

# How to approach agile business transformation

In an era of unrelenting change, Muuto Consulting explores the evolving landscape of transformation in organisations, questioning the efficacy of traditional top-down approaches.

## Executive Summary

This article by Prateek Sinha and Helen Kewell confronts the growing resistance to change and the reasons why such transformations are becoming increasingly complex. It advocates for a shift towards more agile, adaptable methods that prioritise timely, effective, and sustainable changes. The piece highlights the importance of small-scale changes, stakeholder consultation, devolved decision-making, anticipation of conflict, and flexible funding. By embracing these principles, transformation leaders can navigate the volatility and unpredictability of today's business environment, aligning organisational objectives with cultural shifts and market fluctuations. The article suggests that while comprehensive planning and robust governance frameworks remain crucial, flexibility and responsiveness must be integrated into change initiatives to succeed in a world that values democratisation and individual accountability.

# Introduction & Context

Heraclitus, a Greek philosopher, famously said that “change is the only constant in life”. Never more is that true than now. The pace of change in the late 20th and 21st centuries is faster than at any previous time and whilst this is exciting, it also induces uncertainty and fear.

This backdrop presents a unique dilemma for those of us in the business of transformation. Something nuanced and complex is happening. Why isn't it enough to have, say, a leadership imperative to make a change, or a regulatory one, or a clear-cut survival or growth business case, or local 'champions' driving through transformation?

The old rules, and even some of the new ones, don't seem to be as effective anymore. We are seeing increased active resistance to and/or rejection of change, competing leadership priorities and high levels of cross-organisation conflict. This is leading to reversal of investment decisions and programmes closing and/or frequently being re- or descope. Weeks of wasted effort. Why is top-down change so hard? How can we work with the current environment to drive through changes that are, frankly, essential for organisations to thrive?

Using principles from organisational agility, leveraging current research in this area and our own expertise, we propose some ideas that might help.

## Transformation is everywhere and nothing is certain

Globally, our population has grown to levels some commentators consider to be unmanageable; our planet is warming at an alarming rate and may soon be past the stage where this damage can be reversed; large weather events are now becoming the norm and are destroying lives and habitats. Our global economic outlook is bleak, war is rapidly shifting international power dynamics and creating a dangerous stranglehold on energy resources. We are now all acutely aware of the speed with which a pandemic can spread around the world and bring it to a standstill. Anecdotally and statistically, we have high and increasing rates of mental ill health; no doubt a consequence of the seismic changes all around us.

This creates a unique but also universal backdrop of fear and uncertainty around our organisations and our working and personal lives. We still must run successful businesses and lives, and yet the rules have changed.

## Why is this important?

Aptly, there's a Darwinian imperative at play here. In times of profound change, those who can adapt to their surroundings and new orders are most likely to survive. Doing the same thing you've always done, when the landscape has irrevocably shifted, is a rapid road to extinction.

On top of the well-documented problems with global supply chains, the challenges of cross-border M&A, divestment and restructuring as businesses contend with market turbulence, organisations also face a panoply of technological and cultural changes internally.

So, if the status quo is no longer an option when it comes to transformation, what is the correct approach? How can organisations design and deliver orderly, effective change while noise, flux and even chaos form the global operating context?

# The pace and pressure of change

The tension between speed and diligence may be nothing new, but its influence has become more acute.

And so today's transformation leaders must pull off another balancing act: standardising where possible for efficiency; and being adaptive and responsive to local needs to create agility.

A recent report from the Corporate Research Forum, co-authored by Muuto's Prateek Sinha, distinguishes the need for agility from the principles of Agile project management. The various change management methodologies – Agile, Waterfall, Prince 2, etc – have at their core a set of principles which should be applied for successful change. Agility in this context, as the report says, "is an advanced management capability that allows leaders to achieve competitive advantage by making timely, effective and sustainable organisation changes."

These three change 'essentials' – timely, effective, and sustainable – might sound obvious but, without the correct approach, can be difficult to deliver consistently in a large, multi-national organisation with localised cultures, routines, and customers.

## Creating the balance for successful change

Irrespective of methodology, we believe small changes hold the key to creating large-scale transformation.

There are consistent themes from our work with clients operating in international markets, research, and anecdotal evidence from senior transformation leaders: smaller packets of 'comfortable' change with clear accountabilities and near-horizon timescales are, by nature, easier to consume and can be more responsive to the rapidly changing organisational, economic, and global context.

- 1. Clear framing of outcomes:** Framing the goal through consultation with all stakeholder groups is the minimum starting point. This creates focus on value and solving customer problems, which helps everyone stay aligned on the job to be done. Easier processes can be chunked into shorter-term wins rather than asking colleagues and customers to slog relentlessly through a lengthy and complex project.
- 2. Decision making at the right level:** Complex boundary-spanning work is hard to execute from a single location. Devolve decision-making closest to where the work happens, with a central authority bringing teams together to drive delivery. In a global, complex organisational restructure we recently delivered, this approach helped retain focus on the overall goal and approach, while allowing local teams to make quick decisions. Placing accountability closest to the end customer also prevents the project from becoming more important than the customer.
- 3. Addressing the competing tensions:** Change has a knack for uncovering competing tensions, so anticipate conflict well in advance of design and delivery. Embrace these tensions to create value. Discussing roadblocks across the organisation can help smaller change sub-projects to run more smoothly. For example, how can a compulsory regulatory change also create an opportunity for revenue or customer service uplift, or help to drive out process inefficiency?
- 4. Balance investment for near-term value:** Fund for the short-term. Locking in major investment for the entire lifecycle of the project can lead to unnecessary complications. When landscapes are changing so fast, investment priorities and organisational goals can shift. Finding a way to adapt to shorter cycles of funding based on outcomes, not activities, enables a more responsive approach as things change, and releases value faster.

# In conclusion...

No-one needs to be convinced that the world has become more complex, uncertain, and unpredictable. Today's transformation leaders must manage change against a backdrop of volatility which seems unlikely to stabilise any time soon. Rather than hunker down and delay – unlikely to be a credible option in any case – transformation leaders must find a way to balance the conflicting demands of organisational objectives, cultural shifts, and uncontrollable market fluctuations. This means robust delivery governance and frameworks are still vital, but with a more acute need to build flexibility and responsiveness into the way change is delivered across organisational structures and geographies.

Rigid, top-down models of change have limited application in a world which is rushing towards democratisation of everything and individual accountability. Future change will be ambitious and delivered at scale – but thinking big now means starting small.

To discuss this subject in more detail, contact Helen at [helen.kewell@muuto.co.uk](mailto:helen.kewell@muuto.co.uk)

## This is Muuto

Muuto Consulting has extensive experience in TMO and transformation expertise. Our experienced professionals have successfully implemented the TMO concept in various organisations and industries.

We collaborate to make transformation happen, ensuring that your organisation is equipped to achieve its strategic goals and create lasting value.

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If you are interested in learning more about how Muuto Consulting can assist your organisation in unlocking value through transformation, please contact us.

## About the Authors

**Helen Kewell** is an Associate Partner at Muuto, specialising in global people, behaviour and culture transformations. She partners with senior leaders and teams to tackle transformation challenges and create tailored solutions to drive meaningful change.

**Prateek Sinha** is an advisor to Muuto. He works with C-suite leaders and teams as they tackle the challenges of profound business change.

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[www.muuto.co.uk](http://www.muuto.co.uk) / [info@muuto.co.uk](mailto:info@muuto.co.uk)