

COMMENTARY



# MAKING ELEPHANTS DANCE

Enabling Agile in  
Large Corporates

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## OVERVIEW

Agile techniques are increasingly used to alter the DNA of large corporates. However, the agile elephant remains an elusive beast; to date many large corporates have used agile working practices to improve efficiency and effectiveness of operations, but until decision-making processes, standards and culture are rewired from the boardroom down, the full benefits of agile will not be realised.

## A 'BIG' CHALLENGE

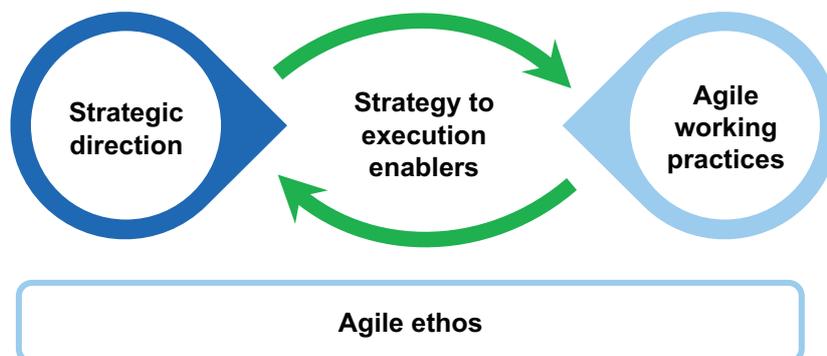
The market environment for large corporates is changing faster than ever, yet will never be this slow again. The internet giants have re-set consumer expectations and behaviours while access to technology has lowered the barriers for nimble start-ups to challenge large corporates. Established market leaders across all industries are being forced to adapt. Fast.

Large corporates are injecting greater pace and agility into operating models traditionally designed to harness economies of scale and ensure compliance and predictability of outputs. There has been widespread adoption of agile techniques and rethinking of working practices, borrowing and adapting from technology-based competitors, turning up the pressure in the market. Innovation hubs, accelerators and garages, with focused multi-disciplinary teams, are working in-house at large corporates to quickly, and more effectively, test new ideas and concepts with customers. Talent development programmes that focus on bringing agile working practices such as scrums, huddles and objectives and key results (OKRs) are being rolled out across large organisations to enhance customer focus and accelerate delivery.

However, there is growing frustration that the investment behind agile and the activity it triggers is not aligned to the biggest levers that a company has to drive long-term value. Many innovation initiatives remain sideshows, loosely connected to the main business. Agile teams which rally together for exciting one-off projects or to resolve a crisis, fall back into old ways of working once the project is done or crisis over.

### Making elephants dance

To become truly agile senior management must rethink their approach and processes used to run their business. To extract the most value from the agile working practices that underpin successful technology-driven competitors, senior leadership needs to clearly define, communicate and dynamically manage the strategic direction of their organisation. To do so, they need to put in place mechanisms that enable the organisation to translate an evolving strategy into day-to-day decision-making. Corporates that do this well, in conjunction with selectively adopting appropriate technology and agile working practices, have the best chance of winning in the new world.





Motivating vision



Dynamic strategic guidance



Link strategy to execution priorities

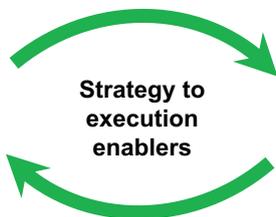


Dynamic planning and allocation

Established corporates have significant assets and capabilities deployed in the market: becoming more agile therefore puts even more pressure on the clarity of the strategic vision, the process for dynamically managing the strategy and how time and resources are deployed for evolving priorities. Practically this means ensuring employees understand the strategy and how it translates to actionable priorities. It should be clear when decisions are delegated down and the emphasis is on pace as well as when a decision requires more consideration, and the business needs to go slow to go fast.

Agile corporates that are successful at setting a clear strategic direction exhibit four characteristics:

- A clear and **motivating vision** that all parts of the organisation can relate to and that helps to guide individual behaviours
- **Dynamic strategic guidance** that is specific on where the business will compete and how it will win
- A tight **link between strategy and priorities** that sets out the key bets that the business is making to develop its competitive advantages given the market environment
- **Dynamic planning and (re)allocation of resource** that constantly ensures the best people in the business are focused on the priorities that will move the needle



Simple, flat structure



Master of decision making



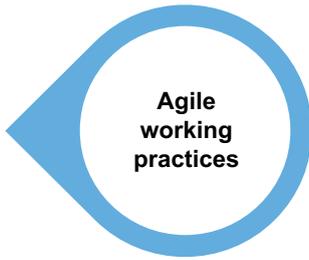
Minimum viable bureaucracy



Shared performance dashboards

In stable markets, large corporates typically establish robust structures, processes and standards that value control and assurance as much as progress. Agile organisations set clear direction and reorient their processes and controls to promote pace and agility in areas where it can drive meaningful benefit. The processes and controls in more agile companies tend to focus on raising the standards of decision-making and increasing transparency across silos from the front line to the boardroom. Organisations that do this well have the following four attributes:

- **A simple, flat structure** with clear roles and responsibilities that provides autonomy and space to lead, is transparent across the business and helps to foster collaboration
- **Mastery of decision-making** up and down the organisation to raise the standards and build confidence that decisions taken are aligned with the strategic direction of the business
- **Minimum viable bureaucracy** that emphasises progress over assurance, without compromising governance oversight and regulatory compliance
- **Shared performance dashboards** that increase transparency and provide faster, data-driven feedback from the customer back to the senior leadership team to inform decisions



Corporates that adopt agile techniques and leverage new technology can increase the pace at which ideas can be tested and improve customer proximity. To achieve the full benefits of agility, we recommend the following four steps:

- Set up a network of small **cross-functional teams** that can be formed quickly to address specific issues or opportunities, and reconfigured once the issue is addressed or opportunity developed.
- Adopt **iterative ways of working** at pace in a cycle of thinking, testing, learning and refining to make progress in short sharp bursts and deliver value through each iteration.
- Make **customer centricity** a common objective and orientation to ensure investment addresses the needs that customers value.
- Use data, advanced analytical tools and technology to create **enhanced (customer) analytics** to support the development of better, more relevant solutions at increased pace.

## Agile ethos

Achieving greater pace and agility in large organisations does require a fundamental shift in mindset and culture. Agile organisations endeavour to define a set of principles that embody agility in how employees think and work day-to-day. These principles should guide how decisions are made from the executive team down to the front line. However, in our experience it is often a lack of clarity in how these principles apply to drive better faster decisions in the executive team and how this cascades down through senior leadership teams which results in a corporation's lack of agility.

Marakon has experience of working with senior leadership teams of FTSE 100 companies over the last 40 years. We work with many companies to help them become more agile, get on the front foot in the face of potential market threats, make better decisions, empower their employees, work at an increased pace and bring more focus on the customer.

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## ABOUT MARAKON

Marakon is a strategy and organizational advisory firm with the experience and track record of helping CEOs and their leadership teams deliver sustainable profitable growth. We get hired when our client's ambitions are high, the path to get there is not clear (or taking too long) and lasting capabilities are as important as immediate impact.

We help clients achieve their ambitions for sustainable profitable growth through:

- Stronger strategies and advantaged execution based on:
  - A better understanding of what drives client economics and value
  - Insight into changing industry dynamics and the context in which clients need to succeed
- A stronger management framework to generate better ideas and link decisions and actions to value
- A stronger organization with a more focused top management agenda and well-aligned resources
- A more confident and effective leadership team that's focused, decisive, and strategic

We have a joint team delivery approach where client ownership and engagement is paramount. Partners are highly engaged in the work product and supported by strong analytical and industry relevant capability. We work as advisers and catalysts in close, trust-based relationships with top management teams.

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