Agile Organization™

Congratulations

Congratulations on making the journey!

COMPANY NAME is now a
3-Star Certified Agile Organization™

What does this mean?

This certification recognizes that COMPANY NAME has made measurable investment and progress in their journey towards greater business agility across the organization. While there are still many opportunities for improvement, and not all business areas are at the same stage of development, COMPANY NAME has demonstrated sustained progress in many business agility capabilities, ahead of many organizations of in your region.

As a 3-Star Certified Agile Organization™, COMPANY NAME has publicly set themselves on the path towards greater business agility. Certified Agile Organization™ status is granted for one-year, at which you must be reassessed in order to retain or improve the certification.

Where to from here?

Business agility is a continuum, the question is not whether you have it, but rather how much you have. And is it enough for the future?

For as long as the business world continues to change, COMPANY NAME must change alongside it. Each step of this journey brings with it greater benefits to the organization, its people, and customers. This report includes several recommendations for both short-term and long-term capability development. These recommendations also include areas which may increase your certification rating to 4 or 5-stars over the course of your business agility journey.

4   What's Next?

Where to from here...

While COMPANY NAME has invested in their business agility journey, there continues to be many opportunities for improvement.

4.1   Reduce the "long tail"

COMPANY NAME has made significant progress in business agility in many parts of the organization. However, this is not equal. There are many teams for whom agility is underdeveloped, or worse unsupported. Focusing on those teams in the "tail" will help to consolidate the wins made by the rest of the organization.
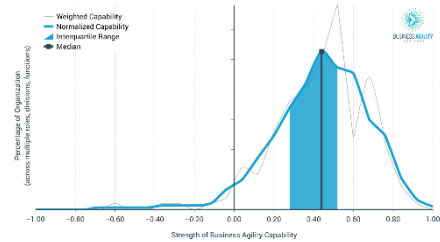
Reference: characteristic model evaluation

4.2   Shift to (market-driven) emergent strategic planning

Strategy is no longer a five-year plan designed in a boardroom with the top executives and a couple of consultants. Rather strategy needs to emerge from a continuous understanding of the changing operational landscape as it aligns to the business vision. Leaders need to remain actively engaged with teams & their customers to adjust strategy and business outcomes regularly. In fast-moving markets, run strategic planning workshops at least every 60 days. Because emergent strategy is usually incremental, rather than a major shift, communication of the strategy, and the subsequent execution of it, does not add extra overhead to the operation of the business.

Reference: Behavioral weaknesses (e.g., B33, B35, B68 and B45).

4.3   Reduce unnecessary approval steps or procedures where possible.

COMPANY NAME has many complex processes and procedures which are hindering the adoption of business agility. Find opportunities to:

1. Remove unnecessary steps in complex processes,
2. Merge teams that share common work outputs and processes,
3. Optimize (and/or document) work processes in terms of end-to-end value for customers,
4. Remove complex processes in low-risk environments and allow individual contributors to make direct decisions, and
5. Adopt audit-based governance practices (below).

Reference: Behavioral weaknesses (e.g., B72 and B76).

4.4 Adopt audit-based governance practices.

While governance remains important, many organizations adopt complex approval-based governance practices. In other words, when a checkpoint is reached, work stops until approval is given to proceed. Instead change governance practices (where appropriate to the risk) to audit-based governance. This is where work continues automatically when a checkpoint is reached while an unobtrusive and seamless validation is done in the background.

Reference: Behavioral weaknesses (e.g., B35, B72 and B76).

4.5 Clarify incentive and compensation rules and link to business outcomes.

Traditional employment contracts and reward programs are ineffective, and even counterintuitive, to incentivize your workforce. Most organizations use blunt instruments to motivate their staff. Most commonly these are performance-based annual bonuses that may undermine collaboration and effective engagement.

Agile organizations know how to tap into the intrinsic motivations of their team members. These include a combination of meaningful forward-looking incentives and backward-looking rewards designed to complement each other.

As importantly, the rules and logic behind incentives, compensation, and performance must be clear and transparent.

Reference: Behavioral weaknesses (e.g., B59, B49, B50, and B52).

4.6 Bring external partners on the journey.

Almost all responses identified ongoing challenges with building agility into the relationship with external partners. Invest in improving and enhancing your procurement, engagement, and partner work processes. Some examples include:

- Support different engagement and contract types (e.g., variable scope or time & materials).
- Design contracts to enable fast and easy scope or schedule changes.
- In part, select vendors based on their business agility capability.
- Where legally allowed, treat external partners the same as any other team member.

Reference: Behavioral weaknesses (e.g., B76 and B38).

4.7 Bring Finance into the journey

Finance needs to become a key partner in the transformation journey. Including their own transformation. Begin exploring adaptive finance and similar practices (e.g. Beyond Budgeting, Throughput Accounting, etc). The intent is to enable the movement of funds where it is needed most, regardless of prior decisions, and decoupling internal funding cycles from external reporting cycles. Allow executives to change their minds as more information becomes available.

At lower levels, ensure leaders have autonomy over their allocated funds. When funds are assigned (whether to team(s), product(s), or a value stream), it should not be with specific constraints on exactly how those funds must be spent. This goes hand-in-hand with the need for leaders to keep their commitments. Funds will be reallocated if not.

Reference: Behavioral weakness (B50 and Q46).

Detailed Summary

5   Company Complexity

How complex is COMPANY NAME?

To accurately benchmark COMPANY NAME against companies of similar size and complexity, we have used the data from the demographics survey to model organizational complexity. Complexity is modeled based on a series of characteristics including:

Complexity Characteristics	Your Complexity Level
Regulatory governance & ownership structure	Moderate complexity
Number of employees & contractors	Low complexity
Number of handoffs between teams	High complexity
Number of layers in the hierarchy	Moderate complexity
Number of sites and time zones	Moderate complexity
Limitations to collaboration & trust	Moderate complexity
Complexity (repeatability and learnability) of work	Moderate complexity
Number of job families	High complexity

Based on our model, COMPANY NAME comes out almost midway through 3rd quartile of organizational complexity (we model complexity on an exponential scale - each quartile is exponentially more complex than the quartile before). Below is a visual representation of this.

It's also important to understand that there is no "good" range or value to aim for - this information is only used as part of the baselining process.

Complexity
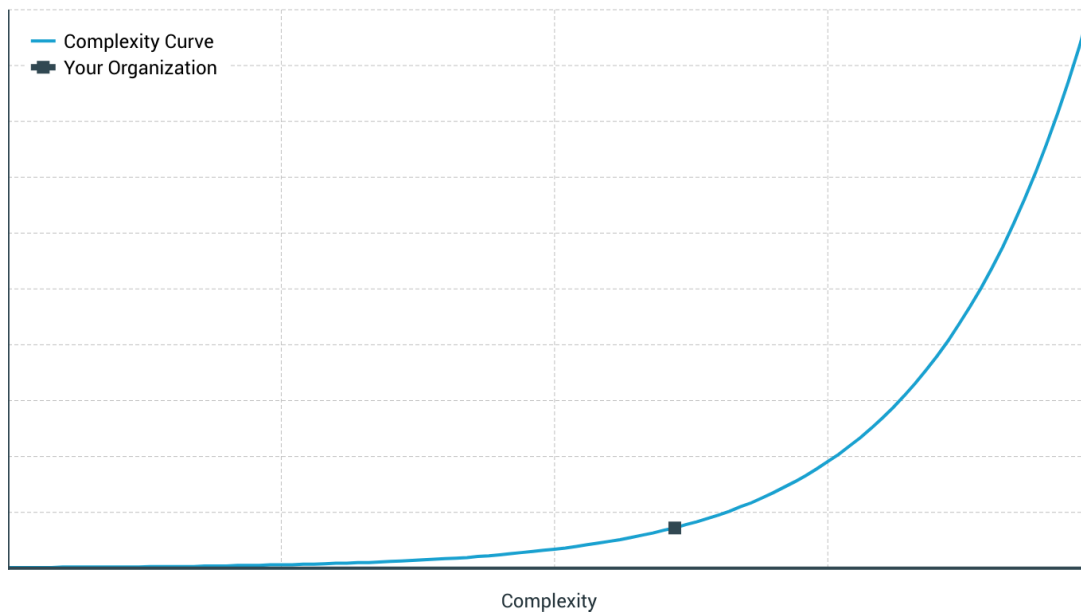
6   Capabilities Summary

Specific business agility capabilities in detail

A capability is the power, skill, and proficiency for an organization to do something and are expressed through behaviors. A behavior is an observable and measurable action undertaken by an individual, such as an executive, leader, or individual contributor. Overall, capabilities are improved when you improve the underlying behaviors across the organization.

We use the metaphor of a triathlon to better describe the relationship between capabilities, and behaviors. In order to compete in a triathlon, you need to develop three distinct capabilities: swimming, cycling, and running. Each of these are different, yet mutually needed in order to win the race.

In this metaphor, think of behaviors as individual exercises. Those activities you need to undertake to develop the muscle groups and train the body which improves your ability to compete in each capability.

Based on the research of the Business Agility Institute, there are 13 capabilities to be developed, improved, and used in business agility. To aid in communicating these complex ideas, we have grouped them into three categories: high-performance capabilities, growth and innovation capabilities, and customer-centric capabilities.

Each of the following sections documents the findings for a specific capability and associated behaviors. Depending on the capability, there are between 10 and 20 behaviors evaluated. The following charts show, for each behavior within each of the 13 capabilities, the lowest (minimum) rating, the highest (maximum) rating, the median, and the middle 50% of all responses (the 1st and 3rd Interquartile Range).
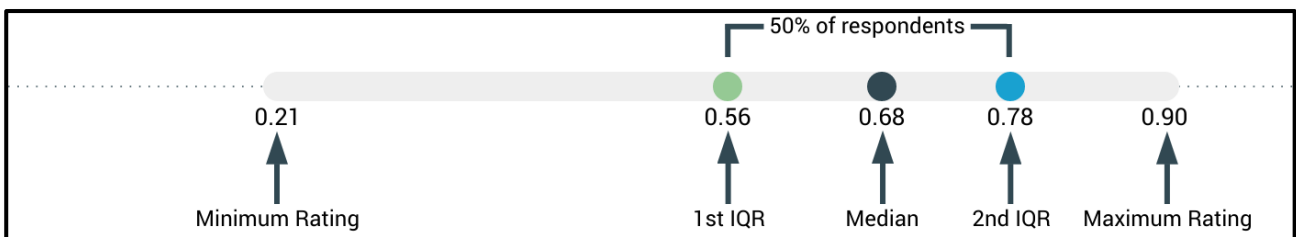
The strongest business agility capabilities for COMPANY NAME are currently:

1. Ability to cultivate a culture of learning and experimentation
2. Ability to recruit, retain and manage the best people for your mission
3. Ability to lead through trust, influence, and purpose

These capabilities account for a large portion of COMPANY NAME's business agility success and opportunities should be found to amplify them. In contrast, the three capabilities that require the most attention are the:

1. Continuously scanning the market to identify areas of unmet need or opportunity,
2. Creating trusted, simple, and adaptable business policies and governance processes to actively enable team success that are appropriate to the real levels of risk
3. Moving funds to where they are needed most, regardless of prior decisions as more information becomes available

Section 5 above covers these in more detail. If COMPANY NAME has the goal to further improve their business agility (and increase their certification rating to 3, 4 or 5-stars), these are good places to start.

The following sections provide greater detail for the results for each Capability and associated Behaviors.

6.1 High Performance Capabilities

High performance capabilities support an organization's pursuit of its desired business outcomes (both financial and nonfinancial).

These capabilities contribute to a culture of high-performance across the organization through strong leadership, continuous improvement, and efficient governance and operating models. The 5 capabilities that make up this group are:

1. C01: Ability to lead through empowerment and influence
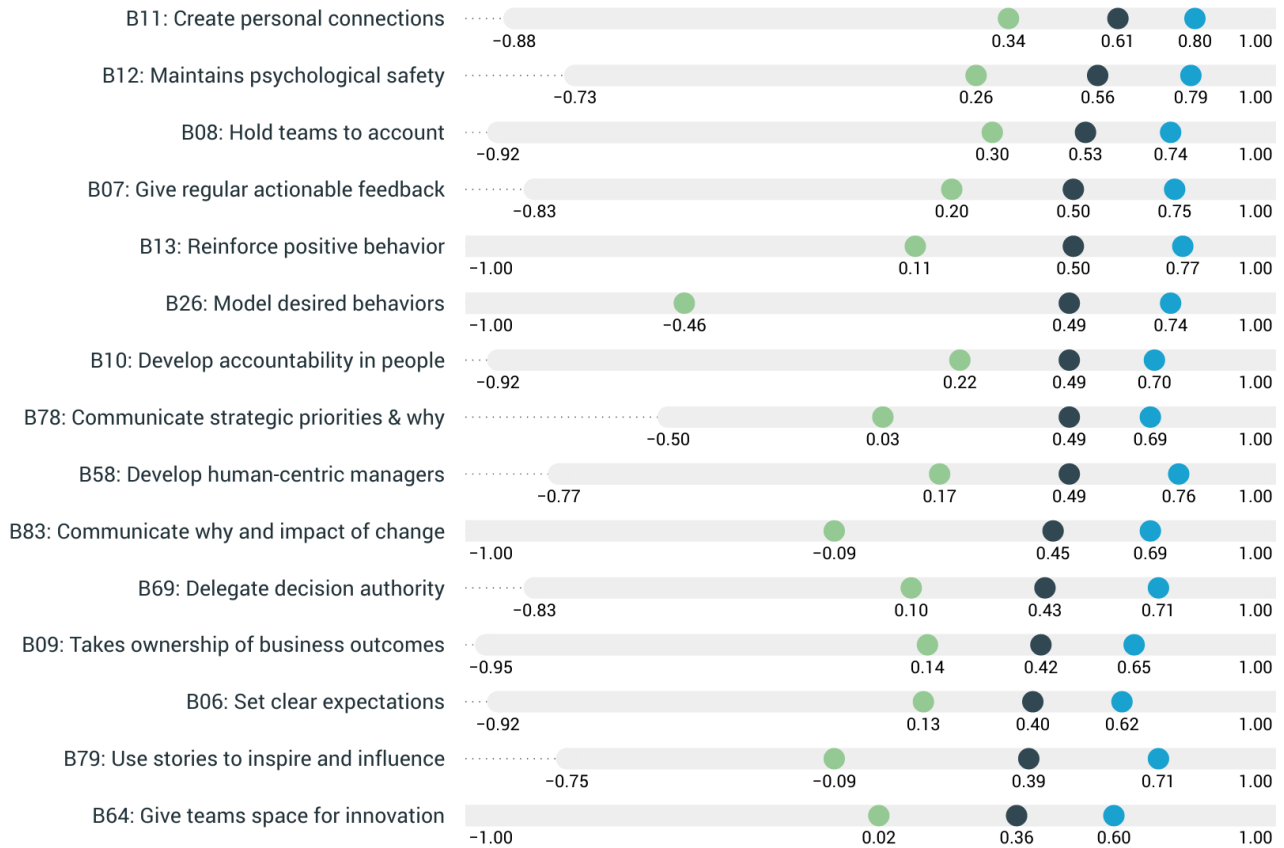2. C02: Ability to [hyper] focus the organization on what's important
3. C03: Ability to continuously improve
4. C09: Ability to seamlessly evolve organization structure & operating model
5. C13: Ability to balance governance agility, compliance, and autonomy [in service of the customer]

COMPANY NAME's performance against each of these capabilities will be detailed below.

The 3rd strongest business agility capability, the ability to lead through trust, influence, and purpose was rated strongly by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 15 behaviors were evaluated.

Behavior					
B11: Create personal connections	−0.88		0.34	0.61	0.80	1.00
B12: Maintains psychological safety	−0.73		0.26	0.56	0.79	1.00
B08: Hold teams to account	−0.92		0.30	0.53	0.74	1.00
B07: Give regular actionable feedback	−0.83		0.20	0.50	0.75	1.00
B13: Reinforce positive behavior	−1.00		0.11	0.50	0.77	1.00
B26: Model desired behaviors	−1.00	−0.46		0.49	0.74	1.00
B10: Develop accountability in people	−0.92		0.22	0.49	0.70	1.00
B78: Communicate strategic priorities & why	−0.50	0.03		0.49	0.69	1.00
B58: Develop human-centric managers	−0.77		0.17	0.49	0.76	1.00
B83: Communicate why and impact of change	−1.00	−0.09		0.45	0.69	1.00
B69: Delegate decision authority	−0.83		0.10	0.43	0.71	1.00
B09: Takes ownership of business outcomes	−0.95		0.14	0.42	0.65	1.00
B06: Set clear expectations	−0.92		0.13	0.40	0.62	1.00
B79: Use stories to inspire and influence	−0.75	−0.09		0.39	0.71	1.00
B64: Give teams space for innovation	−1.00		0.02	0.36	0.60	1.00

Strengths: Leaders across COMPANY NAME are effective at *creating personal connections through empathy, listening, coaching, and mentoring*. Across all capabilities, this is also the highest rated behavior highlighting the strength of management skills.

Leaders across COMPANY NAME are also effective at *holding teams and peers to account for the commitments they make*. It should be noted, however, that the corresponding behaviors, such as *everyone takes ownership of business outcomes with the necessary authority, autonomy, and agency to do what it takes to achieve it*, were consistently rated average. This demonstrates a disconnect between individual skills and leadership expectations that needs to be addressed.

Challenges: The behaviors with the greatest opportunity for improvement, mostly related to vision setting, communication, and innovation. Many teams reported that their leader's skill to *define strategic outcomes in ways that give teams the space to pursue innovative and potentially unforeseen solutions* had significant opportunities for improvement. This is also consistent with the ratings for leader's ability to *use stories to communicate, inspire, and influence* and to *set clear direction and measures of success*.

While these behaviors seem only loosely related, there is a common thread of aligning the workforce towards a common outcome and enabling them to achieve this.

Consistency of Responses: The two most consistent responses are also two of the strongest behaviors. This is a good finding as it means that the positive behaviors are expressed strongly across most of the organization.

1. Leaders hold teams and peers to account for the commitments they make
2. Leaders create personal connections through empathy, listening, coaching, and mentoring

The behavior with the highest variance is *Leaders model desired behavioral changes before asking others to do it*. This is something that needs to be addressed in order to create a consistently positive experience across all business units.

Observations of Note: These behaviors are clearly expressed in the survey responses, with the question "I ensure that I am accessible so that individuals and teams are able to communicate directly with me" being the highest rated question in the survey.

Ranking 4th out of 13, the ability to [hyper] focus the organization on what's important was rated moderately by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 11 behaviors were evaluated.

Behavior					
B47: Support people through change	−1.00	0.28	0.55		0.95 1.00
B13: Reinforce positive behavior	−1.00	0.11	0.50	0.77	1.00
B26: Model desired behaviors	−1.00	−0.46	0.49	0.74	1.00
B78: Communicate strategic priorities & why	−0.50	0.03	0.49	0.69	1.00
B61: Create vivid visions of the future	−0.81	0.15	0.47	0.70	1.00
B83: Communicate why and impact of change	−1.00	−0.09	0.45	0.69	1.00
B04: Regularly measures business outcomes	−1.00	0.01	0.43	0.70	1.00
B36: Limits work in progress	−1.00	−0.38	0.42	0.74	1.00
B37: Makes work visible	−1.00	−0.10	0.38	0.73	1.00
B80: Aligns work to strategies & goals	−1.00	−0.16	0.27	0.68	1.00
B81: Ruthlessly prioritize	−1.00	−0.08	0.27	0.66	1.00

Strengths: Responses make it clear that most of COMPANY NAME leads through showing rather than telling. By a small margin, it is clear that *executives support leaders throughout change so that change is not a burden or distraction from the day-to-day work*. This was rated high by most respondents. Similarly, most respondents agreed that the next two strongest behaviors were

- *leaders reinforce positive behavior*
- *leaders model desired behavioral changes before asking others to do it*

Challenges: By a large margin, the two weakest behaviors

- *leaders ruthlessly prioritize what the organization works on*
- *everyone ensures work is aligned to current strategic priorities & goals*

These two behaviors are two of the highest weighted behaviors in this capability and are important to ensure that the organization can be truly customer centric. Because these are low, it is likely that there is a lot of unnecessary and wasted work being undertaken.

Consistency of Responses: In addition to modelling desired behaviors, one of the most inconsistent set of responses relate to how *everyone limits work in progress*. Many respondents found this behavior very difficult to follow, while others were much more effective at it.

Ending on a positive note, the behavior *executives create vivid and inspiring visions of the future and invests time inspiring everyone towards it* had the most consistent set of responses. This is important as it demonstrates that most people in the organization are aligned toward a common purpose.

Ranking 5th out of 13, the ability to continuously improve was rated moderately by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 14 behaviors were evaluated.

Behavior				
B12: Maintains psychological safety	−0.73	0.26	0.56	0.79 1.00
B17: Speaks-up with ideas	−1.00	0.16	0.51	0.83 1.00
B26: Model desired behaviors	−1.00 −0.46		0.49	0.74 1.00
B39: Challenges the status quo	−1.00	0.09	0.47	0.71 1.00
B18: Make decisions based on data	−1.00	0.07	0.45	0.68 1.00
B14: Remove impediments	−1.00 −0.21		0.43	0.69 1.00
B04: Regularly measures business outcomes	−1.00	0.01	0.43	0.70 1.00
B09: Takes ownership of business outcomes	−0.95	0.14	0.42	0.65 1.00
B84: Factor and balance org change capacity	−1.00	0.02	0.40	0.67 1.00
B37: Makes work visible	−1.00	−0.10	0.38	0.73 1.00
B20: Encourage teams to take risks	−0.86	−0.05	0.34	0.62 1.00
B15: Iterates on feedback	−1.00	−0.03	0.34	0.64 1.00
B19: Shares and applies learnings	−1.00	−0.19	0.33	0.67 1.00
B16: Runs experiments	−1.00	−0.15	0.30	0.65 1.00

Strengths: Of particular note, the highest behavior in this capability, *everyone establishes and maintains psychological safety*, is considered to be foundational to most other behaviors and is highly consistent across all teams. To your credit, it is also the 3rd highest rated behavior across all capabilities. This puts COMPANY NAME in a very strong position for ongoing improvement and development of business agility capabilities. This culture is reinforced by the behavior where *everyone is invited to speak-up with ideas and opportunities*.

Challenges: Despite speaking up with ideas being highly rated, respondents report that putting this culture into action is often difficult with challenges to *everyone deliberately designing and running experiments based on hypotheses, observations, ideas, and feedback* and *sharing learnings and they are appropriately applied*. Without the ability to run experiments, apply learning, and seek feedback – the organization is not living up to it's full potential. Especially with psychological safety so high.

Consistency of Responses: Whilst moderate overall, some teams were more effective at *removing impediments and sharing learnings* than their peers. Similarly, *everyone shares learnings and they are appropriately applied* also had a high degree of variation between teams. If possible, there is an opportunity to highlight the effectiveness of these teams to the rest of the organization.

Observations of Note: Despite physiological safety being rated high, managers and leaders rated their ability to "admit when I am wrong with my team" significantly higher than individual contributors who, for the most part, had not seen "leaders speak up and admit they were wrong". All in all, there was a 30% discrepancy in responses between managers and individual contributors.

Overall rated 8th, the ability to seamlessly evolve organization structure & operating model was rated moderately by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 13 behaviors were evaluated.
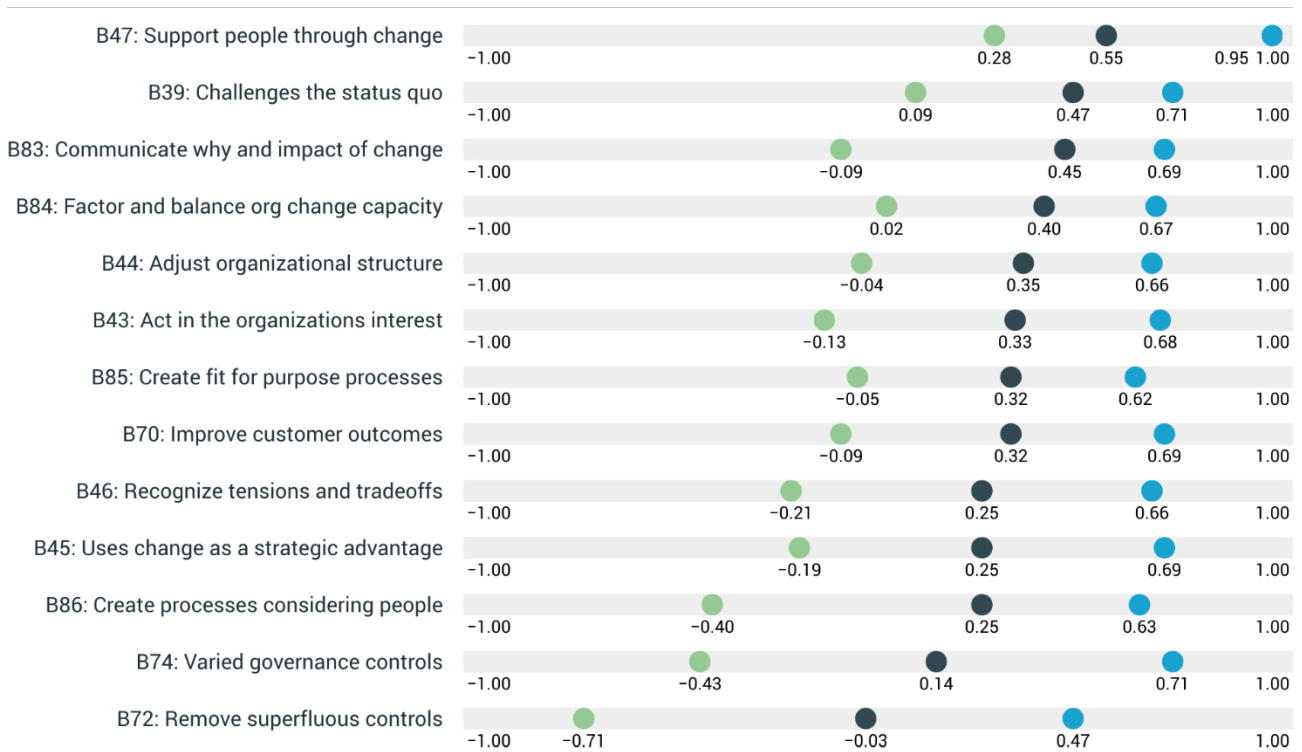
Strengths: Most respondents reported that their *leaders supported them throughout change so that it was not a burden or distraction from the day-to-day work*. People also felt able to *challenge the status quo and were open to being challenged*. These two behaviors indicate a strong support network that makes up the building blocks for future change.

Challenges: In contrast, governance and processes were almost universally seen as overly bureaucratic and burdensome – not agile. *Superfluous controls and approvals have not been removed* and *governance controls are generic and don't adapt depending on the type of work*. This is one of the most important areas to focus on first.

Consistency of Responses: The three weakest behaviors also had the greatest variance in responses.

- *Lowers the cost of change*
- *Varied governance controls*
- *Remove superfluous controls*

Capability C13: Ability to balance governance agility, compliance, and autonomy [in service of the customer]

The 2nd weakest business agility capability, the ability to balance governance and compliance with autonomy and agility [in service of the customer] was rated low by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 15 behaviors were evaluated.

Behavior					
B39: Challenges the status quo	−1.00	0.09	0.47	0.71	1.00
B69: Delegate decision authority	−0.83	0.10	0.43	0.71	1.00
B05: Autonomy over allocated funds	−1.00	0.01	0.35	0.59	1.00
B43: Act in the organizations interest	−1.00	−0.13	0.33	0.68	1.00
B85: Create fit for purpose processes	−1.00	−0.05	0.32	0.62	1.00
B70: Improve customer outcomes	−1.00	−0.09	0.32	0.69	1.00
B75: Trusted relationships with partners	−1.00	−0.06	0.30	0.65	1.00
B48: Common-sense decision making	−1.00	−0.13	0.28	0.62	1.00
B77: Communicate governance controls	−1.00	−0.17	0.27	0.72	1.00
B86: Create processes considering people	−1.00	−0.40	0.25	0.63	1.00
B71: Partners with business teams	−1.00	−0.36	0.18	0.65	1.00
B76: Contracts expect change	−0.75	−0.09	0.14	0.46	1.00
B74: Varied governance controls	−1.00	−0.43	0.14	0.71	1.00
B02: Decouple funding cycles	−1.00	−0.36	0.05	0.53	1.00
B72: Remove superfluous controls	−1.00 −0.71		−0.03	0.47	1.00

Strengths: With some of these behaviors overlapping with the ability to seamlessly evolve organization structure & operating model, there are common strengths between the highest behaviors. One of the unique strengths in this capability, however, is the fact that *leaders delegate decision authority to the lowest appropriate level based on risk* and have *autonomy over their allocated funds*.

Challenges: Creating agility in governance controls is one of the largest areas of improvement for COMPANY NAME. For example

- *Leaders need to remove superfluous controls and approvals*
- *Executives decouple internal funding cycles from external reporting cycles*
- *Leaders design governance controls that are not one-size-fits-all*

The middle behavior indicates a tension with one of the strongest behaviors, *leaders have autonomy over their allocated funds*. This creates a natural limitation in the overall adaptive finance for the organization.

In this, "our work does not have unnecessary approval steps or procedures" was one of the lowest rated questions in the survey.

Consistency of Responses: Following the trend of other capabilities, the behaviors relating to governance have the highest variance in responses.

- Leaders remove superfluous controls and approvals
- Leaders design governance controls that are not one-size-fits-all
- Leaders create processes with the employee, contractor, or vendor experience in mind

The most consistent set of responses come from *leaders delegate decision authority to the lowest appropriate level based on risk* and *leaders have autonomy over their allocated funds*.

Observations of Note: Autonomy and Accountability had contradictory responses. One of the most divergent questions was "I give my teams the autonomy to make decisions regarding how work gets done without my involvement" vs "I feel that my team and I have the authority to make all decisions in regard to how work is done". With leaders rating the former significantly higher (24%) than individuals rated the later.

Whereas questions around accountability were very consistent. The questions "I hold my teams accountable for the commitments they make" and "I have the necessary authority and the ability to act on the work that I am accountable for" where two of the most consistent responses with less than 3% variance between leaders and individuals.

6.2   Customer-Centric Capabilities

Customer-centric capabilities align an organizations activities and outcomes to the needs and wants of their customers and the broader marketplace.

These capabilities contribute to a culture of adaptability through strategic agility practices, improved speed-to-market, and developing people in order to ensure greater product-market fit. Organizations with strong customer-centricity are proficient at both "doing the work right" and "doing the right work".
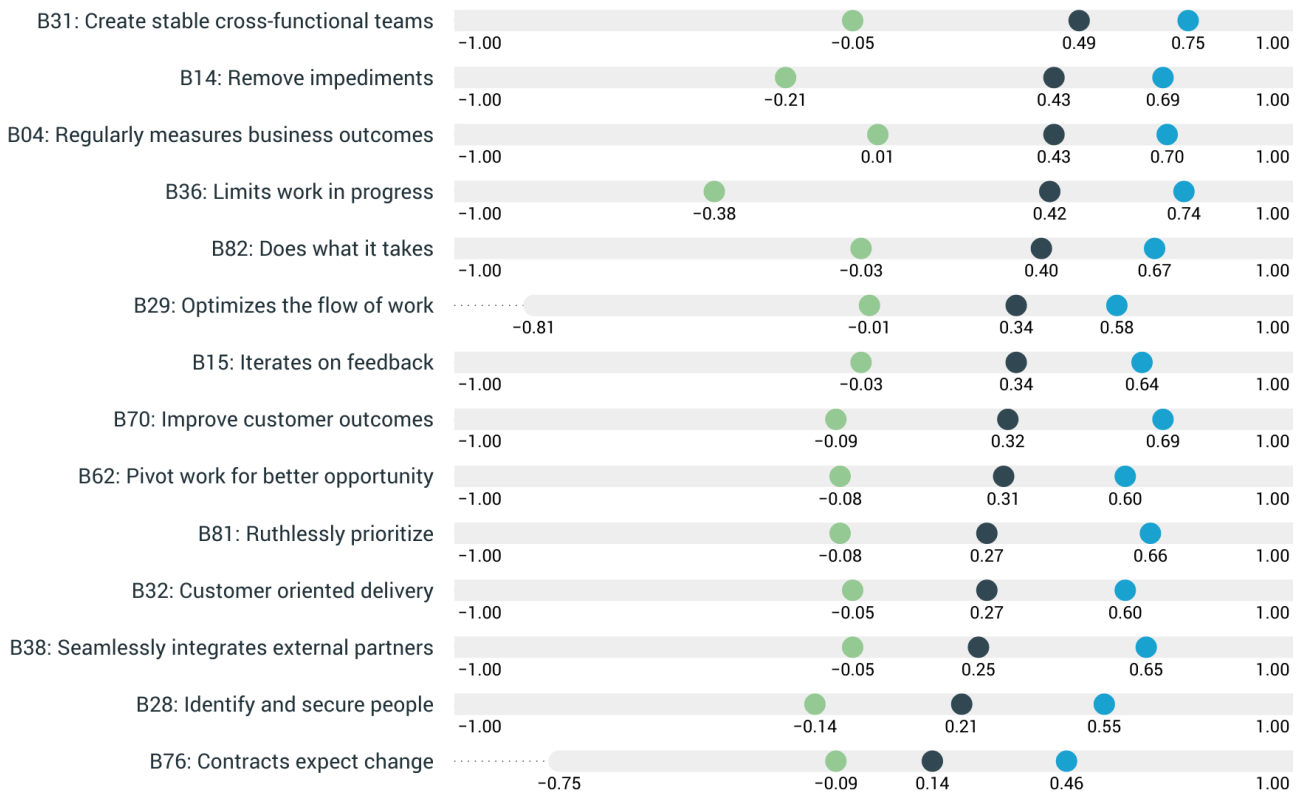
1. C04: Ability to deliver value to customers at a frequency appropriate to the market
2. C06: Ability to recruit, retain and manage the best people for your mission
3. C07: Ability to seize emergent opportunities
4. C10: Ability to craft a customer-centric adaptive strategy

COMPANY NAME's performance against each of these capabilities will be detailed below.

Capability C04: Ability to deliver value to customers at a frequency appropriate to the market

Overall rated 9th, the ability to deliver value to customers at a frequency appropriate to the market was rated moderately by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 14 behaviors were evaluated.

Behavior				
B31: Create stable cross-functional teams	−1.00	−0.05	0.49	0.75	1.00
B14: Remove impediments	−1.00	−0.21	0.43	0.69	1.00
B04: Regularly measures business outcomes	−1.00	0.01	0.43	0.70	1.00
B36: Limits work in progress	−1.00	−0.38	0.42	0.74	1.00
B82: Does what it takes	−1.00	−0.03	0.40	0.67	1.00
B29: Optimizes the flow of work	−0.81	−0.01	0.34	0.58	1.00
B15: Iterates on feedback	−1.00	−0.03	0.34	0.64	1.00
B70: Improve customer outcomes	−1.00	−0.09	0.32	0.69	1.00
B62: Pivot work for better opportunity	−1.00	−0.08	0.31	0.60	1.00
B81: Ruthlessly prioritize	−1.00	−0.08	0.27	0.66	1.00
B32: Customer oriented delivery	−1.00	−0.05	0.27	0.60	1.00
B38: Seamlessly integrates external partners	−1.00	−0.05	0.25	0.65	1.00
B28: Identify and secure people	−1.00	−0.14	0.21	0.55	1.00
B76: Contracts expect change	−0.75	−0.09	0.14	0.46	1.00

Strengths: COMPANY NAME has a diverse mix of strengths when it comes to delivering value to customers and reducing the overall time to market. Including elements of structural agility (*leaders create stable cross-functional teams*), product management (leaders *remove impediments*), and measure/metrics (*everyone regularly measures business outcomes and associated impacts*).

Challenges: However, there is a common thread across the behaviors that need improvement – contracts and external partners. COMPANY NAME must invest further in using *contracts that expect change rather than to minimize or control it* in order to better integrate external partners into the value stream. Effective business agility requires flexible partnerships, driven by customer value (*everyone seamlessly and transparently integrates external partners into the value stream to achieve common goals*), so both COMPANY NAME and its partners can adapt in a coordinated and complementary manner, rather than a series of contractual transactions.
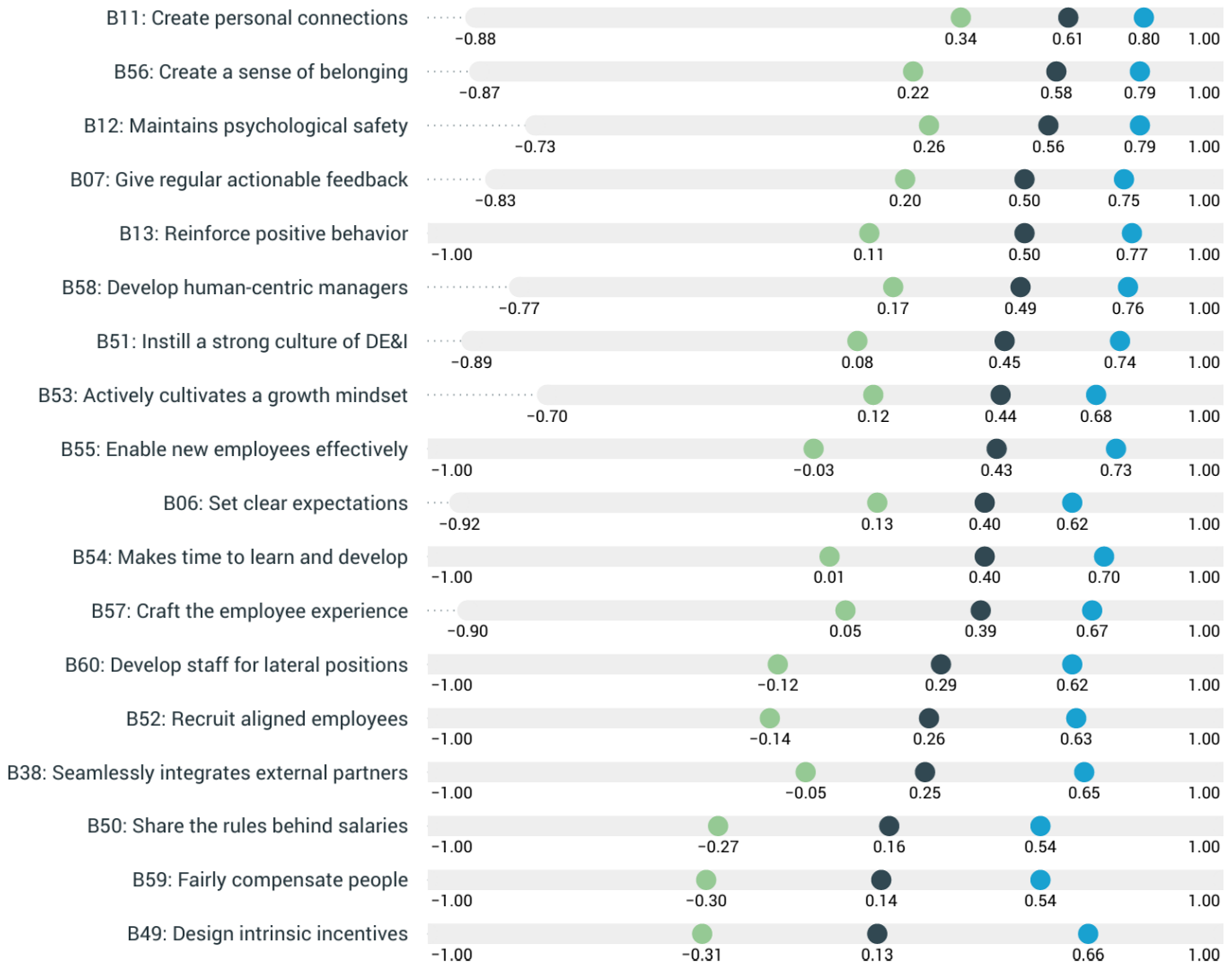
Consistency of Responses:

Many of the foundational capabilities of business agility are missing or have high variance, such as *limiting work in progress*, *identifying and removing impediments*, and *creating stable cross-functional teams*. COMPANY NAME also has significant improvement opportunities to create simplified and adaptable business policies and processes to actively support teams. The worlds of agile and business agility significantly overlap, but the two are not synonymous. The agile values and principles as documented in the agile manifesto are just as relevant for the entire organization as they are for software teams. Likewise, agile practices and frameworks, like Scrum or Kanban, can apply to many different areas of the organization (e.g., marketing).

Observations of Note: Despite removing impediments being rated high, managers and leaders rated their ability to "resolve dependencies with other teams without my intervention" significantly higher than individual contributors who, for the most part, were not able to "manage dependencies without needing escalation for resolution". All in all, there was a 33% discrepancy in responses between managers and individual contributors.

The 2nd strongest business agility capability, the ability to recruit, retain and manage the best people for your mission was rated strongly by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 18 behaviors were evaluated.

Behavior	min	Q1	median	Q3	max
B11: Create personal connections	−0.88	0.34	0.61	0.80	1.00
B56: Create a sense of belonging	−0.87	0.22	0.58	0.79	1.00
B12: Maintains psychological safety	−0.73	0.26	0.56	0.79	1.00
B07: Give regular actionable feedback	−0.83	0.20	0.50	0.75	1.00
B13: Reinforce positive behavior	−1.00	0.11	0.50	0.77	1.00
B58: Develop human-centric managers	−0.77	0.17	0.49	0.76	1.00
B51: Instill a strong culture of DE&I	−0.89	0.08	0.45	0.74	1.00
B53: Actively cultivates a growth mindset	−0.70	0.12	0.44	0.68	1.00
B55: Enable new employees effectively	−1.00	−0.03	0.43	0.73	1.00
B06: Set clear expectations	−0.92	0.13	0.40	0.62	1.00
B54: Makes time to learn and develop	−1.00	0.01	0.40	0.70	1.00
B57: Craft the employee experience	−0.90	0.05	0.39	0.67	1.00
B60: Develop staff for lateral positions	−1.00	−0.12	0.29	0.62	1.00
B52: Recruit aligned employees	−1.00	−0.14	0.26	0.63	1.00
B38: Seamlessly integrates external partners	−1.00	−0.05	0.25	0.65	1.00
B50: Share the rules behind salaries	−1.00	−0.27	0.16	0.54	1.00
B59: Fairly compensate people	−1.00	−0.30	0.14	0.54	1.00
B49: Design intrinsic incentives	−1.00	−0.31	0.13	0.66	1.00

Strengths: There is a clear distinction between strong and weak behaviors in this capability. Management skills are generally seen as strong including the strongest behaviors.

- *Leaders create personal connections through empathy, listening, coaching, and mentoring*
- *Leaders create a sense of belonging through inclusive experiences*
- *Leaders are accessible, supportive, and give regular actionable feedback*

These behaviors show that, in general, employees believe they have capable and good managers.

Challenges: As is common in many organizations, many of the challenges arise, not from the individual managers, but the system they work in. Behaviors around compensation, promotions, and incentives are some of the least agile behaviors reported by respondents. For example

- *Executives design incentive and reward systems that tap into intrinsic motivation*
- *Leaders compensate, reward, and recognize individuals and teams fairly for the work they do*
- *Leaders share the rules behind salary and compensation with everyone*

There is an old saying, "you get the behavior that you measure". For COMPANY NAME, this continues to be a challenge with "a significant part of our employee compensation is based on achieving a positive impact for our customers" as the lowest rated question in the survey.

The only management skill related behavior that scored poorly was the need for managers across COMPANY NAME need to *intentionally develop staff for lateral and diagonal positions and promotions*. More investment in people development, even when it does not support an immediate business need is required.

Consistency of Responses: These, systems-oriented behaviors, also had the greatest variance in responses. Of note, however, is the consistency of *leaders setting clear direction and measures of success*. While only a moderate behavior, most people reported that they had clear understanding of what was expected of them.

Observations of Note: Given the type of work undertaken by organizations like COMPANY NAME (knowledge work), a high-performing team is significantly more valuable than high-performing individuals. As such, team dynamics are a key factor in recruitment. Unfortunately, the lowest rated question for all respondents was "I am involved in the hiring and recruitment of people on my team" – which needs to be addressed.

The ability to balance work and life pressures was seen as a point of imbalance between leaders and individuals. The majority of leaders reported that they "encourage my teams to balance their work life and their personal life". Whereas most individuals reported that they were unable to "balance my work life and my personal life" (21% discrepancy). This was also mirrored in the questions "I am aware of the workload and relative priorities of my teams and do not overload them with more work than they can reasonably do" and "I can sustain the pace of work indefinitely" which had a 20% variation in responses.

The weakest business agility capability, the ability to seize emergent opportunities was rated low by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 14 behaviors were evaluated.

Behavior					
B36: Limits work in progress	−1.00	−0.38		0.42	0.74	1.00
B82: Does what it takes	−1.00	−0.03	0.40	0.67	1.00
B24: Create discretionary time	−1.00	−0.05	0.35	0.69	1.00
B15: Iterates on feedback	−1.00	−0.03	0.34	0.64	1.00
B62: Pivot work for better opportunity	−1.00	−0.08	0.31	0.60	1.00
B25: Design for unplanned opportunities	−1.00	−0.10	0.31	0.60	1.00
B01: Dynamically (re)allocate funds	−0.89	−0.03	0.30	0.56	1.00
B81: Ruthlessly prioritize	−1.00	−0.08	0.27	0.66	1.00
B23: Continuously prioritize outcomes	−1.00	−0.18	0.27	0.64	1.00
B38: Seamlessly integrates external partners	−1.00	−0.05	0.25	0.65	1.00
B28: Identify and secure people	−1.00	−0.14	0.21	0.55	1.00
B33: Identify and track emerging trends	−1.00	−0.27	0.20	0.62	1.00
B76: Contracts expect change	−0.75	−0.09	0.14	0.46	1.00
B35: Keep options open as long as possible	−1.00	−0.69	−0.05	0.32	1.00

Strengths: The ability to perceive, anticipate, and act on transformative events in service of their customers is tremendously valuable to an organization's innovation and growth. While overall COMPANY NAME rates poorly on many of the enabling behaviors for this capability, the two strongest, *everyone limits work in progress* and *everyone does what it takes to achieve customer outcomes without being bound by job descriptions*, highlights a solid grassroots foundation to build upon.

Challenges: The weakest behaviors are primarily expressed by leaders, rather than individual contributors. The three weakest being,
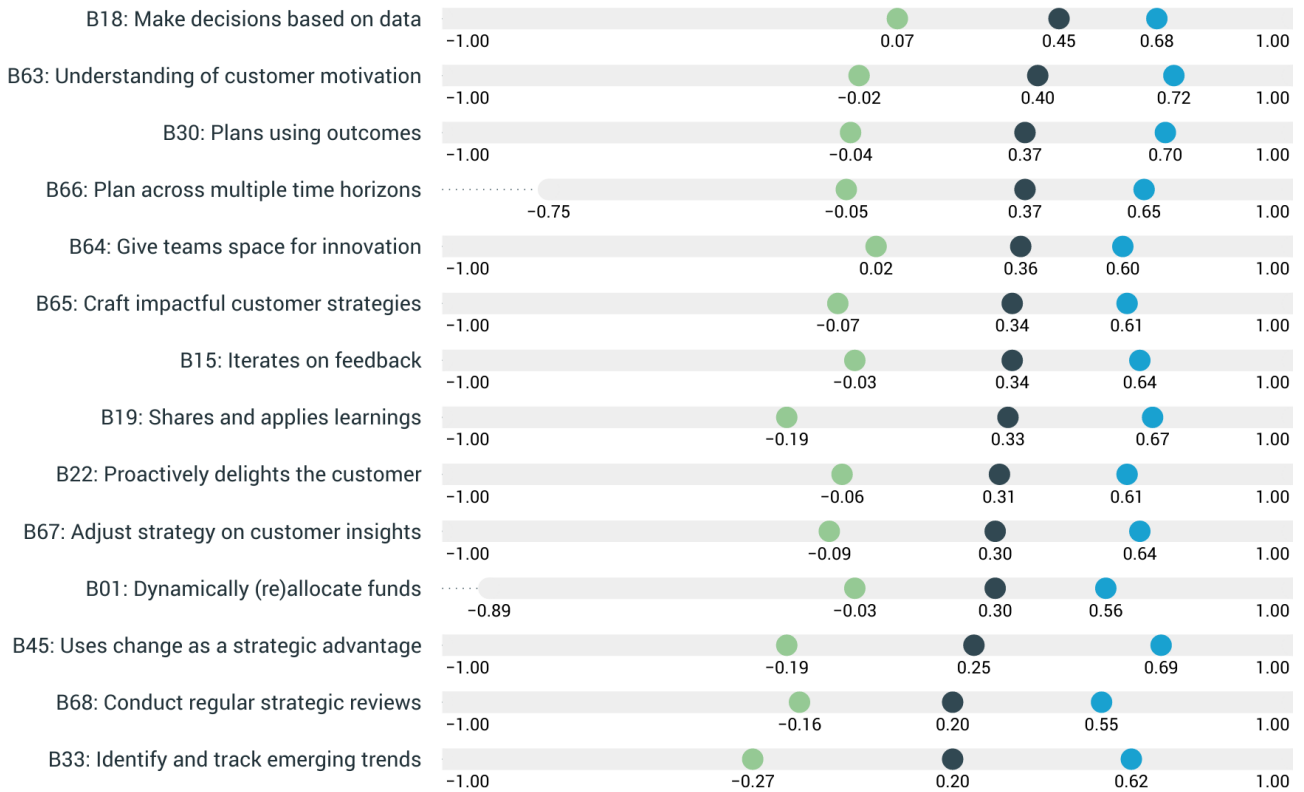
- *Leaders delay commitments and keep important and irreversible decisions open as long as feasible*
- *Leaders create and manage contracts to expect change rather than to minimize or control it*
- *Leaders proactively identify and track emerging patterns and trends*

These are systemic behaviors – requiring systemic changes. That is, changes across multiple areas, processes, and policies in the organization.

Consistency of Responses: One of the most surprising findings is the variance shown in the highest rated behavior (in the capability), *everyone limits work in progress*. While high overall, there are many teams and individuals who find this difficult to sustain.

Overall rated 10th, the ability to craft a customer-centric adaptive strategy was rated moderately by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 14 behaviors were evaluated.

Behavior				
B18: Make decisions based on data		0.07	0.45	0.68
B63: Understanding of customer motivation		−0.02	0.40	0.72
B30: Plans using outcomes		−0.04	0.37	0.70
B66: Plan across multiple time horizons	−0.75	−0.05	0.37	0.65
B64: Give teams space for innovation		0.02	0.36	0.60
B65: Craft impactful customer strategies		−0.07	0.34	0.61
B15: Iterates on feedback		−0.03	0.34	0.64
B19: Shares and applies learnings		−0.19	0.33	0.67
B22: Proactively delights the customer		−0.06	0.31	0.61
B67: Adjust strategy on customer insights		−0.09	0.30	0.64
B01: Dynamically (re)allocate funds	−0.89	−0.03	0.30	0.56
B45: Uses change as a strategic advantage		−0.19	0.25	0.69
B68: Conduct regular strategic reviews		−0.16	0.20	0.55
B33: Identify and track emerging trends		−0.27	0.20	0.62

Strengths: While strategic agility isn't a highly rated capability, leaders across COMPANY NAME demonstrate strong behaviors in *making decisions informed by data, rather than assumptions or guesswork*. This is well supported everyone *investing in an in-depth understanding of customer motivation*. We know from Business Agility Institute research that customer centric organizations outperform shareholder-profit centric organizations. Putting the customer at the center means that almost everything that COMPANY NAME does, within the context of your organizational values and government legislation, revolves around the customer.

Challenges: The biggest challenges are those that directly relate to strategic agility. From being unable to *proactively identify and track emerging patterns and trends*, *conducting regular & frequent strategic reviews and updates*, to *anticipating change and views it as a strategic advantage*.

In a post-COVID era, the importance of strategic agility cannot be understated. We've moved away from the era where a 3-year plan makes sense. And in many industries, financial services and insurance includes, even a 1-year strategic plan is hard to follow.

Consistency of Responses: Of note, a moderately rated behavior, *everyone shares learnings, and they are appropriately applied*, also had one of the highest variance in responses. This is unusual for an organization the size of COMPANY NAME. While it is not the most challenging area, it is one of the easiest to improve and should be addressed early.

6.3 Innovation and Growth Capabilities

Innovation and growth capabilities create and leverage new opportunities in order to increase market share, develop new products and services and better serve your customers.

These capabilities contribute to a culture of innovation and learning through strategic agility and adaptable processes and governance. The 4 capabilities that make up this group are:
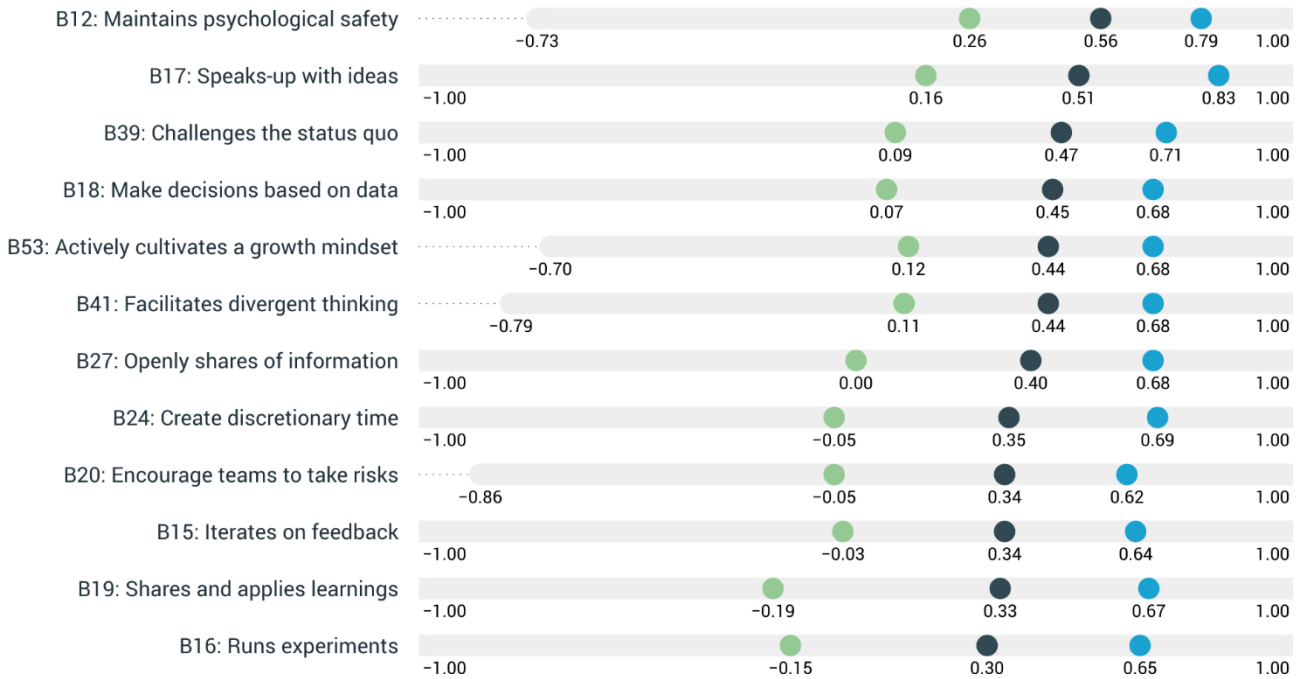
1. C05: Ability to cultivate a culture of learning and experimentation
2. C08: Ability to innovate and thrive
3. C11: Ability to sense, forecast, and respond to changing business environments
4. C12: Ability to adaptively and dynamically fund

COMPANY NAME's performance against each of these capabilities will be detailed below.

The strongest business agility capability, the ability to cultivate a culture of learning and experimentation was rated strongly by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 12 behaviors were evaluated.

Behavior					
B12: Maintains psychological safety	−0.73		0.26	0.56	0.79	1.00
B17: Speaks-up with ideas	−1.00		0.16	0.51	0.83	1.00
B39: Challenges the status quo	−1.00		0.09	0.47	0.71	1.00
B18: Make decisions based on data	−1.00		0.07	0.45	0.68	1.00
B53: Actively cultivates a growth mindset	−0.70		0.12	0.44	0.68	1.00
B41: Facilitates divergent thinking	−0.79		0.11	0.44	0.68	1.00
B27: Openly shares of information	−1.00		0.00	0.40	0.68	1.00
B24: Create discretionary time	−1.00		−0.05	0.35	0.69	1.00
B20: Encourage teams to take risks	−0.86		−0.05	0.34	0.62	1.00
B15: Iterates on feedback	−1.00		−0.03	0.34	0.64	1.00
B19: Shares and applies learnings	−1.00		−0.19	0.33	0.67	1.00
B16: Runs experiments	−1.00		−0.15	0.30	0.65	1.00

Strengths: In the 2019 and 2020 Business Agility Report, the Business Agility Institute discovered three significant predictors of business agility. That is, organizations that report higher ratings in these three maturity measures also report higher overall business agility and associated benefits. A culture of relentless improvement was one of them. By encouraging a culture of learning and experimentation to thrive, organizations will continuously improve both what they do and more importantly how they do it:

COMPANY NAME rated very highly on this with a culture of *psychological safety* and most people feeling *invited to speak-up with ideas and opportunities* and *open to being challenged*.

Challenges: While COMPANY NAME has strong cultural behaviors, many of the tangible learning behaviors are pulling it back. Specifically, the ability to *design and run experiments* and to *share learning*. Many teams also report not being able to effectively *iterate on employee, customer, and stakeholder feedback*.

Consistency of Responses: Several of the lowest rated behaviors also had the highest variable across the organization, with almost as many teams report that they were able to *applying learnings* and *run experiments* as those that could not. There is a lot more than needs to be done in order to create a safe and failure-tolerant environment for learning & experimentation and to build a culture of relentless improvement.

Observations of Note: Strongly associated with the high rating on physiological safety, the strongest rated question was "I take personal responsibility to help create a friendly and open working environment for my peers".

Ranking 6th out of 13, the ability to innovate and thrive was rated moderately by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 15 behaviors were evaluated.
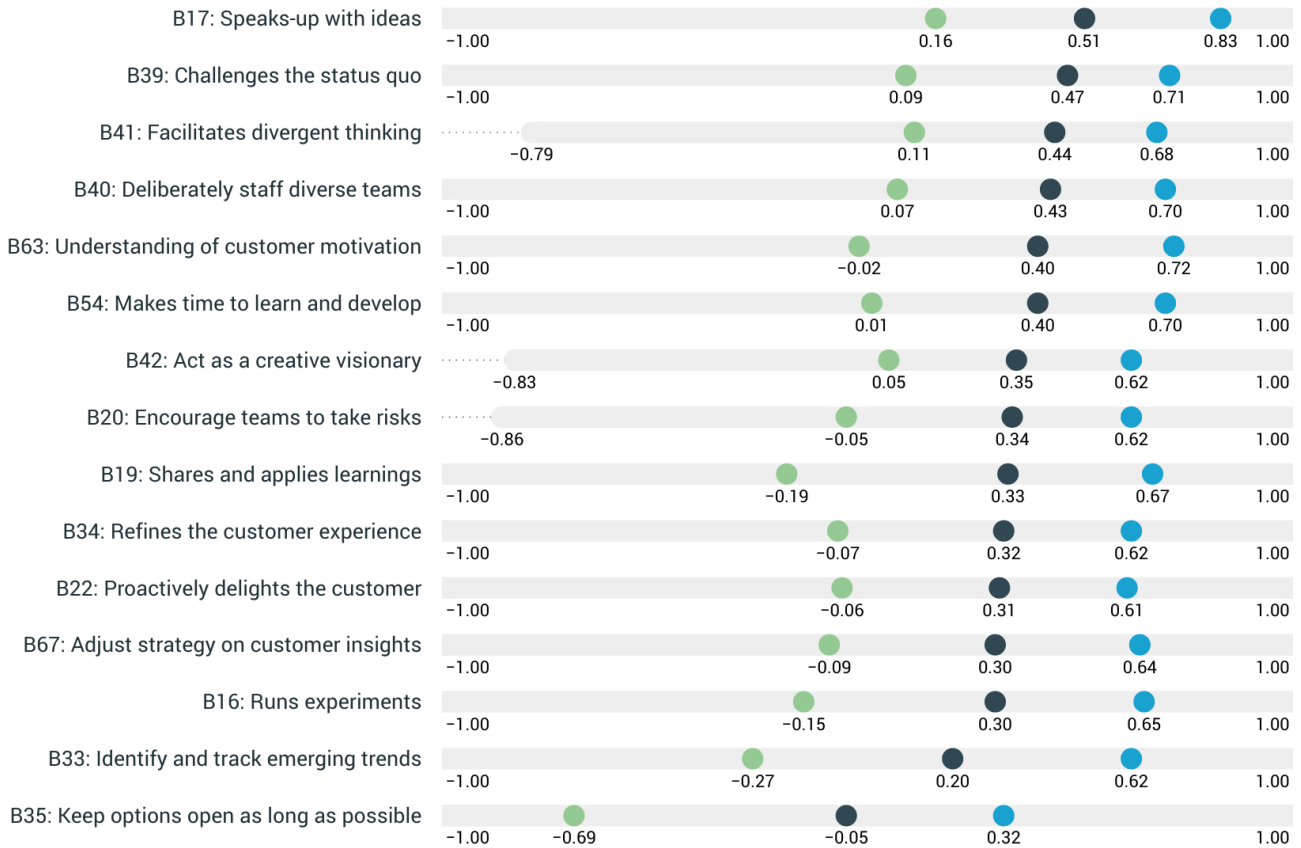
Strengths: COMPANY NAME continues to develop their ability to perceive, anticipate, and act on transformative events in service of their customers. Similar to the ability to cultivate a culture of learning, teams report the highest rating in mindset and culture related behaviors such as
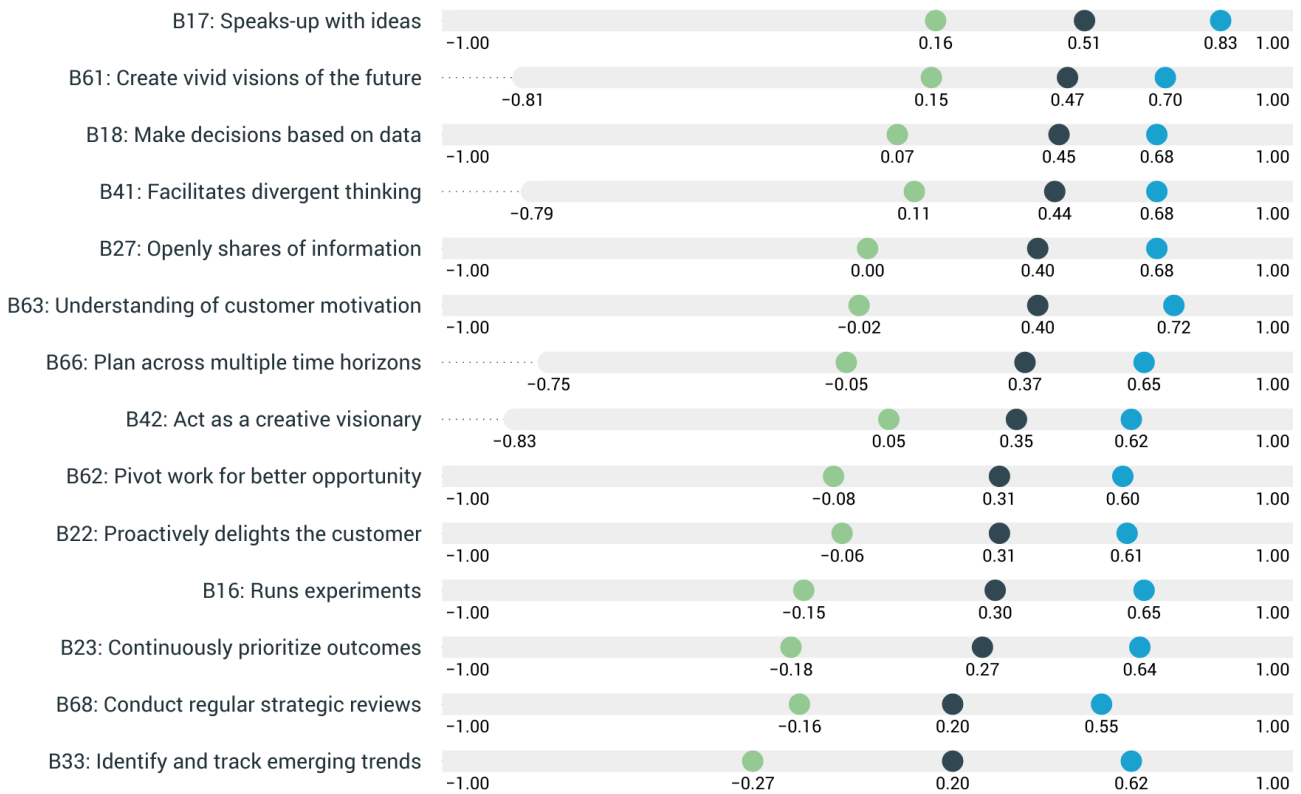
- *Everyone is invited to speak-up with ideas and opportunities*
- *Everyone challenges the status quo and is open to being challenged*
- *Everyone pursues opportunities for cross pollination with other groups and organizations*

Challenges: While the cultural behaviors behind this capability are well established, the associated skills and leadership behaviors are lagging a little behind. The weakest behaviors here mostly relate to strategy and market feedback. The ability for *leaders to delay commitments and keep important and irreversible decisions open as long as feasible* and to *proactively identify and track emerging patterns and trends* rank amongst the lowest. Focusing on improving these behaviors will create a foundation to improve innovation across the organization.

Consistency of Responses: One of the most inconsistent behaviors is that of *everyone shares learnings and they are appropriately applied*. This is a problem and will continue to impact the ability for the organization to identify and seize innovation opportunities. In contrast, one of the most consistent behaviors is that of *everyone pursues opportunities for cross pollination with other groups and organizations*. This is good but, without the willingness to share learning, this cross-pollination is limited.

Ranking 7th out of 13, the ability to sense, forecast, and respond to changing business environments was rated moderately by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 14 behaviors were evaluated.

Behavior				
B17: Speaks-up with ideas	−1.00	0.16	0.51	0.83	1.00
B61: Create vivid visions of the future	−0.81	0.15	0.47	0.70	1.00
B18: Make decisions based on data	−1.00	0.07	0.45	0.68	1.00
B41: Facilitates divergent thinking	−0.79	0.11	0.44	0.68	1.00
B27: Openly shares of information	−1.00	0.00	0.40	0.68	1.00
B63: Understanding of customer motivation	−1.00	−0.02	0.40	0.72	1.00
B66: Plan across multiple time horizons	−0.75	−0.05	0.37	0.65	1.00
B42: Act as a creative visionary	−0.83	0.05	0.35	0.62	1.00
B62: Pivot work for better opportunity	−1.00	−0.08	0.31	0.60	1.00
B22: Proactively delights the customer	−1.00	−0.06	0.31	0.61	1.00
B16: Runs experiments	−1.00	−0.15	0.30	0.65	1.00
B23: Continuously prioritize outcomes	−1.00	−0.18	0.27	0.64	1.00
B68: Conduct regular strategic reviews	−1.00	−0.16	0.20	0.55	1.00
B33: Identify and track emerging trends	−1.00	−0.27	0.20	0.62	1.00

Strengths: Business agility requires leaders who can proactively scan the marketplace and see the big picture. This broad perception positively impacts decision-making and strategy across the organization but also requires the willingness to take bold leaps. These behaviors are expressed by many people in the organization, with:

- *Everyone being invited to speak-up with ideas and opportunities*
- *Executives creating vivid and inspiring visions of the future and invests time inspiring everyone towards it*
- *Leaders making decisions informed by data, rather than assumptions or guesswork*

Challenges: As with many areas within COMPANY NAME, while the culture is evident, the systems lag behind – in this case the strategic management systems. *Leaders being able to proactively identify and track emerging patterns and trends* was the largest challenge to being able to adapt to a changing marketplace. This is compounded by a weak behavior from leaders not conducting *regular & frequent strategic reviews and updates*.

Consistency of Responses: The most consistent behavior across the organization was also one of the strongest – *executives create vivid and inspiring visions of the future and invests time inspiring everyone towards it*. This consistency is a strong positive finding and demonstrates alignment across the organization.

6.3.4   *Capability C12: Ability to adaptively and dynamically fund*

The 3rd weakest business agility capability, the ability to adaptively and dynamically fund was rated low by most respondents. To fully evaluate the maturity of this capability within COMPANY NAME, the following 11 behaviors were evaluated.

Behavior	Scale			
B83: Communicate why and impact of change	−1.00	−0.09	0.45	0.69	1.00
B18: Make decisions based on data	−1.00	0.07	0.45	0.68	1.00
B04: Regularly measures business outcomes	−1.00	0.01	0.43	0.70	1.00
B05: Autonomy over allocated funds	−1.00	0.01	0.35	0.59	1.00
B85: Create fit for purpose processes	−1.00	−0.05	0.32	0.62	1.00
B01: Dynamically (re)allocate funds	−0.89	−0.03	0.30	0.56	1.00
B45: Uses change as a strategic advantage	−1.00	−0.19	0.25	0.69	1.00
B03: Tailor funding approaches	−1.00	−0.12	0.22	0.50	1.00
B71: Partners with business teams	−1.00	−0.36	0.18	0.65	1.00
B02: Decouple funding cycles	−1.00	−0.36	0.05	0.53	1.00
B35: Keep options open as long as possible	−1.00	−0.69	−0.05	0.32	1.00

Strengths: Other than *regularly measuring business outcomes*, most behaviors that relate to adaptive finance are quite weak. Adaptive Finance is critically important as, like Learning & Experimentation, and Flow of Value), it is one of the three significant predictors of business agility. By funding business outcomes, rather than specific work outputs or projects, organizations can quickly and easily invest in new products or services as soon as market opportunities arise and, with the right governance, just as quickly stop or change work that is not delivering the expected business value.

Challenges: COMPANY NAME needs to invest in a transformation of their Finance systems to *decouple internal funding cycles from external reporting cycles* and *utilize adaptive funding models* (and business/market feedback) to allocate funds against value streams (rather than projects).

Consistency of Responses: Most behaviors under this capability are highly variable across the organization. Across the organization different teams have different experiences from their leaders and supporting teams.

7   Roles Summary

Business Agility Capability by Organizational Role

With some exceptions, the perception of business agility capability was generally consistent between roles and levels in the organization. There were insufficient responses by *external partners* and *transformation team* and so they were not included in the detailed evaluation.

Of special note was two key areas with over 30% discrepancy between managers & senior leaders and individual contributors.

1. Individual contributors did not find it easy to resolve issues with other teams, whereas senior leaders and managers strongly agreed with the statement "My teams are able to resolve dependencies with other teams without my intervention.".
2. Senior leaders and managers almost all reported that it was important for them to admit when they were wrong with my team. However, very few individual contributors had seen that behavior in their leaders.
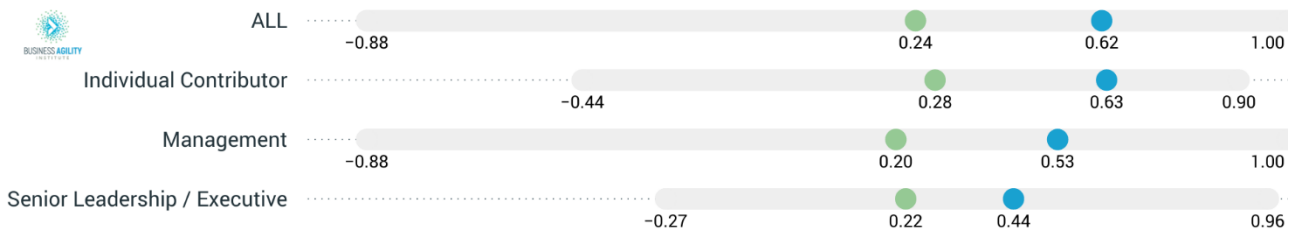
7.1   Senior Leadership / Executive

Senior leaders and executives made up 9% of the responses to the assessment survey. Their perception and experience of business agility was much more consistent than compared to other roles. However, overall responses from this cohort were broadly on average with the rest of COMPANY NAME.

In general, senior leaders and executives were better able to *use stories to communicate, inspire, and influence* than other roles. This explains, and strongly reinforces, one of the other strongest behaviors of *executives creating vivid and inspiring visions of the future and invests time inspiring everyone towards it*. Executives were also better able to *delegate decision authority to the lowest appropriate level* than managers. This indicates a delegation bottleneck with managers which could either be cultural or structural in nature.

In contrast, senior leaders and executives had a more honest view of compensation and incentives across the organization as they reported significantly lower maturity in *sharing the rules behind salary and compensation with everyone* and *compensating, rewarding, and recognizing individuals and teams fairly for the work they do*.

7.2   Management

Managers made up 32% of the responses to the assessment survey. Overall, responses from this cohort were more consistent (less variance) compared to the rest of COMPANY NAME.

Unlike Senior Leadership, managers observed significantly greater agility in several weakly rated behaviors.

- Leaders compensate, reward, and recognize individuals and teams fairly for their work
- Leaders share the rules behind salary and compensation with everyone
- Leaders create and manage contracts to expect change rather than minimize or control it

However, these were all weakly rated by executives and individual contributors indicated either a misunderstanding or a lack of transparency elsewhere in the system.

Compared to other roles, the weakest behavior observed by managers was in creating stable cross-functional teams. This is unsurprising and is rated poorly across most organizations in our benchmark data.

7.3   Individual Contributors

Making up 54% of all respondents, responses from Individual Contributors had the greatest variance compared to the rest of COMPANY NAME.

The strongest behaviors reported by individuals were those behaviors they see from their leaders.

- *Leaders support people throughout the change so that change is not a distraction from day-to-day work*
- *Leaders create personal connections through empathy, listening, coaching, and mentoring*

The weakest behaviors for individuals were split between HR systems

- *Leaders intentionally develop staff for lateral and diagonal positions and promotions*
- *Executives design incentive and reward systems that tap into intrinsic motivation*)

and how they see strategy executed

- *Leaders proactively identify and track emerging patterns and trends*
- *Leaders create time to accommodate emergent opportunities*

8   Function Summary

Business Agility Capability by Business Function

Overall, the perception of business agility capability was highly inconsistent between different business functions across the organization. *Finance* teams tended to have the most consistent ratings, whereas *Business Operations* had broadly divergent perspectives.

Min   1st Quartile   3rd Quartile   Max
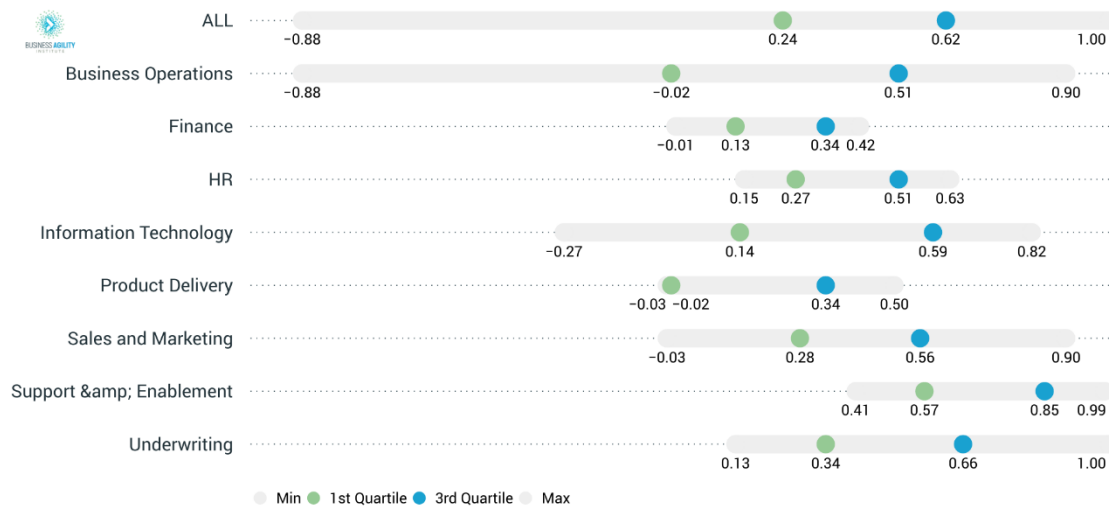
8.1   Business Operations

Respondents from business operations made up 21% of the responses to the assessment survey. While it had the largest variance in responses, overall ratings from this cohort were lower than the rest of COMPANY NAME.

In general, business operations teams perform better at governance behaviors than the rest of the organization. On average these teams score 9% higher in *leaders design governance controls that are not one-size-fits-all* and 8% higher in *leaders ensure that governance controls and approval processes (and any changes to them) are clearly articulated and communicated*.

In contrast, operations teams scores significantly lower on the transparency behaviors *everyone makes work visible* and *everyone defaults to the open sharing of information*.

8.2   Finance

Making up only 3% of all respondents, there is insufficient data to evaluate Finance specific responses with any confidence.

Note that adaptive finance is one of the key predictors of business agility – as in those organizations who have embedded Finance into their change programme and adopted these practices exhibit significantly greater business agility. Subjectively, the small number of responses are a concern.

8.3   HR

Making up only 3% of all respondents, there is insufficient data to evaluate HR specific responses with any confidence.

Note that HR needs to be a key partner in any business agility transformation. HR policy and procedure change is necessary for sustainable behavioral change. Subjectively, the small number of responses are a concern.

8.4   Information Technology

Making up 9% of all respondents, Information Technology had one of the highest range of responses compared to the rest of COMPANY NAME. However, all Information Technology respondents consistently rated strategy and business outcome behaviors significantly higher than the rest of the organization.

- *Everyone ensures work is aligned to current strategic priorities & goals* (28% higher)
- *Everyone regularly measures business outcomes and associated impacts* (25% higher)
- *Leaders continuously (re)prioritize business outcomes & opportunities* (21% higher)

8.5   Product Delivery

Making up 4% of all respondents, product delivery teams had fairly divergent views on business agility behaviors across the organization. Of note, product teams *rated Finance, HR, and security teams see their role as a partner (vs police) to business teams* significantly lower than most other functions.

8.6   Sales & Marketing

Sales and Marketing made up 11% of all respondents and were, by and large, one of the most consistent set of responses. Perhaps unsurprisingly, behaviors associated with strategic agility scored highly. For example, *leaders conduct regular & frequent strategic reviews and updates* was 22% higher than the rest of the organization and *everyone ensures work is aligned to current strategic priorities & goals* was 21% higher.

8.7   Support & Enablement

3% of all respondents were part of other Support & Enablement teams. While there is insufficient data to evaluate Support & Enablement teams with any confidence, of note these teams rated "*everyone in Finance, HR, and security teams see their role as a partner (vs police) to business teams*" significantly lower than the rest of the organization.

9   Benchmark

How does COMPANY NAME compare?

Over 1,300 companies have gone through the Business Agility Institute's maturity evaluation. Using this to compare COMPANY NAME against companies of similar complexity (274 companies), COMPANY NAME's business agility capabilities are in the 60th percentile (69.2%) of organizations.

As shown in the chart below the majority of similarly complex organizations trend in the 2nd quartile compared to COMPANY NAME's mid-3rd quartile average.
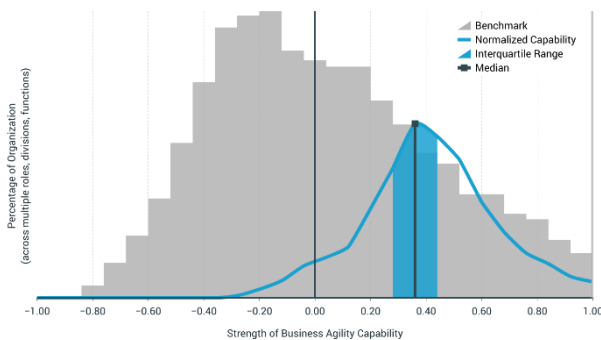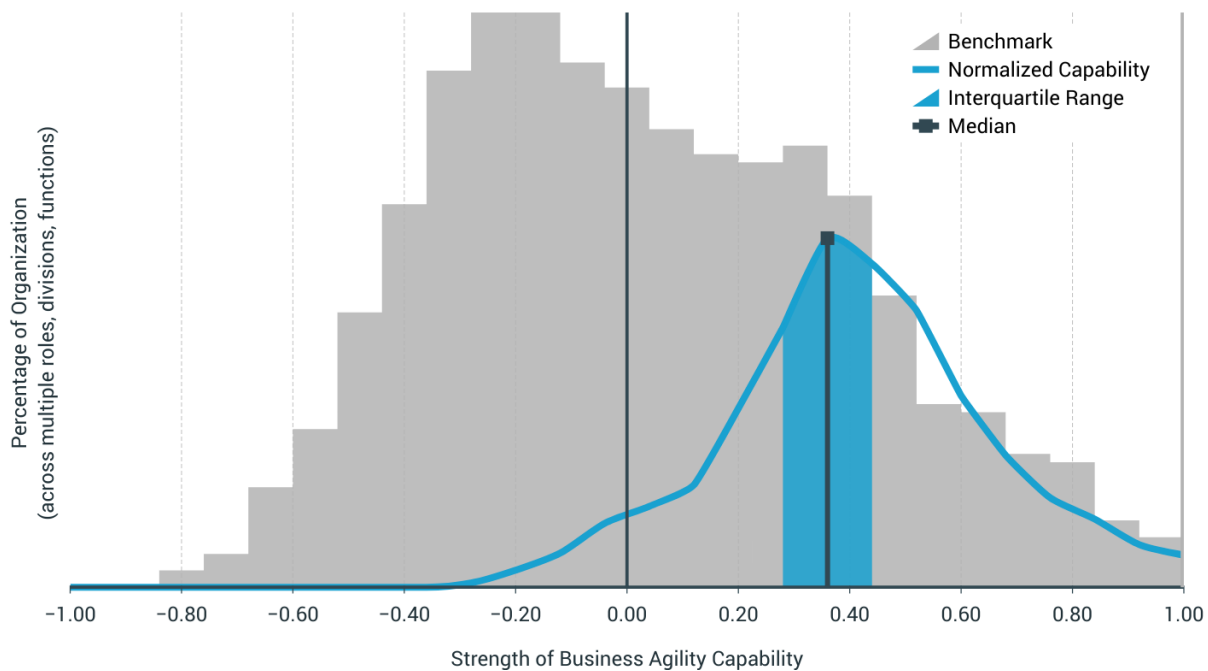
All Companies   REGION

Against all companies, COMPANY NAME is in the 70th percentile (77.8%) of organizations. Compared against 83 organizations in REGION, COMPANY NAME scores in the 80th percentile (85.9%) of organization.
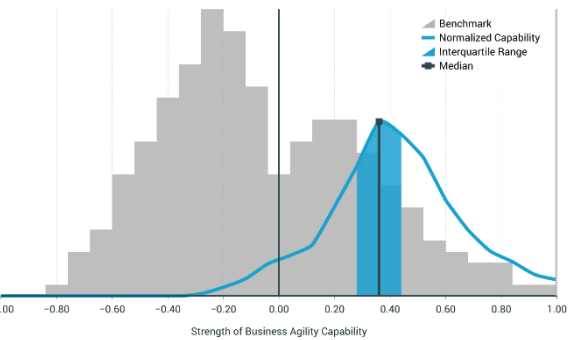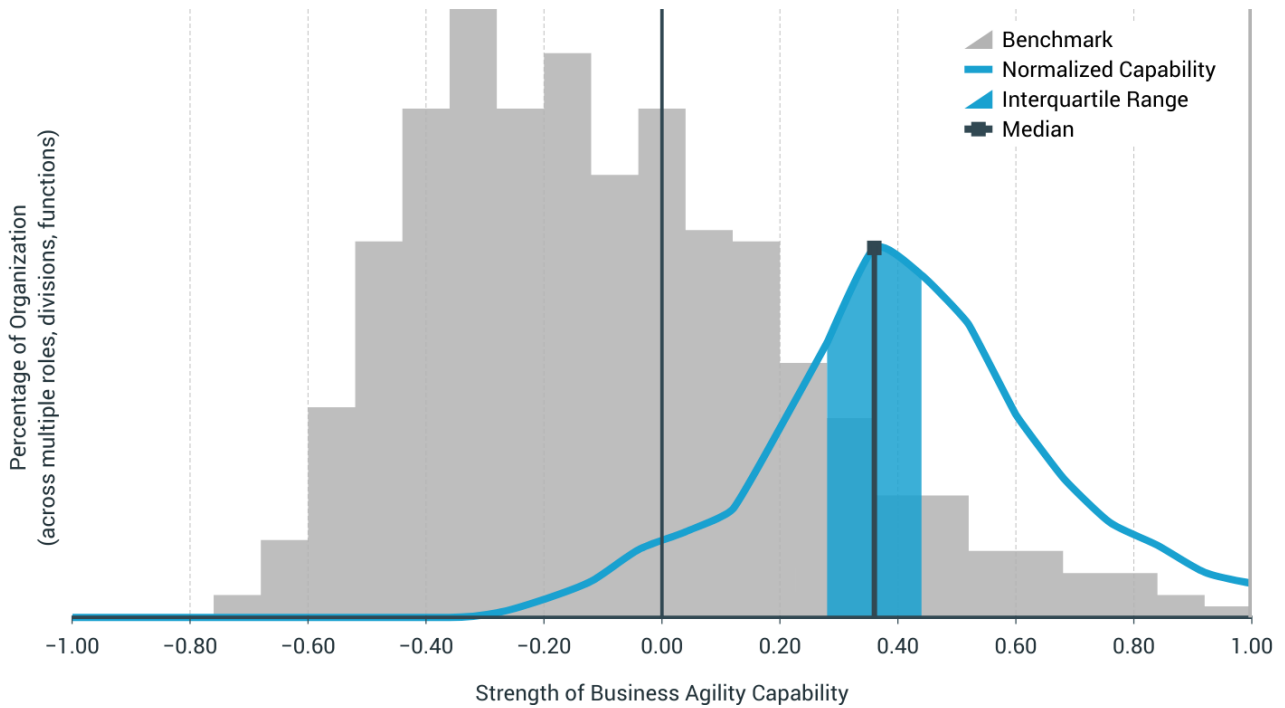
Lastly, compared against INDUSTRY firms, COMPANY NAME in the top 80% of these organizations (88.0%).

It is important to note that this comparison is against firms that are investing in a business agility journey – this is not a truly random sample of organizations. Comparison against a truly random sample is likely to be much higher.

10 Appendix A

Business Agility Capabilities

As mentioned at the start of this report, Business agility is a set of organizational capabilities, behaviors, and ways of working that affords your business the freedom, flexibility, and resilience to achieve its purpose. *No matter what the future brings*.

With this freedom, companies can instinctively seize emerging and unforeseen opportunities for their customers' benefit and bring focus to how work is conducted across the entire organization. It's not just processes and procedures. It is principles and ways of thinking that lead to new organizational behaviors and norms.

To understand this, in 2017 the Business Agility Institute began work to clarify what it means to be an agile organization, regardless of industry, size, or context. Over a thousand companies have taken part in this research, culminating in the model behind this Business Agility Profile – a series of specific capabilities and behaviors for business agility and agile organizations.

A capability is the skill, capacity, and proficiency for an organization to do something. The culmination of these determines the current and continued effectiveness of an organization.

Our research has identified 13 capabilities that organizations seek to develop and improve to increase their business agility. The specific mix and level of these capabilities are (and should be) unique to each organization based on their mission and strategy.
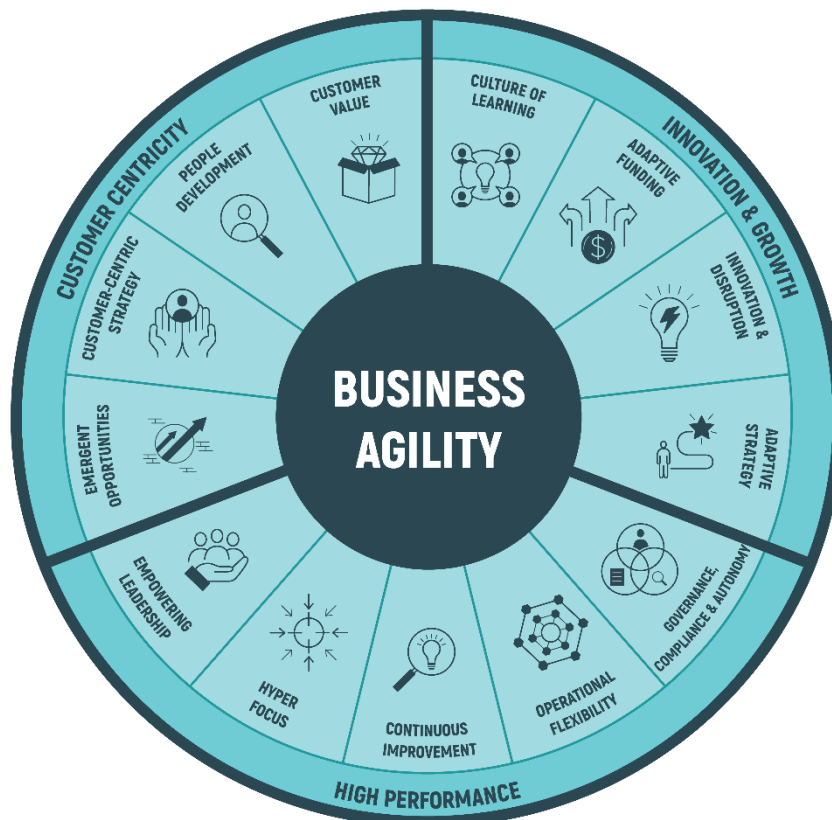
The 13 Capabilities of Business Agility

To aid in communicating these complex ideas, we have grouped them into three categories: high-performance capabilities, growth and innovation capabilities, and customer-centric capabilities.

10.1 High performance capabilities

High performance capabilities support an organization's pursuit of its desired business outcomes (both financial and nonfinancial).

These capabilities contribute to a culture of high-performance across the organization through strong leadership, continuous improvement, and efficient governance and operating models. The 5 capabilities that make up this group are:

C01: Ability to lead through empowerment and influence

People are the most agile aspect of any organizational system. The innovations that people bring, given the proper creative space, can flourish only under leadership that empowers them.

To innovate, rather than adopting a command-and-control leadership style, invest in creativity. This approach attracts those who truly want to contribute, who have growth and ownership mindsets. Moreover, customer-facing employees often know exactly what customers need more clearly than organizational leaders do. Where leadership sees the big picture, they frequently do so at the expense of critical details. Empower employees to address these important details.

While doing so, we should maintain strategic direction. Complete creative freedom without focused direction can confuse people and cause chaos in your organization. This is why we advise leading through influence and inspiration.

C02: Ability to [hyper] focus the organization on what's important

This is an organization's ability to focus on the few high-priority issues that most benefit its customers.

Done well, this ability allows for tremendous organizational creative expression. By transitioning to an agile mindset and helping people focus on what's important, we can reduce waste, reduce works-in-progress, and deliver greater customer value.

While the aim of this focus is important, be it improving work or changing behavior, the key ability is learning to focus on a select few priorities that truly matter, then aligning the work of every single person in the organization to the organization's purpose (what it does) and identity (who it is).

Becoming distracted by low-priority work is among the most crippling challenges faced by organizations. Of particular concern: As certain priorities emerge as more important than others, how quickly can the organization shift to these issues? Or are people instead mired in outdated, low-priority concerns?

C03: Ability to continuously improve

This is the relentless pursuit of excellence across the organization - in both planned and unexpected places. Beyond just linear improvement, continuous improvement in a business agility context demands a complex adaptive systems perspective. This requires self-awareness and critical, constant reevaluation of the strategies, structures, processes, and behaviors that block growth and higher performance. Find these broken or overlooked elements and work rigorously to improve them.

C09: Ability to seamlessly evolve organization structure & operating model

This is the ability of an organization to continuously recalibrate its operations and structures without becoming mired in overly complex change management.

Volatility, uncertainty, change, and ambiguity in business are inevitable. Organizations must develop the ability to quickly shift how they operate, structure, and execute.

The fear of the unknown, change, or volatility keeps organizations from making frequent, small, and necessary changes. And yet, since no external influence is completely stable—customers, competitors, markets, environments are constantly moving—the pressure to change constantly builds up. By resisting change until they no longer can, organizations face enormous change efforts that waste time and creativity.

Instead of tolerating systemic structural or operational problems, make a small, measurable change. Watch how it affects strategy, employees, and customers. If this small change improves your organization's key priorities, it's useful. Build on it.

C13: Ability to balance governance agility, compliance, and autonomy [in service of the customer]

This is the ability to give people the greatest possible autonomy to serve customers without harming the organization or causing negative externalities. Of all business agility capabilities, this is among the most important yet hardest to achieve.

Companies should take care of themselves with policies and systems for auditing, governing, and pricing. But when these systems interfere with or block customer relationships, they've taken them too far.

Remove the obstacles preventing your organization from giving customers what they need, rather than focusing too much on what employees are permitted to do (or not). Challenge assumptions about what's possible.

10.2 Customer-centric capabilities

Customer-centric capabilities align an organizations activities and outcomes to the needs and wants of their customers and the broader marketplace.

These capabilities contribute to a culture of adaptability through strategic agility practices, improved speed-to-market, and developing people in order to ensure greater product-market fit. Organizations with strong customer-centricity are proficient at both "doing the work right" and "doing the right work".

C04: Ability to deliver value to customers at a frequency appropriate to the market

Frequent delivery of valuable products and services is a key driver for success in the modern business environment. Organizations that exhibit this capability are able to deliver new or changed products and services to their customers more frequently than the competition.

The frequency of delivery is matched to the customers' ability to absorb change without being overwhelmed. In some cases this could mean changes are released into the market multiple times per day, in others this might only be once in a few months. The specific frequency is not the success factor - being able to meet the market needs is. They have the courage to drop products or services that no longer meet the customer needs and to pivot their operations to remain customer focused.

A common misconception is that this capability refers to increasing time to market. This is not necessarily true; again, we emphasize delivering at an appropriate frequency. While the cadence of delivery is nearly as important as delivering value, speed or continuous delivery isn't always called for. In some cases, too-rapid delivery could overwhelm or exhaust the customer. Sometimes it's better to move more slowly in the interest of creating greater customer value.

C06: Ability to recruit, retain and manage the best people for your mission

This ability means attracting, retaining, and managing people who are passionate about customer centricity, which enables everything agile. Without this passion, customer relationships are simply transactional, making genuinely customer-centered innovation impossible.

Leaders need to be clear about the right attributes and attitudes needed for each role while ensuring everyone has what they need to succeed and develop within the organisation. From a systems perspective, this also needs complimentary behaviours, skills, cultures, and experiences (culture-add).

C07: Ability to seize emergent opportunities

This means an organization's ability to perceive, anticipate, and act on transformative events (scan the market) in service of their customers, which is tremendously valuable to its innovation and growth.

Consider organizations that successfully pivoted during 2020's coronavirus pandemic. Their skills, focus, and cultures gave them the ability to quickly realign their objectives and adapt to a changed world. They saw their customers' new needs and rapidly learned how to deliver them. This skill was essential then and remains so today.

C10: Ability to craft a customer-centric adaptive strategy

This ability means adapting organizational strategies in accordance with customers' needs, which are constantly in motion. In doing so, it's essential that organizations widely and clearly communicate their adapted strategies. And because your customer is always in motion, so should your organizational strategies.

Organizations with fixed or slow-to-change strategies cannot easily adapt and thus cannot consistently serve their customers.

Instead of designing a strategy that defines exactly what an employee should do in a given situation, design a strategy that empowers employees to try things—to delight the customer. Even organizational strategies that are led by non-customer drivers (e.g. a regulator), these strategies should still consider the customer.

10.3   Innovation and growth capabilities

Innovation and growth capabilities create and leverage new opportunities in order to increase market share, develop new products and services and better serve your customers.

These capabilities contribute to a culture of innovation and learning through strategic agility and adaptable processes and governance. The 4 capabilities that make up this group are:

C05: Ability to cultivate a culture of learning and experimentation

Experimenting, learning, and incorporating new knowledge is how organizations evolve. When leadership, strategy, structures, practices, and people align under this approach, an organization has designed a culture of innovation.

For example, a startup, because of its size, maturity, or overall excitement, may innately have a culture of learning and experimentation. But it can be hard to cultivate this culture in large or legacy organizations, where people often don't want to show vulnerability or fail. Resistance to learning and experimentation precludes growth.

C08: Ability to innovate and thrive

This ability means creating novel solutions to, often, unrecognized problems.

To do so is often harder than it sounds.

Instead of focusing too much on the systems and structures of running your organization, operate as your own agent of change. Try new approaches. Understand that no ideas are off-limits. Prioritize revolution over evolution. Know that your competitors are trying to disrupt you. Disrupt yourself first.

C11: Ability to sense, forecast, and respond to changing business environments

This refers to the ability for an organization to proactively scan the marketplace and recognize how systemic disruptions show up (like climate change, global issues, and pandemics). This broad perception positively impacts decision-making and strategy across the organization.

By seeing the big picture, organizations are able to both intuit and make bold leaps.

C12: Ability to adaptively and dynamically fund

This refers to the organizational ability to dynamically shift funds, without restriction, from areas of less value to areas of greater potential value. Doing so can reveal breakthrough opportunities.

Note that funding dynamically is different from funding transactionally. It takes effort and a willingness to fund outcomes as opposed to projects or departments, or to invest strategically rather than following a set budgetary cycle. But the potential benefits in innovation, growth, and customer value are massive.

If money is the metaphorical blood of an organization, then funding—the ability to circulate money where it's needed—is its heart.

11   Appendix B

Business Agility Behaviors

A behavior is a specific, observable, and repeated action taken by a person or group inside an organization. In this context, behaviors are the expression of business agility. Each behavior can belong to multiple capabilities and is expressed by a specific actor; either leaders, executives, or everyone.

Executives refers to those leaders in a position of significant responsibility and authority. Usually directly responsible for P&L and the strategic vision.

Leaders mean those individuals who carry personal authority and influence across the organization. This often includes people in management positions, although leaders don't always have to be managers. Leaders also includes Executives above.

Everyone incorporates the entire workforce (employees, contractors, managers, etc). Unless otherwise specified, this includes leaders and executives above. These people are part of the culture of the organization. Everyone also includes Leaders and Executives above.
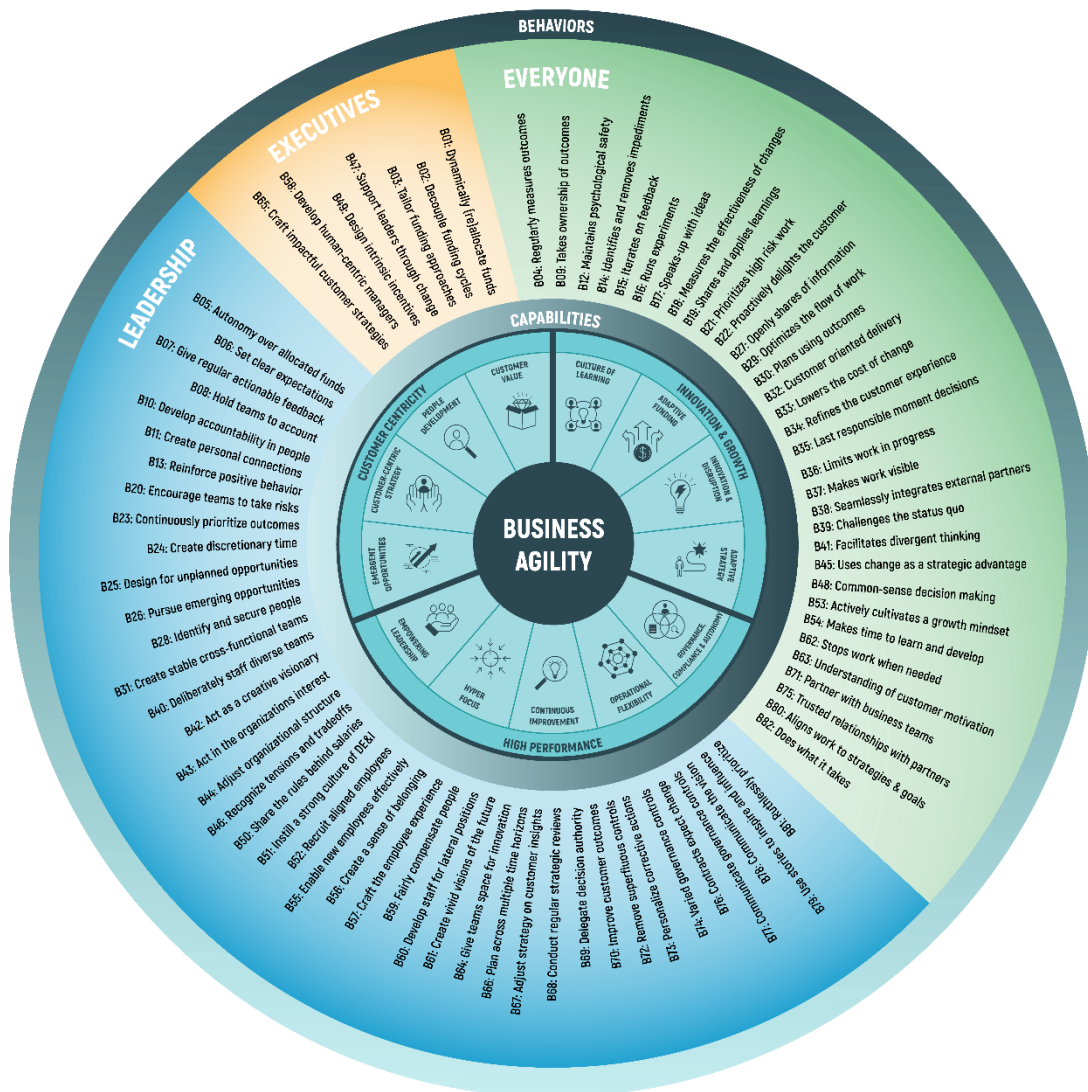
Overall, capabilities are improved when you improve the underlying behaviors across the organization.

11.1   Executive Behaviours

- B01: Executives dynamically, and strategically, (re)allocate funds based on data and outcome measures
- B02: Executives decouple internal funding cycles from external reporting cycles
- B03: Executives tailor funding approaches to the type and context of the work
- B49: Executives design incentive and reward systems that tap into intrinsic motivation
- B58: Executives invest in developing effective and human-centric people managers
- B61: Executives create vivid and inspiring visions of the future and invests time inspiring everyone towards it
- B65: Executives craft strategies that are impactful to customers (not just the company) while remaining aligned with the organization's principles and purpose

11.2   Leader Behaviours

- B05: Leaders have autonomy over their allocated funds
- B06: Leaders set clear direction and measures of success
- B07: Leaders are accessible, supportive, and give regular actionable feedback
- B08: Leaders hold teams and peers to account for the commitments they make
- B10: Leaders develop people to take increasing ownership and accountability
- B11: Leaders create personal connections through empathy, listening, coaching, and mentoring
- B13: Leaders reinforce positive behavior
- B14: Leaders remove impediments
- B18: Leaders make decisions informed by data, rather than assumptions or guesswork
- B20: Leaders encourage and fund teams to take worthwhile risks
- B23: Leaders continuously (re)prioritize business outcomes & opportunities
- B24: Leaders create time to accommodate emergent opportunities
- B25: Leaders design work systems and processes so unplanned opportunities can be started quickly
- B26: Leaders model desired behavioral changes before asking others to do it
- B28: Leaders rapidly identify and secure the resources and people for new opportunities
- B31: Leaders create stable cross-functional teams
- B33: Leaders proactively identify and track emerging patterns and trends
- B35: Leaders delay commitments and keep important and irreversible decisions open as long as feasible
- B40: Leaders deliberately staff diverse teams
- B42: Leaders (of product teams) behave as creative visionaries rather than operational leaders
- B43: Leaders act in the interest of the organization rather than their own area
- B44: Leaders proactively adjust organizational structure and operating model to align with strategy
- B46: Leaders recognize organizational tensions and make appropriate tradeoffs
- B47: Leaders support people throughout the change so that change is not a distraction from day-to-day work
- B50: Leaders share the rules behind salary and compensation with everyone
- B51: Leaders instill a strong culture of DE&I to bring out the best in everyone

- B52: Leaders recruit employees based on mission-alignment, culture add, and a growth mindset
- B55: Leaders enable new employees to be effective quickly by focusing onboarding on organizational networks, interactions, culture, and values, in addition to the necessary processes & tools
- B56: Leaders create a sense of belonging through inclusive experiences
- B57: Leaders deliberately craft the employee (and candidate) experience
- B59: Leaders compensate, reward, and recognize individuals and teams fairly for the work they do
- B60: Leaders intentionally develop staff for lateral and diagonal positions and promotions
- B62: Leaders pivot work when a more valuable opportunity arises
- B64: Leaders define strategic outcomes in ways that give teams the space to pursue innovative and potentially unforeseen solutions
- B66: Leaders conduct strategic planning across multiple time horizons
- B67: Leaders continuously adjust business outcomes and strategies based on insights from teams and customers
- B68: Leaders conduct regular & frequent strategic reviews and updates
- B69: Leaders delegate decision authority to the lowest appropriate level based on risk
- B70: Leaders design governance processes to improve customer outcomes rather than back-office efficiency
- B72: Leaders remove superfluous controls and approvals
- B73: Leaders personalize corrective actions for governance violations rather than broad process changes
- B74: Leaders design governance controls that are not one-size-fits-all
- B76: Leaders create and manage contracts to expect change rather than to minimize or control it
- B77: Leaders ensure that governance controls and approval processes (and any changes to them) are clearly articulated and communicated
- B78: Leaders invest time to communicate and align everyone in the organization around the strategic priorities, starting with the "why"
- B79: Leaders use stories to communicate, inspire, and influence
- B81: Leaders ruthlessly prioritize what the organization works on
- B83: Leaders communicate and discuss the why, what, and impact of change early and often
- B84: Leaders factor in the organization's capacity for change and balance accordingly
- B85: Leaders create processes that are fit for purpose and suitable to the level of complexity, risk, and impact
- B86: Leaders create processes with the employee, contractor, or vendor experience in mind

11.3   Everyone Behaviours

- B04: Everyone regularly measures business outcomes and associated impacts
- B09: Everyone takes ownership of business outcomes with the necessary authority, autonomy, and agency to do what it takes to achieve it
- B12: Everyone establishes and maintains psychological safety
- B15: Everyone frequently seeks and iterates on employee, customer, and stakeholder feedback
- B16: Everyone deliberately designs and runs experiments based on hypotheses, observations, ideas, and feedback
- B17: Everyone is invited to speak-up with ideas and opportunities
- B19: Everyone shares learnings and they are appropriately applied

- B21: Everyone prioritizes high risk work to determine viability of options and next steps as quickly as possible
- B22: Everyone proactively searches for opportunities to satisfy and delight the customer
- B27: Everyone defaults to the open sharing of information
- B29: Everyone defines & optimizes the flow of work from vision to delivery of value
- B30: Everyone plans using outcomes, rather than outputs
- B32: Everyone breaks down and delivers work from the perspective of a customer
- B34: Everyone deliberately crafts and iteratively refines the customer experience
- B36: Everyone limits work in progress
- B37: Everyone makes work visible
- B38: Everyone seamlessly and transparently integrates external partners into the value stream to achieve common goals
- B39: Everyone challenges the status quo and is open to being challenged
- B41: Everyone pursues opportunities for cross pollination with other groups and organizations
- B45: Everyone anticipates change and views it as a strategic advantage
- B48: Everyone makes decisions using common-sense judgement, guided by organizational principles and values, rather than extensive documented policies
- B53: Everyone actively cultivates a growth mindset
- B54: Everyone makes time to learn and develop
- B63: Everyone invests in an in-depth understanding of customer motivation
- B71: Everyone in Finance, HR, and security teams see their role as a partner (vs police) to business teams
- B75: Everyone invests in building trusted relationships with external partners to align them to the organization mission, strategy, and values
- B80: Everyone ensures work is aligned to current strategic priorities & goals
- B82: Everyone does what it takes to achieve customer outcomes without being bound by job descriptions
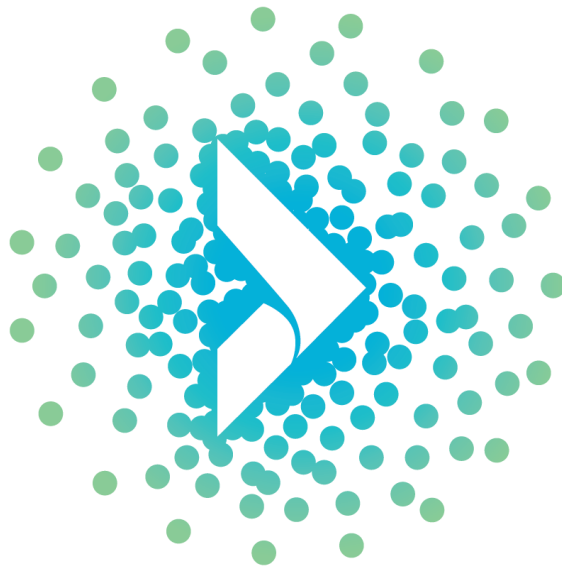
Congratulations

Congratulations from all of us in the Business Agility Institute on achieving this milestone. You are part of a select community of organizations facing ambiguity and uncertainty head on.

If you have any further questions about any aspect of this report, or business agility in general, please contact me directly.

Evan Leybourn
CEO and Cofounder
eleybourn@businessagility.institute