

Partnering to Scale an Agile Way of Working

A holistic approach to agile transformation to reduce risks, enhance quality and strengthen customer value proposition.



Breaching the Boundaries

A number of organizations today are facing a head storm of eroding margins and shrinking revenues in the midst of rapidly changing market conditions and consumer expectations. Compounding this challenge is the surge in disruptive digital innovations and the growing trend of mass personalization. Delivering unique, multi-channel customer offerings with optimized value, pin-point accuracy at lightning speed is now imperative to seize and sustain market share.

Organizations can no longer rely on targeted transformation programs in specific functional areas to address business problems. Building the capacity to fail fast and auto-correct, and react faster to consumer needs is compelling many companies to embark on a journey of core transformation – redefining their operating models and adopting new agile ways of working.

As critical as it is to scale internally today, companies seeking a sustainable competitive advantage must equally mature at their capability horizon – pushing the transformation agenda beyond the realm of traditional organizational boundaries.

Our recent point-of-view, the [Agile Operating Model of the Future](#), explores how a highly flexible and responsive organization will be positioned for lasting success. In this piece, we delve deeper, prescribing a model for organizations to evolve and engage with their partners, and offer a roadmap to achieve an integrated and seamless business ecosystem transformation.

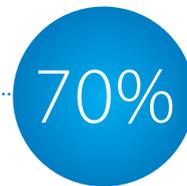
Embracing a Start-Up Culture

Companies today aspire to be more customer-centric, efficient and nimble with a shortened time-to-value. To do this, they must

start thinking like start-ups – learning how to stay agile and scaling at the same time. It is also vital to develop innovative commercial models and align with extended teams (product vendors, solution integrators and consulting service providers) to ensure accountability and delivery quality.

To realize these overarching goals, some organizations have started to follow in the footsteps of the start-up success story *Spotify* and their impressive model of agile transformation that restructures organizations into various levels of scrum teams – *Tribes, Squads, Chapters and Guilds*.

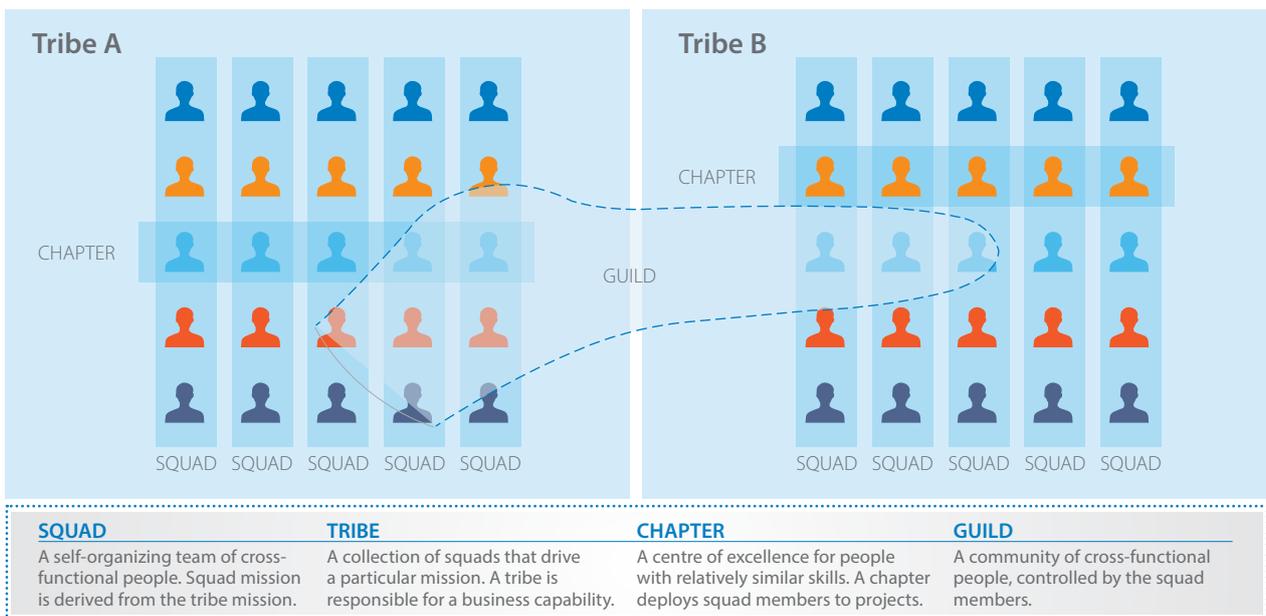
Teams in the Spotify model go through iterative planning, design and development to achieve an enhanced speed of delivery, quality and efficiency. This structure which is now implemented across their global locations, also aims to inculcate a culture of continuous improvement and an agile mindset in the workforce.



Agile organizations have a 70% chance of being in the top quartile of organizational health, the best indicator of long-term performance.

Source: The 5 Trademarks of Agile Organizations, McKinsey & Company

The Spotify Model in its Nascent Stage



Source: Spotify

Larger businesses today are trying to replicate this model by organizing themselves into collaborative, self-organizing and cross-functional teams internally – hoping to emulate Spotify's benefits of increased productivity, minimized hand-offs, decentralized decision-making and empowered teams.

"The agile way of working is not just for IT delivery but it's about creating cross functional teams to improve business agility for accelerating the market launch for all strategic and operational initiatives with better quality for customers," according to Olu Adegoke, a partner at Infosys Consulting.



"Agile development enabled us to take a more iterative approach to developing a data aggregation and reporting system. Using the agile model, we established a business-first approach, involving stakeholders early in the process, and maintaining communication with frequent, regular meetings to keep everyone involved."

Source: Building an IT Partnership through Agile Development, Microsoft

Fostering a New Approach to Partnerships

Adopting the *Spotify* model by restructuring internally into various levels of self-organizing teams – *Tribes, Squads, Chapters and Guilds*, is not enough to drive significant competitive advantage and achieve sustainable success. The transformative journey towards agile must traverse beyond traditional organizational confines.

Organizations need to first define and establish engagement, relationship and program-level metrics to ensure customer focused business delivery at reduced risks – without compromising on quality. The business and technology 'tribes', procurement and vendor management functions of a firm must change the way they collaborate and engage with their partner ecosystem by leveraging best-in-class approaches in lean agile procurement and contract management, and develop innovative and flexible business models that can deliver unique commercial value.

Key considerations for these metrics include:

- Establishing agility-related KPIs to measure the progress of a 'tribe' in terms of its speed-to-value and delivery quality
- Encapsulating all the business and technology tribes/squads/chapters of the organization and all the partners associated with the organization
- Ensuring effective and efficient collaboration between the organization and partners toward the mission of the tribes/squads/chapters
- Measuring the effectiveness of collaboration between multiple partners that are delivering the mission of the tribes/squads/chapters
- Understanding whether a partner or multiple partners control the tribe, chapter, squad or a part of these teams in delivering their mission
- Developing new (squad partner, tribe partner, chapter partner etc.) or enhancing existing (e.g. fixed price, outcome-based, capped time & materials, as-a-service, etc.) commercial models with the partners based on their involvement in the program of work

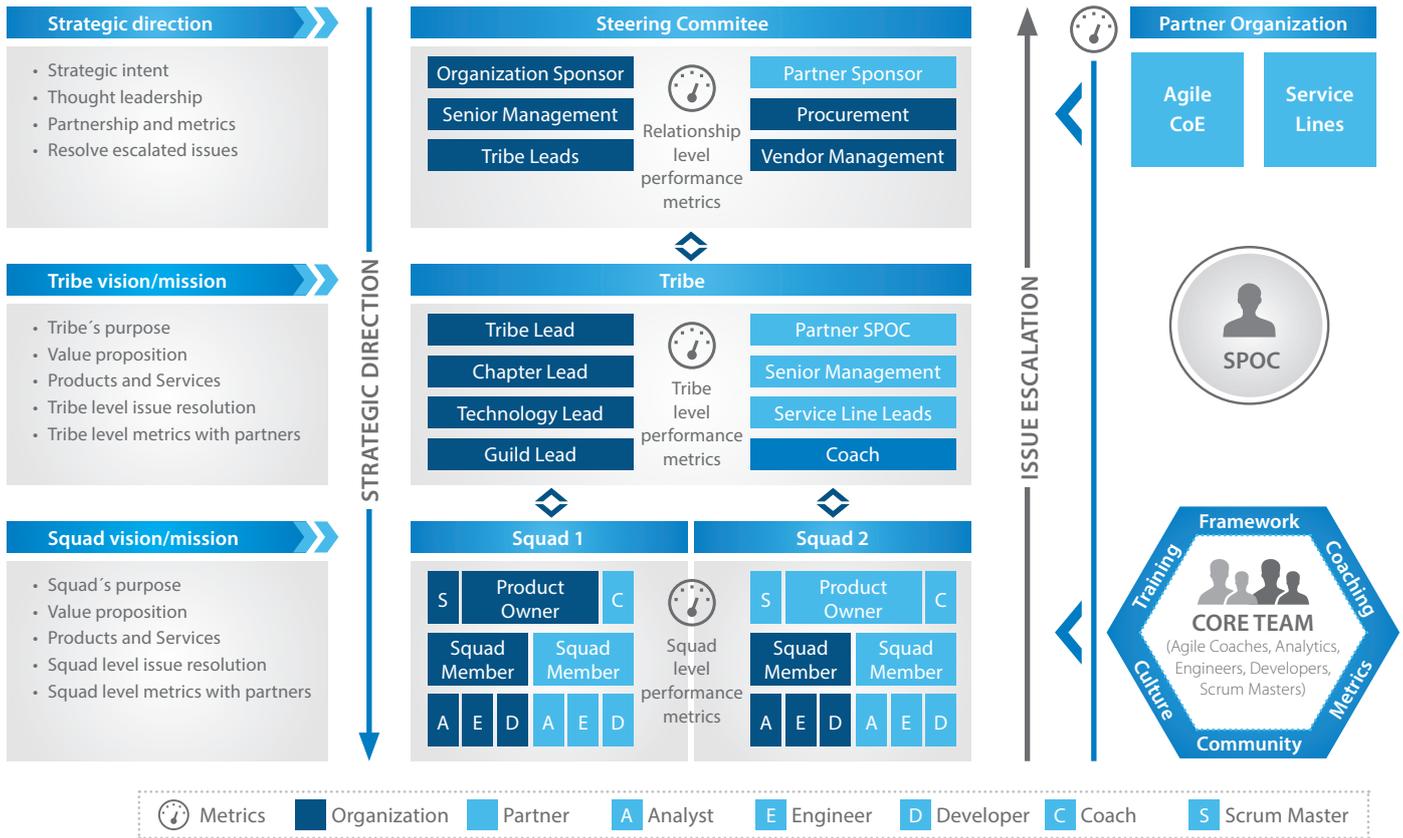
Different agile engagement models offer different value and different levels of business engagement.

As depicted in our model (see following page), the metrics are applied at various levels – at the relationship, tribe and at squad level (assuming that the organization is referencing the Spotify model for its own benefit.)

Each party (organization or partner) in the new structure may have a different level of influence on the "agility" of the tribe or squad – this influence is a function of the roles, responsibilities, value delivered and the number of people working.

Organizations can also use these metrics within a risk or reward-based commercial construct to measure the value of a partnership and take actions accordingly (e.g., incentives or penalties). Also, it is essential to monitor the metrics on a regular basis to help understand the success of the partnership with respect to the value brought to the organization.

New Partnership in Action Model



Source: Infosys Consulting

Charting a Unique Adoption Blueprint & Governance Model

There is no specific industry architecture that an organization can directly import to develop their new ways of partnerships. The thumb rule is – do not copy, do your own thing. The model of tribes, squads, chapters and guilds may have worked for Spotify, but it may not yield the comparable results in another context.

Thus, every organization keen to adopt an agile partnership should conceive their own transformation journey maps. The operating model should be devised taking a holistic approach considering the core values, overall value proposition, and products and services of the firm.

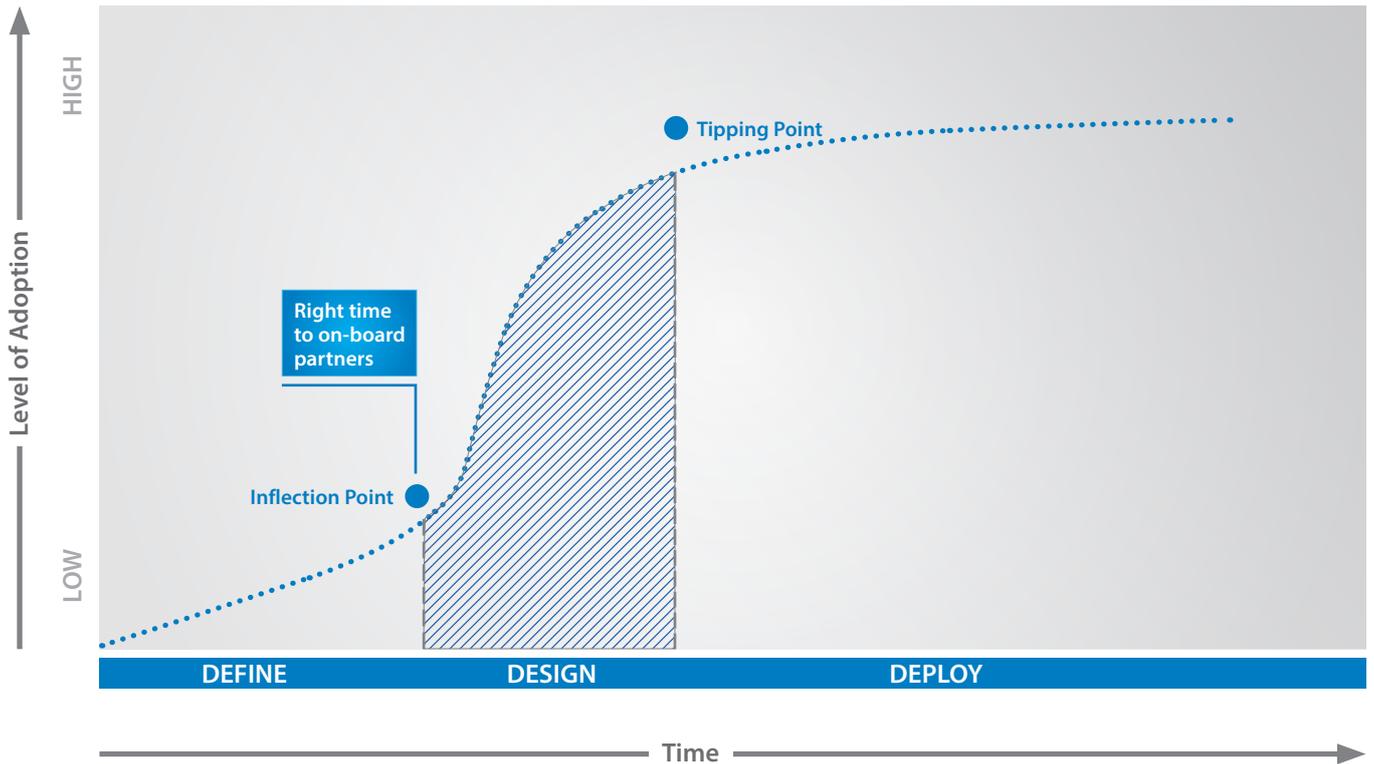
Establishing the right governance model is key to the new partnership and commercial model. This ensures that the vision and mission of the organization are communicated through all tiers of the structure and teams are steered in the right direction – in-line with the purpose of their tribes and squads.

The governance model also ensures that inter-squad issues are resolved at the tribe level and inter-tribe issues are resolved at steering committee discussions. The metrics also complement the governance model in checking the performance progress and ensuring the journey is on track with the strategic vision of the organization.

“Single-fix changes at the team level thus appear to make progress for a while, but eventually the interlocking elements of the organizational culture take over and the change is inexorably drawn back into the existing organizational culture.”

Source: Steve Denning, Forbes

The 'New Way of Partnership' Adoption Journey



Source: Infosys Consulting

It is vital to understand at what point organizations should start engaging their partners in their overall agile adoption journeys. The winners, clearly, will be early-adopters.

At a higher level, the agile adoption and transformative journey can be broken down into three distinct stages:

1. Define

- Organizations define business outcomes, agile-at-scale strategy and new ways of working.
- Enterprise and team processes and structures are modeled, agile work environments are built, and advisory partners are looped in to co-create the organizational design and bring in best practices.
- Requirements are gathered, pain points are identified, opportunities and common scenarios that will be used as an anchor to achieve the desired future outcomes are elaborated.

2. Design

Post the define stage, the journey reaches an **'inflection point'**.

- The partners are now engaged to define new agility related KPIs, and agile contracts and commercial models at all levels of the agile structure are created.

- Design principles for partnerships are formulated, workshops are conducted, dimensions and measures are developed and linked to the principles.
- Expert vendor views are incorporated in an agnostic way. Relevant industry best practices, subject matter expertise (e.g., models, frameworks) and metrics are designed.

3. Deploy

- Based on the partner's business and technology involvement, relationship dynamics, and the value it brings to the organization's strategic objectives, specific dimensions and measures are applied.
- Corresponding commercial models are built.

This is the **'tipping point'** of the journey where the new ways of partnership begin to stabilize.



Change Management at the Core of a Successful Transformation

A key factor in deploying these partner relationship metrics is a unique change management program for a seamless, integrated adoption of the new model.

There are some key considerations to keep in mind while designing a tailored change management program. They are as follows:

- The change management squad should be driven by both the organization and the partners, with equal representation of agile coaches from either side. This will help in bringing an unbiased perspective, ensuring that the new commercial model stabilizes and scales up efficiently.
- An agile way of working is not just meant to encompass IT – it should be driven across the enterprise. The culture that agility brings enhances employer-employee relationship and helps retain talent.
- The agile culture also brings in agile workplaces: hot desks, working flexibility, light laptops and no desk phones. Agile work environments help further this culture.
- Agile teams need to be empowered, self-organizing start-ups. Squad leads, tribe leads and chapter leads should have the power to choose their partners and tailor the partner-engagement models at the tactical level.
- Tribes, squads and coaches need to be continuously mentored so that they do not fall back on the old ‘waterfall method’ of working.
- While the whole organization restructures to the new way of working, it is bound to result in spill and fill of roles. Some of the old roles will never fit into the newly defined ones. Although resource churn is designed to keep it to a minimum, there is bound to be some attrition.

Organizations should take a human-centered approach in these situations. Should they hire new employees or train existing employees with new skills? Can the newly required skills be filled in by partners? If it is inevitable to let go of employees, can the partners absorb them? Questions like these are pertinent.

A Symbiotic Alliance is the Way Forward

In its basic form, agile methodology was designed to develop the right software iteratively, and fast. Agility has now evolved



“To realize the full benefits of DevOps and other agile practices, leaders must design their target cultures and then provide active and ongoing reinforcement from senior management to effect the change.”

Source: Ian Head, Former Research Director, Gartner.

to guide businesses and technology teams on their new way of working – both at the strategic core and at the firm boundaries. There is a clear paradigm shift from viewing the organization as a machine-like rigid structure to a living, breathing organism.

A typical agile transformation journey may start with technology teams experimenting with the adoption of agile delivery principles, but, organizations can soon mature to extrapolate this approach to other areas and business portfolios, and finally scale-up to wholeheartedly embrace an agile way of working across all tenets and branches of the organization.

To be able to continually traverse the market turbulence and stay relevant, the agility behavior so integrated into a firm’s DNA must be entrusted to their partners to engage at the same wavelength – maturing their agile culture in turn. This not only ensures an extension of the organization’s iterative delivery, fast-failing and auto-corrective approach, and ethos of cross-functional and self-organizing teams, but, also complements their objectives of speed-to-value, lower risk, improved quality, reduced costs and enhanced efficiency.

Partners, on the other hand, need to be equipped to respond instinctively to disruptions. This means having ready-to-deploy models, architectures, and agile capabilities to help organizations supplement, mature and scale their agile journeys and deliver on KPIs. The metrics for each partner could be the same or vary depending on the kind of service provided and the level of relationship and degree of involvement in the new agile partnership.

Agile is much more than a methodology, it is a way of thinking. At the heart of a successful partnership and a true agile transformation will be the cardinal pillars of mutual understanding, strategic synergy, collaborative mind-sets and empowered workforces. After all, the merit of a partnership can be only as good as its people – especially when it comes to an agile business.

About the Experts



Jayant Sharma – Partner, Disruptive Technologies Practice (APAC)

As a partner leading our disruptive technologies practice across the Asia-Pacific region, Jay is responsible for our top client engagements and growing our offerings for the firm. His focus is driving digital transformation for financial services, telecoms and public sector organizations. Jay is a strong thought-leader on topics such as digital innovation, experience design, AI and automation, and big data – and is regularly published on our firm’s digital platforms and in industry media. Before joining Infosys Consulting, Jay played multiple, diverse roles for Accenture, including regional leadership for their customer and channels business.



Amit Temurnikar – Principal, CIO Advisory Practice (APAC)

Amit is part of our CIO Advisory practice in Australia and focuses on IT strategy and architecture, digital CX and agile transformations within banking and financial services. With over 17 years in the IT and consulting space, Amit has leveraged the breadth of his knowledge to shape complex multi-functional engagements and publish thought-leadership content. He has managed various top client accounts in the region, leading their business strategy and facilitating implementation of unique IT solutions. Amit has an MBA and a bachelor’s degree in computer science. He is also certified in TOGAF and SAFe.



Olu Adegoke – Partner, Communications, Media & Entertainment Practice (U.S.)

Olu is a partner and co-founder of our global communications, media and entertainment practice, and currently co-leads the North America offerings. Over the past 20 years, he has advised senior industry executives in the communications, media, entertainment and high-tech industries on new business launch and digital transformations, focusing on launching digital products, digitization of customer interactions and enabling organizational agility. He has worked with clients in the U.S. and Europe, spanning from Fortune 100 and Global 2000 companies to start-ups. Olu has helped his clients to successfully design and launch new businesses, including a mobile payments company, two wireless service providers and two competitive local exchange companies.



Michael Dietz – Partner & Country Head (Germany)

Michael joined us in 2015 as managing partner and heads up our organization in Germany. He is a visionary leader, focused on developing our practice portfolio across our largest market in mainland Europe. Michael has been a chief architect behind the establishment of our global delivery center in Romania, which provides some of our largest customers with nearshore services. Prior to joining our firm, Michael spent 12 years with IBM, holding various senior leadership positions which included the role of an industry leader in the automotive practice. He also had a decade-long career with PricewaterhouseCoopers where he was a partner for a number of years.

About Infosys Consulting

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