3 Agile transformation traps CIOs should watch out for

By Yann Hamon, Founder & Managing Director, why innovation! | 2019-01-19

For over 20 years, I have been focused on helping C-level leaders to develop their competencies mainly in two key areas: cultivating an Agile mindset and incorporating innovation into strategic thinking.

While many CIOs are dedicated in their effort to lead 'digital transformation' (which is both challenging and context-specific), they may not realize the magnitude of the changes required to achieve successful, sustainable change.

By far the most common question I get asked is: "So after my organization becomes Agile, what's next?"

My answer today is the same as it has been over the years – that it is the wrong question to ask.

Agile is not just a shiny fruit to pick from a tree, nor a stop to disembark from on a train line. Instead, it should be a journey which embraces continuous change, self-adaptivity and an open culture without adhering to immutable framework or processes.

I'd like to share some recommendations for organizations to maximize the benefit from adopting Agile, as well as several common misunderstandings to avoid.

Agile is not an end state

Here's the difference between "being Agile" and "doing Agile" - Agile is a mindset.

It's about developing an organizational capability to continuously learn and reorganize in pursuit of innovation and improvement – whether that be new revenue streams, improving existing products and services, or creating a new market segment. Such capability relies on each individual employees changing their way of thinking about how value is delivered.

A sign to be cautious of is the "inside out" mindset. I often hear engineers and stakeholders (even experienced ones) saying that they know what the market needs; that they know better than the customers themselves. By embracing an Agile mindset, they should instead consider that what they know are mostly assumptions, which are best tested and validated by data collected from their users.

The Agile mindset has the potential to facilitate many organizational benefits. However, if understood and adopted wrongly, it may instead create more harm than good – such as lack of accountability, accrual of technical debt, or creation of a 'compliance' culture. My advice is that if you look at Agile as a process or tool rather than a mindset, then it's best not to try it at all.

Technology is not a commodity

There are many promising approaches to help businesses revitalize their customer insight strategies (depending on maturity, they could include AI, omnichannel, conversational UI, etc.). In order to obtain strategic advantage, organizations should master and internalize these skills. They should not outsource the capabilities which will differentiate them, such as the ability to sense market signals and customer needs, and to rapidly transform these insights into products and services.

However, there is a benefit for organizations to partner with technology experts in order to accelerate the development of these competencies. After all, Rome was not built in a day. The focus should be on strategic partnerships with smaller companies and tech savvy start-ups, working towards win-win results.

Organizations should aim to develop an ecosystem that allows them to access the skills they need, whilst retaining autonomy and their ability to create a distinct strategy.

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Don't underestimate the width and depth of organizational change

The most successful organizations use market signals to adapt their products and services to fit or create new customer needs.

This usually doesn't happen without having a strong innovation culture and digital-related frameworks in place, often based upon a blend of design thinking, Lean Startup and Agile principles.

Digital transformation does just not affect the customer facing teams or the product department in isolation. The whole organizational structure and way of working will eventually need to be changed (which means adapting key business processes, such as finance, procurement, and HR).

At why innovation!, we believe it is essential for organizations to truly understand and embrace this change as a journey, rather than stopping at the stage where an expected level of performance is reached. In fact, it is the former approach which will extend greater opportunities and benefits to organizations and teams.

Just like they say in Scrum – in order to learn how to solve complex problems, we must inspect and adapt, inspect and adapt.

Organizations need to mutate into Darwinist organisms: continuously change their structure and ways of working and measure whether these mutations make them better fit in their changing environment. If not, revert and pivot.

Change. Measure. Learn. Repeat.

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