Improving
business agility
in unprecedented times

Key considerations for responding, rebounding
and reinventing through the pandemic

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CGI

Respond
Rebound
Reinvent

What's inside

Unprecedented challenges and opportunities face all industries as they navigate through the global pandemic. What is required to **respond**, **rebound** and **reinvent** in the midst of massive change? **AGILITY**.
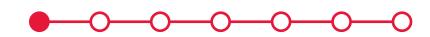
Leaders are embracing new ways of thinking and working not only to respond during this critical time, but also to emerge from it stronger than before.

Drawing upon CGI insights stemming from the Voice of Our Clients program, along with the work of our agile experts across the globe, this executive insight shares leaders' key agile practices, along with our recommendations.

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What sets apart leaders during and after a crisis?

You could say the decade since the "Great Recession" of 2008 has been the decade of "digital transformation." Organizations across industries have invested significantly in becoming digital—making greater use of technology and implementing new business models. Examples are digital-first companies like Netflix, Spotify, Amazon and Uber, along with more traditional companies that have digitized their ways of working, including Dalkia, Engie, ING, BMW, CIGNA and ScotiaBank.

However, based on findings of the 2019 CGI Client Global Insights, only 10% of executives report achieving enterprise-scale digital transformation results. Our research indicates that these organizations have outperformed their peers by a factor of 2X–3X in terms of revenue and profitable growth. Clearly, they are in a class of their own.

What distinguishes them from their peers?

Leaders are more agile. Organizations that are outperforming and delivering results invest heavily in innovation management and business agility. As a result, they are in a better position to respond, rebound and reinvent in the face of significant economic, market and business changes.

KEY SUCCESS CRITERIA OF DIGITAL LEADERS

Investment in innovation management and business agility

Proactive pivoting in response to market signals

Clear "corporate purpose" and a strong culture

Leaders pivot effectively. Our insights demonstrate that leading organizations proactively pivot in response to market signals. They predict downturns earlier and focus on their cost and operating models to tighten the ship and weather the storm.

They rely on data-driven insights to inform their next steps, invest earlier in rebounding to recover faster, and, at the same time, manage to drive competitive advantage. In addition, they always prepare for more challenging times.

Leaders manage human connections. 83% of executives interviewed for the 2019 CGI Client Global Insights said top challenges to transformation are cultural and organizational issues. Overcoming these challenges requires a clear "corporate purpose" and a solid culture. We find these leaders invest heavily in their organizational structure and working environment.

Their collaboration and innovation management practices are 3X more advanced than other organizations. They also are more likely to leverage their collaboration capabilities to drive activities to respond and rebound from challenges and use innovation management to reinvent at pace and scale.

Responding, rebounding and reinventing in a challenging climate

The world economy, and especially the G7 and G20, were facing considerable headwinds going into this pandemic.

There is a common statement, "We started to innovate when we felt safe." During this time, innovation and collaboration will be the key that unlocks the workarounds, solutions and opportunities businesses and governments need. Leading organisations are making their employees feel safe, providing security, increased medical benefits, and regular and transparent communication. Emotional intelligence and empathy is helping employees feel safe and employees are responding with innovation and flexibility.

Agile organizations will be adopting new ways of working remotely and digitally, adapting their business models, developing new products and services, collaborating with a wider ecosystem of suppliers, leveraging online channels, and pursuing alternative distribution chains. We have seen many of these changes made within a very short time, when previously they would have taken months and years to implement.

Having a high level of agility has never been more important. What follows are specific ways leading organizations are **responding**, **rebounding** and **reinventing** in agile ways to overcome the impacts of COVID-19.

1. Respond

Strengthen digital sales channels and adapt operating systems

Leading organizations are taking a hard look at their digital sales channels and operating systems. During the pandemic, digital sales channels have become the lifeline for obtaining goods and services.

Pre-COVID-19, many organizations had shifted or were shifting their business models from a physical presence to a digital online model. However, others faced challenges in aligning their online capabilities with demand, exposing performance and scalability challenges.

For a few, moving online was altogether a new venture. Strengthening digital sales channels in an agile style is now an imperative and will remain so even after this crisis passes.

Behind the scenes, organizations also are changing their planning and other operating systems. They are adapting business processes as they deal with disrupted supply chains, labor shortages, new safety considerations and logistics challenges.

They also are modifying systems designed for speed and efficiency to support flexible manufacturing and supply chain resiliency.

ACTIONS FOR THE RESPONSE PHASE

- Simplify offerings and the customer experience
- Reduce frontline employee tasks
- Focus on critical data only
- Ensure a safe, trusting culture
- Move decision-making closer to the customer
- Expand your ecosystem
- Optimize cash reserves
- Increase operational reporting

The challenge for a large German utility

Improving efficiencies and driving cost savings

The solution

Faster and easier access to services and support
for customers and suppliers through:

- Scalable agile approach
- Cross-functional teams working in an agile environment
- Advanced digital lab
- DevOps culture with an agile coach
- Agile cloud-native development

2. Rebound

Reinstate operations while pursuing new opportunities

As time progresses, organizations will look to resume "normal" operations while also dealing with an intense surge in tactical operational activities to meet new customer and employee needs. Those with strong agility, collaboration and innovation management will reinstate some operations, but will also look for new opportunities. They will tune into external signals and pursue new products and services, as well as new ways of operating.

Other organizations will struggle to re-establish their operations. The impact of the crisis, especially on cash flow, will limit their capabilities. They will potentially increase their debt, hindering their investment in new ways of working. As a result, they will miss new opportunities.

Leaders will need to balance rebounding from the crisis with potentially managing a recession and investing in new ways of doing business. New agile ways of doing business will support them as they focus on:

○ Adjusting their operating models
○ Evaluating their business models
○ Leveraging new channels and networks
○ Repositioning brands, products and services
○ Building resilience into their operations

They will strive to do this quickly and efficiently. This is the new expectation; in fact, it has become a necessity.

ACTIONS FOR THE REBOUND PHASE

○ Add engaging functionality to your offerings
○ Drive customer experience innovation
○ Plan for a second phase of the crisis or a new one
○ Reintegrate employees who have been laid off
○ Maintain heightened reporting
○ Invest in human capital programs
○ Closely monitor collections and customer health
○ Increase communications to stakeholders

The challenge for a global retailer

Shorten the implementation of a customer engagement platform from 2 years to just 20 weeks

The solution

Implementation of a platform yielding 3.9 million customer relationships in only 9 months through the following:

- Launch of an agile center of expertise and the adoption of a scaled agile framework
- SAFe consultancy and certification training
- Application development services with 200+ professionals across multiple locations

3. Reinvent

Adapt new ways of working, supply chains and ecosystems

It is becoming clear that the world will be different—not only in terms of how businesses reinvent themselves, but also in terms of how we view the world and shape its future.

Post-pandemic, digital technology will emerge a winner, with companies relying on digital channels, remote working and digital collaboration tools more than ever. We base this prediction on the positive experience many organizations already have experienced, including increased efficiency and productivity, which is leading them to ask the question, "Why have we not been working like this all along?"

Long-term changes require new ways of working, as organizations adapt to changes in their ecosystems and supply chains. They also will experience fundamental changes in how they interact with customers, suppliers, governments and citizens.

Agile leaders will leverage their innovation management practices and agile operating models to reinvent their business at pace. We will see these leaders move even further ahead of the competition with superior products, services, experiences and operations.

Less agile organizations will struggle to balance available resources and priorities. Reinventing themselves to move ahead of increased competition will be a challenge while also meeting customer-facing operational needs. Their lack of agility will delay strategic transformational activities, and we will see them limp along, or even shut down under the weight of recession.

ACTIONS FOR THE REINVENT PHASE

- Focus on designing offerings for specific audiences
- Invest in mergers and acquisitions to add capabilities
- Invest in employee learning to drive innovation
- Improve external information signals
- Build a high-performance, agile culture
- Increase the strategic use of your ecosystem
- Invest more in understanding your customers to drive innovation

CASE STUDY

The challenge for a global manufacturer

Increase the speed of program delivery

The solution

Increase business value and customer satisfaction, along with cost savings, through transformed supply chain processes:

- Supply chain and scrum expertise
- Supply chain and customer relationship management standardization
- Support for long-term digital transformation program
- 50% improvement in going to market

The role of technology in overcoming great challenges

As noted above, digital technology has emerged a winner. We have seen the rise of numerous technologies that have demonstrated their robustness and value in the midst of this pandemic. These include digital collaboration tools, 3D printing, artificial intelligence, intelligent automation, robotics, biotechnology, Internet of Things, advanced mobility and contextual data analytics.

As organizations look to increase their agility and respond to externally driven change, technology can play a key part in improving insights, supporting innovation and collaboration, automating operations, and developing new digital products and services.

To drive and accelerate agility through technology, we offer the following recommendations:

○ **In the respond phase, implement a rapid agile start-up approach:** To make rapid progress in introducing agile work methods to keep your business operational, initially focus on a few select business domains. Have an experienced scrum team assess the current state of each domain and build a backlog of sprints for each. Each sprint will then deliver capabilities dynamically and agilely, while ensuring quality and a superior user experience.

○ **In the rebound phase, ensure dynamic product development:** As you reposition your products and services post-pandemic, this development approach will help you rapidly develop new products and services—from innovation, to design, to a minimum viable product (MVP)—at scale. Start with an innovation idea that leads to a business vision and value case.

In the high-level design stage, define a project scope that launches a first MVP version within three months. Start small in the first sprint with a two-person team, and then drive rapid dynamic progress with a sequence of sprints. Build a refine/scale decision into each sprint.

○ **In the reinvent phase, embrace a lean agile DevOps (LADx) approach:** As you begin to scale and reinvent for the future, transition from a project-based, waterfall-driven organization into a product- and value-focused and flow-based delivery organization. Use a proven methodology to structure and accelerate this transformational pivot. Make sure this methodology supports leading agile frameworks (e.g., SAFe, LeSS, etc.), drives executive and stakeholder alignment, supports business domain and value stream models, and results in the design of an agile operating model.

What this crisis has taught us more than anything is the importance and value of agility—the ability to respond to externally driven change quickly and to collaborate, innovate and adapt at speed. Many leading organizations have been on this journey to agility for a while, which has not only helped them to respond the pandemic, but will enable them to rebound and reinvent for the future.

Pivot to an agile enterprise with CGI

As a leading provider of agile strategies, methodologies, services and expertise, we work with organizations across industries to drive and accelerate agile transformation and delivery. Our agile experience and expertise includes:

11K+ professionals trained in scrum in the past 3 years

1.5K+ scrum teams launched in the past 2 years

115+ agile engagements in the past 2 years

15+ large-scale agile transformations (>$150M) in 3 years

1.2+ billion in agile modernization

Agile coaches with an average of 19 months tenure at clients

First Global Transformation Partner in the world for SAFe

CGI's end-to-end agile services

help deliver the agile vision, roadmap, operating model, product development and framework clients need to **respond**, **rebound** and **reinvent** as they face changing and challenging economic, market and business dynamics.

Learn more at **cgi.com/agile** and visit our additional respond, rebound and reinvent resources at **cgi.com/3R**.

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