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Lessons from the financial crash can limit Brexit

How Britain exiting the European Union will affect the economy is yet to be fully understood, but it is certain agile businesses that are fast to adapt will fare best

BREXIT

STEPHEN ARMSTRONG

Has this country ever seen as much turmoil as in the weeks since the Brexit vote? The chaos is a matter of daily record. There's been an immediate economic hit, which prompted the Bank of England to drop interest rates to 0.25 per cent, investment is stalled and confidence is falling. It seems unprecedented, but is it? Looking back to 2007-8 and the financial crash, it seems like things have been a lot worse.

A quick recall: September 2007 saw a run on Northern Rock bank, which was subsequently nationalised in February 2008; September 2008, HBOS was rescued by Lloyds after a share price crash; and in October the government was forced to bail out the Royal Bank of Scotland, Lloyds TSB and HBOS, all leading to an economic slump that the country is only just seeing the back of.

With Brexit, there are signs that things may not be so bad. Tourism has benefitted from the falling pound with 4.3 per cent more flights

booked to the UK in July than the same time last year, according to Olivier Jager, chief executive of travel research company Forward-Keys. Manufacturers are split with falls in confidence in London and the South East, but optimism in Yorkshire and Humber.

So is Brexit worse than 2008 for the economy? And did we learn anything from that crash that might help business prepare for these troubled times?

"The main difference between 2008 and Brexit is the level of uncertainty," explains James Driver, communications manager for the Association of Project Management. "In 2008, things happened suddenly and quickly. With Brexit, there's a limbo effect. People aren't investing and businesses aren't sure what's going to happen."

"What 2008 did teach businesses was they should have a crisis plan. Back then, businesses had 2020 strategies and 2030 strategies so they knew how to expand, but had no real focus on what to do if something goes wrong. Now businesses have a plan B, and often a plan C and D."

That varies from sector to sector, however. A recent survey by *Logistics Manager* magazine found that fewer than one in five logistics organisations had a post-Brexit plan ahead of the vote. Post-Brexit, there's a test of the agility and resilience of global supply chain models, according to Gartner research director Lisa Callinan. While modern global supply chains should have the built-in logistics capacity to navigate and exploit disruptions such as Brexit, there are questions over areas like duties for UK-manufactured goods and manufactured goods from the European Union, which remain hard to plan for.

To some degree, says payments fintech startup Klarna's co-found-

er and chief executive Sebastian Siemiatkowski, the finance and retail world is so different from 2008 that Brexit's tariff effects may be minimised.

"What's happened historically is that duties are used to make trade harder – which makes trade harder," he argues. "These days there are solutions that can allow you to buy an item direct from a factory in China, which can give you a price upfront that includes all the necessary paperwork and will still be cheaper than a

high street store. I don't think that anything any government does right now will be able to stop this trend."

Karen Briggs, head of Brexit at KPMG, previously worked with the consultancy's banking and finance sector clients, and says financial services learnt a great deal from the 2008 crash, but other sectors have some catching up to do.

"The Bank of England had done a lot of contingency planning," she explains. "In fact, banking and airlines face similar issues with the City worried about the EU banking passport while airlines are concerned about access to the European Open Skies agreement. Airlines are going through the kind of questions banks are a little more prepared for."

For Ms Briggs, the other key affected sectors are those with cross-border supply chain logistics, such as automotive, sectors that sell heavily into the European market like pharma and sectors reliant on consumer confidence as the pound falls. Companies need to consider a variety of scenarios based around the possible changes to the "four freedoms" of goods, services, people and capital, she says.



JUSTIN TALLIS/AFP/Getty Images

In some cases, and unlike 2008, one option is an exit strategy. EasyJet, for instance, has opened talks around moving its headquarters from the UK to secure an EU air operator's certificate while Ireland-registered Ryanair is pivoting its investment, new planes and growth plans into the EU. Nissan chief executive Carlos Ghosn is delaying investment decisions around the company's Sunderland plant pending single market negotiations. "Most of the production out of Sunderland is exported to Europe so obviously for us the relationship which is going to prevail between the UK and Europe is very important," he says.

For IBM's UK and Ireland chief executive David Stokes, the key to stopping a similar tech drain is based around three essentials: retaining access to the digital single market, remaining part of the EU-US data transfer pact, and ensuring investment in domestic innovation and research remains at EU levels.

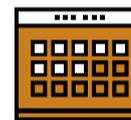
IBM's new Brexit Transformation Lab, based at the company's UK headquarters in London, is offering clients "trigger for transformation" consulting workshops focusing on financial services initially.

"Watson [computer system] works through social sentiment, and the 80,000 pages of laws and regulations that encompass the UK-EU relationship to help understand when, where and how much any impact or opportunities are likely to be," says Phil Hussey, IBM's Brexit business development leader. "On the one hand, we don't know what we don't know, which is why most people are doing more listening than talking right now. On the positive side, looking hard at your business post-Brexit can lead to valuable changes."

And the key to making those changes work lies with the referendum's most controversial issue – people and freedom of movement. On the one hand, for a business, agility is key, argues Chris Copeland at digital workforce consultancy Betterworking. He says considering alternatives to the traditional physical workplace from hot-desking to home and remote working, opportunities to build more flexibility into workforce planning, making work agnostic to where, when and by whom it is done.

But Ms Briggs points out that huge uncertainty over whether EU nationals will be forced to leave the UK and UK nationals forced to leave the EU is damaging workforce confidence, which can hurt productivity.

The Association of Project Management's Mr Driver agrees. "2008 showed how lean businesses had an advantage," he concludes. "Interim hiring – putting staff on contract as opposed to permanent jobs – proved an effective tool. However, failure to nurture those staff – cutting back on training, for instance – damaged the long term. Areas like training need to be reinforced rather than cut back. At the end of the day, it's your people who will make the difference between Brexit being a crash or a great opportunity."



-47

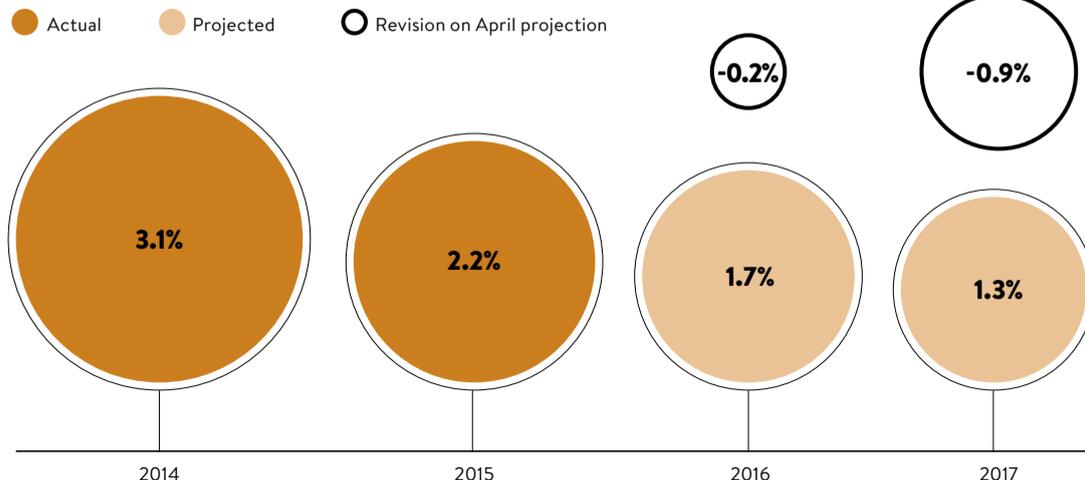
The CBI industrial business confidence survey dropped to a reading of -47 in July, its lowest since April 2009, in the wake of the Brexit vote

Source: CBI

“ Companies need to consider a variety of scenarios based around the possible changes to the 'four freedoms' of goods, services, people and capital

UK OUTPUT GROWTH FORECAST FOLLOWING BREXIT VOTE

THE INTERNATIONAL MONETARY FUND SLASHED ITS PROJECTIONS FOR ECONOMIC GROWTH OVER 2016 AND 2017 FOLLOWING THE PUBLIC VOTE TO LEAVE THE EUROPEAN UNION IN JUNE



Source: IMF 2016

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Marks & Spencer

Embrace the unknown with unbounded vision

Seizing opportunities in an increasingly uncertain world is the fuel to power growth and beat competitors to the pay-off

Marks & Spencer is known for consistent five-year Plan A commitments that it says drive innovation and agility

OVERVIEW

JIM McCLELLAND

Nobody could say business has been boring. Historians might argue the recent pace of global change is not quite a match for the Industrial Revolution, but it certainly seems that way.

The last decade has witnessed the Great Recession bring down Wall Street giants as big as Lehman Brothers and bankrupt whole countries such as Iceland. Stock market volatility has driven down the price of oil from highs of more than \$140 a barrel in 2008, to less than \$30 earlier this year.

Meanwhile, the disruptive megatrend of digitalisation snowballs onwards, with 2014 the year when total mobile devices first outnumbered people on the planet. Mass technology uptake sees data at least double every two years, meaning more is newly created in 24 months than ever previously existed.

Navigating a maelstrom of risk and uncertainty, companies are learning to value adaptability and flexibility. Responsiveness has become fundamental to market resilience, giving business a new watchword in an ever-changing world – agility.

In the teeth of the economic downturn, a 2009 Economist Intelligence Unit report found nearly 90 per cent of executives believed organisational agility critical for business success, with more than a quarter (27 per cent) fearing competitive disadvantage through not being agile enough. Research by the Massachusetts Institute of Technology (MIT) suggested agile firms grow revenue 37 per cent faster and generate 30

per cent higher profits than non-agile companies.

Fast-forward to our current post-recession era and similar sentiment seems in play, with market jitters still manifest. Citing those same MIT statistics, PwC last year identified three key drivers of agility: the operating environment, strategic responsiveness and organisational change.

Much of the momentum behind management interest in agility as a concept actually originated in the youthful world of computing, where the 2001 *Manifesto for Agile Software Development* first applied the term in a work context.

Accordingly, examples of enterprise agility often highlight clever pivots, radical diversification and data-driven disruptors. Fast-growth, cloud-based start-ups epitomise a super-versatile new breed of organisation and supplier which is light on its feet, but tech heavy.

So, where might that leave a long-established, mostly bricks-and-mortar high street brand, famous for traditional values of quality, service and reliability? In the vanguard, argues director of sustainable business at Marks & Spencer, Mike Barry. “Agility is even more important for an established business; it’s simply got more to change than a startup.”

M&S is known for consistent five-year Plan A commitments that set ambitious targets and invite public scrutiny. Viewing the discipline of

such a strategic decision-making framework as an asset rather than an obstacle to agility, Mr Barry describes the ability to outperform the competition and drive business growth as being more about leadership and direction, than unbridled innovation.

“Culture is key,” he says. “Only with clear purpose and common values can you ‘let your teams go’, innovating in an agile way without need for constant committee sign-off. We have always used our Plan A

targets as a beginning not an end – inspiration for our business units to spot their own risks and opportunities for action.”

Perceiving risk and opportunity as two sides of the same coin is the culture shift that characterises leadership agility, according to Mari-

anne Haahr, project director of the Global Opportunity Network, a collaboration between United Nations Global Compact, DNV GL and Sustainability, part of independent think-tank Monday Morning.

“You need to institutionalise opportunity mapping as corporate practice in the same manner as risk analysis,” she says. “It allows you as a leader to be ‘heads up’ and navigate to influence market shifts. Applying the opportunity mindset allows corporate leaders to think of themselves as market designers or developers, rather than market followers.”

Working across five continents, the network investigates the potential

positive impact on society from translating recognised global risks, such as loss of ocean biodiversity and the world food crisis, into transformative or restorative business opportunities. Such systemic reframing prizes technology as a powerful tool, but not as an end in itself, says Ms Haahr.

“Soon all will be tech companies – whether you’re a bank, a grocery store or hotel – it doesn’t matter. Then what differentiates you? The brain power of your leader to define a clear role in society – your competitive edge is your leadership,” she says.

The Agile Coaching Institute states: “Agile leadership entails a move from driving to results, to creating environments that generate results.” Such a loose-fit philosophy opens up room for creativity and dynamic responsiveness, says Joss Tantram, founding partner at Terrafiniti.

“There are many ways to get to a chosen destination. Companies that acknowledge the uncertainty inherent in any long journey focus upon developing tools that help them map possible routes, use principles-based approaches which can actively adapt to circumstance and recognise, while the destination may be clear, each step may require discovery,” he says.

Strong vision takes away a fear of the unknown. He concludes: “Agile thinking is not just about quickness, but also flexibility. When faced with uncertainty, companies that tend to thrive are those which embrace the fact they do not know everything.”

Enterprise agility is what you don’t yet know, but can still learn.

“ Navigating a maelstrom of risk and uncertainty, companies are learning to value adaptability and flexibility

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New mindsets and supply chain metrics

Agility is essential in a business world where supply chains may be big and messy, and at the mercy of unforeseen events ranging from natural disasters and terrorism to accidents and industrial action

SUPPLY CHAIN

JIM McCLELLAND

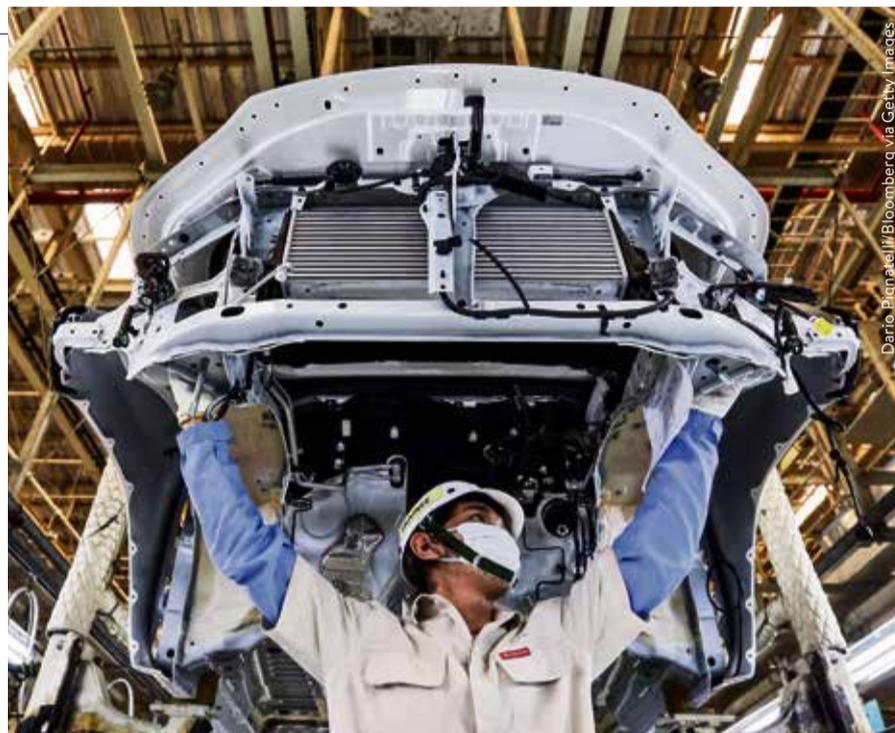
In an ideal world, supply chain management would be a simple science, where demand was stable and predictable, resources and skills were plentiful, prices flat. Sadly, this is not how manufacturing works.

In reality, volatile global demand plays havoc with delivery. In the highly competitive mobile telecommunications market, lead times for handsets can vary significantly even between models of the same smartphone brand. For instance, Apple customers might be waiting anything between three days and three weeks depending on which iPhone they have ordered.

In the automotive industry, delays can run as long as a whole year. UK buying platform carwow has estimated the average factory order time for a new car to be 13 weeks, with the quickest being the Toyota Auris at two weeks, but the Mercedes GL one of the slowest at around 52 weeks.

The whims of today's on-demand consumer society and rise of mass-customisation mean responsiveness and adaptability are critical service attributes for business success. Agility is key. However, this agility drive applies to the whole supply chain as requirements do not simply start and stop at any one factory gate.

Agility is a team game now, argues Professor Yahaya Yusuf, director of the Institute of Logistics and Operations Management at the University of



Dario Bignardi/Bloomberg via Getty Images

Central Lancashire. "As competition is increasingly between supply chains rather than organisations, how well organisations respond to customer needs is not only determined by internal capabilities, but also by the capabilities of their suppliers and their suppliers' suppliers," he says.

With tens of thousands of suppliers jumbled together in convoluted contracting arrangements, operating ever-shorter schedules, supply chains of major brands tend to be big, messy and fast moving. Faced with this deadly cocktail of scale, complexity and speed, digital is the only option, but not the only answer,

explains chief executive and founder of 2degrees, Martin Chilcott.

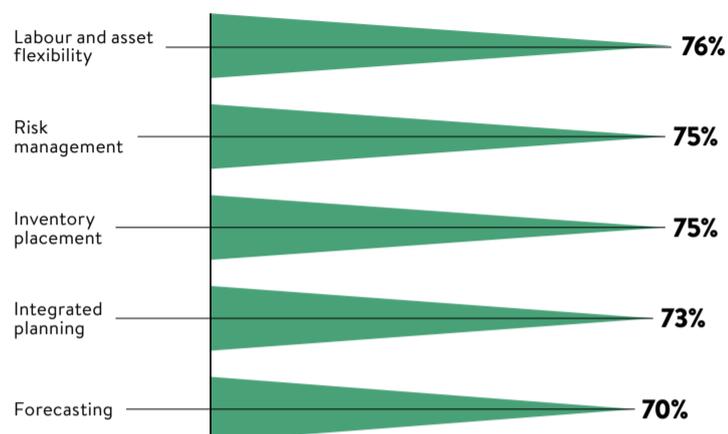
"The future for supply chain agility is what we call 'fully linked collaboration'. This means large-scale supplier-to-supplier collaboration, with operational managers from different organisations working together to solve problems, share best practice and find solutions. Digital tools now make this possible," he says.

"However, agility is not just a matter of new technology. We need a new mindset, too. We must step away from the very limited command-and-control approach used in the past and adopt a more open,

Toyota holds the title of the UK's quickest factory order time for a new car, at just two weeks for its Auris model

ATTRIBUTES OF AGILE COMPANIES' SUPPLY CHAINS

PERCENTAGE OF AGILE COMPANIES* IN TOP QUARTILE FOR GIVEN AREA



*Defined as those in top quartile in aggregated agility score

Source: McKinsey & Company 2015

collaborative culture. Agility in the 21st century calls for a vision of the supply base as an ecosystem to be supported, rather than merely a chain to command."

This new agility mindset also measures business responsibilities beyond solely economic metrics, adds Professor Yusuf. "In today's ethically inspired and environmentally conscious business climate, sustainability is a de facto condition for agility. An agile enterprise must be sustainable, in addition to being adaptive, cost effective, innovative, responsive and proactive," he says.

Mapping for traceability and visibility actually means supply chain

News events trigger automatic locational alerts, acting like early-warning systems for client agility, says Mr Nicholson. "Supply chain mapping enables you to have contingency plans developed and, as soon as news breaks, identify what suppliers you have in the affected area and respond accordingly," he says.

Environment policies can also offer win-win scenarios for supply chain agility as part of strategic procurement planning, says Fareita Udoh, head of consultancy and training at global compliance and risk management specialists Achilles Group.

"A clear carbon reduction strategy as part of procurement planning creates a diverse and agile supply chain. With the right planning in place, customers realise an increase in efficiencies and cost-savings by simple techniques and changes in behaviour. This in turn impacts supply chains, ensuring the ability to keep carbon reduction on their procurement agenda," she says.

UK construction and regeneration firm Morgan Sindall Group has halved its carbon footprint over six years with help from its supply chain. Certified by the Achilles Carbon Emissions Management and Reduction Scheme, verified data showing a 54 per cent reduction is important for quantifying the group's contribution to both the UK government's construction strategy and commitment to cut carbon emissions by 80 per cent up to 2050.

Tackling resilience, responsiveness and risk, collectively and sustainably, constitutes the hallmark of this new agility mindset. It is supply chain management for a less than ideal world.

CASE STUDY: TESLA



Tesla

Can you really have too much of a good thing? Well, if it all arrives at once, the supply chain answer might be "yes".

In April, American all-electric vehicle manufacturer Tesla Motors announced receipt of more than 325,000 reservations for its Model 3 car, due for release in 2017. That is a lot of pre-orders by any standards, but Tesla had actually taken them within just

seven days, in a record-busting feat described as "the single biggest one-week launch of any product ever".

The figures equate to \$14 billion in future business and to put them in perspective, the world's original all-electric car, the Nissan LEAF, did well to reach sales of just 200,000 by its fifth anniversary.

So, is it just a public relations stunt, a stock market accident waiting to happen or can Tesla deliver? There are some serious doubts, not least because end-of-decade production ambitions for 500,000 cars a year contrast sharply with 2015 output of little over 50,000 vehicles.

Furthermore, Tesla alone would require the entire current worldwide production of lithium ion batteries. However, here the company has taken bold

action, investing with Panasonic in the Gigafactory to support and drive demand. This vast manufacturing facility in the Nevada desert will ultimately cover more than 100 football fields in area and begin producing low-cost batteries from 2017.

At this point, Tesla's prospects of success remain in the balance, concludes fellow disruptor and founder of Welsh hydrogen fuel-cell car manufacturer Riversimple, Hugo Spowers. "Tesla have done a brilliant job, furthering the cause of new entrants and of battery electric cars," he says. "The barriers to a mainstream strategy are so significant it is probably necessary to stimulate media hype, but it is a vicious circle in that expectations will inevitably exacerbate the myriad challenges."

“ Mapping for traceability and visibility actually means supply chain ethics and agility go hand in hand

ethics and agility go hand in hand anyway, Ian Nicholson, managing director of ethical-sourcing consultancy Responsible Solutions, points out.

He says: "Supply chain mapping is vital to business resilience and agility. If you don't know where your suppliers are located, how do you know whether you might be exposed by an extreme event, be that a terror attack, ash cloud, tsunami or military uprising?"

With cloud-based IT solutions to manage and map in real time, modern intelligence capabilities become highly sophisticated. VisiChain software, for example, powered by Segura for Construction and employed by Responsible Solutions, utilises GPS-linked supplier data cross-referenced with newsfeeds from global media agencies such as Reuters.

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COMMERCIAL FEATURE

ENTERPRISE AGILITY IS KEY TO UNLOCKING SUCCESS

In the fiercely competitive global professional services industry, enterprise agility is mission critical. Neil Davidson, vice president of enterprise at Deltek, explains why

Deltek Know more. Do more.™



Being agile is vital for professional services firms of all sizes, but most notably large enterprises across sectors such as advertising, consulting, audit and advisory, IT, and engineering. Quite simply, if they fail to meet the expectations of their clients, there are plenty of predatory competitors all vying for the work.

Deltek works with the world's leading professional services firms, including the five largest audit and advisory firms, ten of the world's biggest engineering companies and the three largest holding companies in the advertising industry, and sees first-hand the impact increasing client expectation and the pressure to improve customer experience is having on their sector.

Enterprise agility enables these organisations to respond rapidly to emerging trends and changing market conditions, while optimising the time to value for their stakeholders, whether partners, private equity-owned or publicly listed. It also has huge implications for firm's global activities, for example their ability to deliver capability in a new geographical location, which could entail deploying hundreds of skilled people in a new overseas office at very short notice, while also ensuring the internal infrastructure is in place to manage their project and knowledge-based work.

75%
of companies say improving customer experience is now their top priority
Source: *The Customer Experience*, Forrester

30%
of digital transformations will succeed
Source: Gartner

All this has to be seamless because client expectation demands it. Supporting this operationally requires a rock-solid technology foundation that provides full transparency, speed and a robust business infrastructure.

Forrester's *The Customer Experience* report found that improving customer experience is now the top priority for 75 per cent of companies. Clients are in the driving seat, demanding increasingly complex commercial models based on things such as project outcomes and shared risk. A typical enterprise-size global professional services firm can have between ten and fifteen variations of revenue recognition to manage, all to be delivered by a flawless invoicing system. Enterprise agility is absolutely key to meeting the demands of your clients in terms of how they want to work with you.

Second only to customer experience as a business priority is hiring and retaining top talent, as a recent IDC survey revealed. This impacts directly on the ability of professional services firms to deliver on their operational commitments. The reason we see talent leaving professional services firms is because the talent proposition and the business operations are not joined up. People want visibility of the work they'll be doing from week to week and the value they will add to the organisation, while establishing and progressing their own careers.

By aligning talent management plans with business operations, professional services companies give their talent no compunction to leave. Furthermore, aligning talent values with overarching business priorities is imperative because outperforming rivals requires urgency and diligence throughout the organisation.

A robust technology foundation enables global professional services organisations to manage the constantly changing regulatory environment, where change can range from moderately complex, for example changes to company accounting practices, to immense, as in the case of the UK's impending

European Union exit, or the 2014 changes to revenue recognition practices for customer contracts.

Transitioning a global firm with potentially thousands of people and operations in dozens of markets is a huge challenge, particularly in light of the sobering Gartner forecast that only 30 per cent of digital transformations will succeed. However, those that are delivering on their digital transformation goals have the key foundations in place and have rightly focused on people, process and technology, in harmony, to drive the desired outcome.

Cloud technology creates tremendous opportunity for a business to transition its technology to an enterprise service backed by contractual guarantees on performance and security. But in order to leverage these opportunities, the business and the people in it need to change and adopt industry-leading practices.

To achieve fastest time to value, they also need technology partners with an inherent understanding and a business technology capability aligned with the innovators in their sector.

Mott MacDonald is a global engineering, management and development consultancy with more than 16,000 people delivering projects in 150 countries. It sees enterprise agility and rapid response to business change as key to maintaining its high standards, and is partnering with Deltek to transform their internal business infrastructure with a cloud enterprise resource planning (ERP)

“Enterprise agility enables organisations to respond rapidly to emerging trends and changing market conditions, while optimising the time to value for stakeholders

RIGHT
Neil Davidson
Vice president
enterprise
Deltek

system. This is driven by a business delivering consistency across all their projects, clients and global imperative to entities, now and in the future.

Digital transformation director Darren Russell says: “Mott MacDonald's leadership team has made 'digital' a top strategic priority for everyone in the organisation as it is a critical factor in the success of any business transformation. To be at the forefront of our industry and digital-thinking, we must focus on understanding our clients and their customers to ensure we deliver outcomes that add value. This requires aligning the right combination of expertise across sectors and geographies.

“To enable this we're investing in the latest technology to maximise collaboration and connected thinking. Clients will benefit from our own internal data excellence, seen in the way we innovate to support their needs during delivery.

“We have a mobile workforce and our people are always on the move. To share and support our customers' ambitions, we need a business system that is equally mobile and maximises the value of our people. Using the system to identify and allocate the right people to the right projects at the right time, we can help our clients to establish the steps needed to deliver their business strategy successfully.”

Speed of implementation, enhancing joint-venture projects, transitioning processes, such as quality assurance and billing to be more automated admin and increase cross-functional collaboration, are seen as valuable additional benefits of Mott MacDonald's digital transformation.

“Getting the business system right is essential,” adds Mr Russell. “You need agility in your business processes to deliver projects consistently that meet client expectations in a world of change – and for us that is key.”

Deltek clients provide regular feedback on how enterprise agility



has positively impacted their business operations. Marianne Blixt, chief finance officer at Grant Thornton, Sweden, says: “We can see where we make money. When expanding our service portfolio, it is important that we can analyse engagement and client profitability.”

Carl Vad Jensen, chief finance officer at Atkins, says the design, engineering and project management consultancy has optimised the allocation of core competences, ensuring they are used on the right projects, which has a positive effect on the bottom line.

A decade from now, the market-leading agile professional services firms will be those that invested in a solid foundation, a single integrated global backbone to meet the geographical and project demands of an evolving client base, and to deliver on client experience.

With the right business technology platform they are equipped with an aptness to hedge against uncertainty, make well-defined strategic moves with lightning-speed capability to respond to a rapidly evolving market and customer base.

For more information please visit www.deltek.com

COMMERCIAL FEATURE

ADOPTING AGILE DELIVERY FOR BROADCAST PROJECTS

When Sony Professional Solutions Europe needed a more flexible, fluid approach to their growing portfolio of software-based projects, Sony knew PRINCE2 Agile® would be the perfect solution



In the fast-changing world of business, where demand for a more agile way of working is rapidly gaining momentum, it comes as little surprise that project management is undergoing a transformation.

A cultural shift within businesses to adapt more quickly to change, coupled with desire from stakeholders and top management to see faster and more effective results, has prompted project managers to rethink the way they deliver their customer's solutions.

This is certainly the case for a number of Sony customers, who are increasingly moving to file-based technologies. An aim of these projects is to improve the sharing of content as well as automating some processes to free up valuable user time for core production activities.

When approaching a new software-based project with a degree of feature and workflow customisation for a large media company, Sony Professional Solutions Europe embraced the growing trend among businesses to eschew the more traditional project management approach in favour of less linear methods with the adoption of the PRINCE2 Agile methodology, launched in June 2015 by AXELOS.

Camilla Brown, project manager for Sony Media Solutions, says: "Technology and markets change so rapidly that the waterfall method does not always meet the needs of the client.

"Increasingly, companies are recognising that it can be virtually impossible to have a perfect understanding of the solution at the start of a project, and therefore the concept of agility allows them to benefit from being able to change and amend deliverables throughout the course of the project."

Traditionally, the initial phases of a project involved a lengthy design phase, followed by delivery and then deployment of software six months after the project has been agreed, but the time lag means certain requirements have changed. After completing the initial infrastructure and base functionality aspects, customers are making the decisions to continue with the project, but requesting the option of greater scope.

Commenting on a recent project, Ms Brown says: "After seeing the initial benefits of the project across its European operations, the customer wanted to develop enhanced features and services, but in a way that would allow them

to select their next developments as the project went along, while also ensuring their needs were continuously assessed.

"Processes and technology transformation were driven by the need to realise the benefits of the true end-to-end file-based operation and key to its success was breeding a culture of continuous improvement."

Designed around consultations with project management and agile practitioners, PRINCE2 Agile has been hailed an extension to PRINCE2, tailored to forward-thinking organisations and individuals. It promises to combine the flexibility and responsiveness of agile with the clearly defined framework of PRINCE2, in what Yucel Timur, head of project management at Sony Media Solutions, describes as a "win-win situation" for both provider and client.

Sony has been running projects in the broadcast and media industry for many years using the PRINCE2 methodology with its clients, to deliver predominantly hardware/software application solutions. While there are many benefits to this more established approach, Sony quickly realised they needed to use something else to satisfy the needs of companies that have a fast-changing operation. Sony knew it needed to rework how it identified agile-based opportunities and felt PRINCE2 Agile would be the perfect fit for what clients wanted.

Mr Timur says: "We have a growing number of customers who are opening up to the approach because it reduces the need for big up-front design effort and allows business priorities to be adjusted during the project."

The methodology allows software to be delivered much more quickly and iterations made at pace, without the need to raise big change requests or seek top management approval.

Ms Brown explains: "From our perspective, PRINCE2 Agile has allowed us to better manage the change being delivered to the customer. We knew from our conversations with the team that end-user feedback was crucial to the success of the project and they were extremely keen to have monthly deliverables that would allow for changes to requirements."

Agile methods provide businesses the opportunity to deliver the benefits of functionality and products while they are still in the development phase, allowing for



ABOVE
Camilla Brown
Project manager
Sony Professional
Europe

RIGHT
Yucel Timur
Head of project
management
Sony Professional
Europe

continuous improvement. By using an agile approach, Sony was able to road test new functionality among key users before it moved to the next stage, allowing for changing requirements over time with minimal disruption to the project.

"Getting what was absolutely needed for the customer has been much easier to achieve with monthly code drops. Once you receive feedback on new functionality, you can incorporate those changes quickly and in the very worst-case scenario, the wait would be one month. We feel this is a highly beneficial approach for customers, who wanted the opportunity to reprioritise future software deliveries on an ongoing basis," says Ms Brown.

Sony's in-house development teams follow a process based on



With more and more businesses recognising the need to stay agile in today's fast-moving world, the PRINCE2 Agile methodology looks set to grow in popularity

scrum principles and say one of the key elements is organising work into a backlog that is prioritised in order of business value. This suited the needs of customers, who have a commitment to creating a culture of continuous improvement, and helps make projects a success.

Ms Brown notes: "Our customers, who have experienced these types of deliveries, were fantastic in recognising the benefits of using an agile-based methodology in delivering exactly what was needed. Ultimately, our aim as project managers is to support the acceptance of the delivery right across the organisation."

But as with any new approach, Mr Timur concedes that adopting the PRINCE2 Agile methodology brought with it a number of lessons to be learnt. "We initially took the view that we needed only our project managers to be PRINCE2 Agile-aware of the approach, but it quickly became clear that our wider organisation needed to adapt as well. It was vital to get everyone from account manager to sales, bid, architects, support, legal and procurement teams involved."

Indeed, one of the biggest challenges Sony faced was addressing the legal and commercial terms of



engagement, and ensuring the right approach was taken to allow the project to run smoothly. However, as the list of successful completed projects grows, Sony believes the use of PRINCE2 Agile has proved a resounding success.

And with more and more businesses recognising the need to stay agile in today's fast-moving world, this latest methodology looks set to grow in popularity.

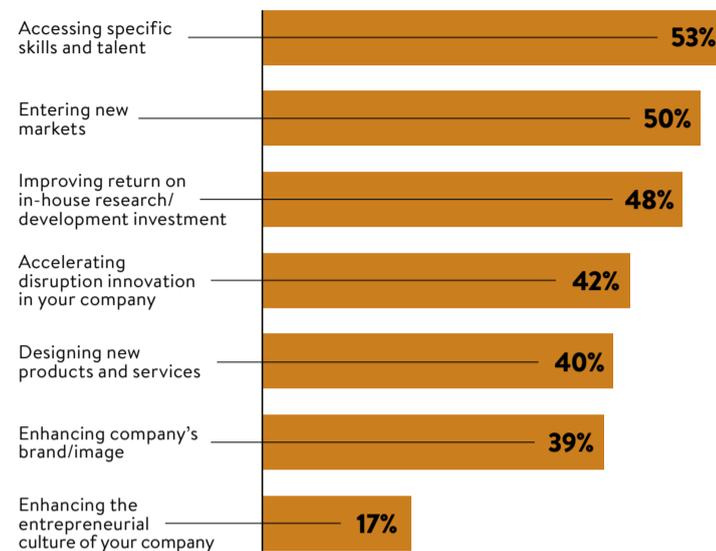
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Newscast/UIG via Getty Images

TOP BENEFITS OF COLLABORATING WITH STARTUPS AND ENTREPRENEURS ON INNOVATION

SURVEY OF LARGE COMPANIES, ASKED TO RANK THEIR TOP THREE BENEFITS



Source: Accenture 2015

Lumbering giants must move as swiftly as an agile startup

Bigger enterprises need to learn from small startups and even steal their innovative agile methods to stay in contention

BIG AND SMALL

CHARLES ORTON-JONES

Marriott International has a basic goal: to fill its empty hotel rooms. When the obvious routes are exhausted, such as cutting prices, holding promotions and so on, it needs to get creative. But how?

Last year Marriott tried something rather clever. Working on the principle that entrepreneurs and small firms are far better than multinationals at dreaming up wild ideas, it founded the Canvas Project to fund startups with room-filling concepts.

One idea to win funding was Notch, a pop-up rooftop bar on top of the Marriott Park Lane in London. It served Japanese street food and pop cans of homemade cocktails. The decor was reclaimed school tables, scaffolding and swings. It's the sort of concept miles away from a Marriott. With £35,000 in funding, Notch took £500,000 in three months. Marriott is now expanding the Canvas Project internationally.

The logic behind the scheme is sound. Small companies are indeed more creative than large ones. They

lack the bureaucracy of big firms. There's less at risk. Senior management may be younger. So they out-think, out-innovate and outpace larger rivals.

So how can large companies harness the energy of small and medium-sized enterprises (SMEs)? One key area is to mimic the high risk methodology of startups.

Nick Taylor, managing director of Accenture Strategy UK and Ireland, observes: "Experimentation and a 'fail fast' attitude are essential to organisations looking to get ahead in the digital era."

Mr Taylor advises creating a "skunkworks" to play with risky ideas. He says: "This is where the company has a separate unit which creates ideas and is not encumbered by the infrastructure, governance, processes or controls of the parent organisation. It enables the company to be nimble, test ideas quickly and decide if they are brought back into the company." Marriott, for example, made sure its Canvas Project had operational independence.

Startups usually start with a clean slate, which gives them a big advantage. Look at new mortgage company BlueZest, launching this autumn. It is using new technology to cut mortgage decision times to 60 min-

utes, down from the normal two-to-four-week timeframe.

BlueZest chief executive Russell Gould says: "Big banks and mortgage providers have historic and outdated systems that often prevent them from being agile and evolving to meet market needs."

NatWest, for example, is only just starting to e-mail brokers with decisions. Customers and solicitors will still receive notification by post. If banks want to compete with fintech startups, they too need to begin with a blank sheet of paper.

Apps to promote collaboration can help large firms cut bureaucracy. The best startups routinely use apps to do this. Just look at Ted Nash's remarkable firm Tapdaq, named Global Mobile Innovator of the Year at the Mobile World Congress last year. It's an in-app advertising platform.

At the age of 17, he hit one million downloads on the App Store and runs his company with maximum agility. "We use Slack, Jira and Google Hangouts to communicate internally, and Skype to communicate with those outside the company," he says.

"Slack is something we couldn't live without. For example, we have a team member in Japan at the moment, yet we're still able to commu-

ABOVE

Marriott's Canvas Project funds innovative room-filling concepts, such as the pop-up rooftop bar Notch at Marriott Park Lane

nicate as a team instantaneously via Slack. What we like about this tool is it gives us the ability to interact all in one place. This aids our ethos of being completely transparent as a team, and company.

"Another great thing about Slack is integration with services we already use. From Intercom, Mention, Help Scout and Google Drive, Slack is a one-stop shop for a lot of the services we use and need. Whether you're on your laptop or mobile phone, Slack is very accessible."

Cost is not a factor. Google Hangouts costs nothing, yet promotes efficiency company-wide. Mr Nash adds: "Google Hangouts is something we use for our bi-weekly company update and stand-ups. It enables us to have some face time with each other, which is great in keeping that strong connection we like to have as a team."

"The screen-sharing feature in Hangouts is extremely useful in that it helps us showcase what we've been working on. For example, we have a designer based in Prague who has just shown us some really exciting designs he's been working on and it's made so simple using Hangouts. Again, this is really accessible as it works across laptops, Android and iOS."

Perhaps the easiest way for large firms to imitate the creativity of smaller rivals is to watch what they do and copy. The business press is full of profiles of brilliant startups with different ways of working.

One business getting a lot of column inches is Fudge Kitchen, founded in Blackpool, now with a small chain of shops, and products stocked by 200 shops including Harrods and Selfridges.

Fudge Kitchen won a Food Manufacturing Excellence Award last year and has amassed eight Great Taste Awards. The company offers

larger rivals a long list of lessons in innovation. New product development is in-house, so the team can experiment non-stop. As a result Fudge Kitchen launches new products relentlessly; 60 are on the market right now, translating into more than 20 ranges.

It's a high energy place to work. The AGM is described as "a few drunken days of fun", including the Fudgegymnastics. Staff are picked for their quirkiness. Many play in bands and a handful moonlight as stand-up comedians. Fudge Kitchen

employs Fudge Ambassadors to visit key accounts and undertake training and demonstrations.

Creativity is harnessed company-wide, through the FudgeNet intranet. A reward system called WOWs can be

cash in for prizes, including holidays.

There's a sense of purpose which pushes Fudge Kitchen across borders. It attends trade shows, exporting to 15 territories including France and the Falkland Islands. Like many small firms, Fudge Kitchen isn't afraid to ask for advice. It asked the government's Manufacturing Advice Service for help and visits other manufacturers for insights into lean techniques.

There's nothing to stop a large company stealing these ideas. The merit of leveraging the creativity of small companies is proven beyond doubt. IT consultancy Infosys has launched a \$500-million innovation fund to invest in startups to glean their secrets.

When survival depends on creativity, it will soon be clear that enterprises need to move as swiftly as startups. The alternative is obsolescence.



Startups usually start with a clean slate, which gives them a big advantage



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When a possible disaster can be

Who says a crisis has to be a catastrophe? Sometimes it can be a springboard to reach new heights. Here are ten

CAPITALISING ON CATASTROPHE

CHARLES ORTON-JONES

01 PESCANOVA

CHALLENGE: **Going bust**
TACTIC: **Restructuring**



It's never too late to change strategy. Pescanova, Europe's largest fishing company with more than 12,000 employees in 27 countries, was sliding towards oblivion when, in 2013, it filed for insolvency. Seven creditors hired Freshfields law firm to prevent liquidation. The legal eagles used the insolvency to restructure the debt, create a new company, called Nueva Pescanova, and raise capital giving creditors a large share of the new entity. Now Nueva Pescanova is viable and headed for profitability. The plan won the Turnaround Management Association's award for turnaround of the year.



403 days

Pescanova officially exited bankruptcy protection after 403 days in May 2014 following the court approval of its restructuring proposal



€1.6bn

net profit recorded by Pescanova for the first 11 months of 2014, compared with losses of €0.7 billion in 2013

02 ANHEUSER-BUSCH

CHALLENGE: **Toxic water in Flint, Michigan**
TACTIC: **Donate cans of water**

This crisis was entirely man-made. The city authorities of Flint, Michigan, decided to save \$5 million by switching the water supply from Lake Huron to the Flint River. Unfortunately the new treatment works was inadequate, resulting in lead pollution and coliform bacteria flowing to thousands of homes in Flint. It was a national scandal. Beer giant Anheuser-Busch quietly donated 51,000 cans of water to Flint. Previously it donated 188,000 cans to St Louis and Oklahoma after storms. Eventually the media picked up on the story, and Anheuser-Busch reaped good public relations and widespread goodwill.



Up to 100k

residents of Flint were exposed to high levels of lead in the water supply



51,000+

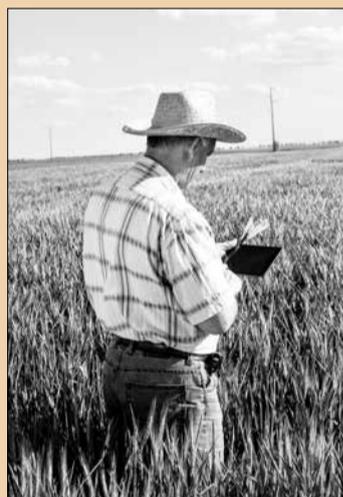
cans of drinking water were donated by Anheuser-Busch to Flint locals in January



03 GIGACLEAR

CHALLENGE: **Rural broadband**
TACTIC: **Target hard-to-reach locations**

Rural broadband often sucks. Some villages are stuck with such with pitiful speeds which rules out using YouTube, iPlayer or running a business. The big telcos argue it's not possible to install superfast fibre, which is why Gigaclear's model is so brilliant. Gigaclear brings insane speeds to hard-to-reach places. West Haddon in Northamptonshire gets 750Mbps, more than 30 times faster than the official superfast definition. Founder Matthew Hare says the approach gives his company a lucrative niche, neglected by the big players.



13.7Mbps

is the average home download speed in rural regions in the UK, according to Ofcom, compared with urban areas which receive 50.5Mbps



750Mbps

broadband speed provided to West Haddon in Northamptonshire by Gigaclear, more than 30 times faster than what is classed as superfast

04 MONDO BANK

CHALLENGE: **Old-fashioned banking**
TACTIC: **Mobile apps**



30%

of retail banks are allocating funds to understanding and improving the customer experience, according to Deloitte



£200k

spent daily through Mondo in August, up from £80,000 in April

Banking is a bit of a joke industry in terms of technology. You'll still find Fortran programmers who ought to have retired two decades ago. The industry retains expensive branches and painfully slow paper processes. For consumers it's a bore, but for startups it's a perfect situation. Mondo, Starling and Atom are app-first bank startups. Mondo will be branchless, saving huge sums on overheads. Disquiet over behaviour by banks during the financial crisis seems to be paving the way for fresh-thinking newcomers; Mondo raised £1 million in 96 seconds via crowdfunding earlier this year. The reputational damage incurred by the high street banks will make it easier for challengers to win customers.

05 SALESFORCE.COM

CHALLENGE: **Unequal society**
TACTIC: **1-1-1**

Companies don't need to wait for a crisis to react – there are problems across society right now. When Marc Benioff built Salesforce.com into a \$53-billion behemoth, he kept this in mind, developing a 1-1-1 policy to combat social ills. The formula means Salesforce gives 1 per cent of its resources, people and technology to social programmes. This adds up to more than \$115 million in grants, 1.3 million hours of community service and product donations to 28,000 non-profit organisations. The payback? Salesforce is renowned in Silicon Valley for its philanthropy. Staff love working on social projects. And communities benefit in multiple ways.



1%

of Salesforce's resources, people and technology are given to social projects and communities



\$115m

in grants has been given by Salesforce since its founding

Challenges turned into an opportunity

10 examples of how organisations faced major challenges and thrived

06 RIO TINTO

CHALLENGE: **HIV/Aids in Africa**
TACTIC: **Provide antiretrovirals to all employees**



Mining giant Rio Tinto operates in many African nations where HIV/Aids remains a large-scale threat. In Botswana, for example, a quarter of people aged 15 to 49 are infected. In 2003, Rio Tinto decided to take the lead in combating the spread of the virus. It raises awareness through education, runs voluntary workplace counselling and testing, and provides antiretroviral drugs for all employees and their partners. The programme is now embedded in a wider safety plan encompassing all areas of employee health and well-being, from tuberculosis monitoring to risk assessments at plants.



70%

of people living with HIV globally are situated in sub-Saharan Africa, according to AVERT



98%

HIV/Aids treatment success rate at Rio Tinto's Rössing uranium project in Namibia - among the highest in the country

07 MCDONALD'S

CHALLENGE: **Terrorism, hurricanes, other disasters**
TACTIC: **Talk about crises in marketing**

Is it ethical to profit from disasters? From 9/11 and the Boston bombing, and Hurricane Katrina to the New Orleans floods, there are plenty of incidents to test the ethical position of marketers. McDonald's approach is to talk about these incidents openly. Restaurant signage will often commemorate national tragedies or hail public servants such as firefighters as heroes. In 2015, McDonald's went further, running a TV ad composed of real-life signage such as "We remember 9/11". The reaction was divided. *The Washington Post* called it "tone deaf". Others loved the true-to-life honesty of it. McDonald's responded: "We've seen some strong praise and some negative comments. We expect that and we welcome it."



14,259

McDonald's restaurants in the US alone



\$802.1m

was spent by McDonald's on advertising in the US in 2015, according to Kantar Media

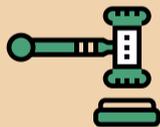


08 SERCO

CHALLENGE: **Government ban**
TACTIC: **Rethink everything**



Serco was the king of outsourcing. At its peak the company was winning half of all government contracts. It ran a fifth of prisons, the Docklands Light Railway and even managed Trident nuclear warheads. Then it came a cropper. Allegations of fraud on a prison contract were made public. A ban blocked Serco bidding for new contracts. So, Serco took radical action. Senior management was purged. Contracts were examined for troublesome clauses. New risk modelling was introduced. No longer would Serco bid wildly for every contract on the market. The result? A leaner, tighter outfit with a stable share price.



6-month ban

given to Serco on securing new UK government contracts after accusations of fraud in 2013

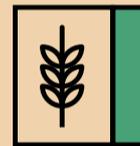


£137.6m

reported trading profit announced by Serco for 2015, compared with a loss of £632.1 million in 2014

09 AIRBNB

CHALLENGE: **Launch in a crowded market**
TACTIC: **Hustle**



\$30k

raised through cereal box sales by Airbnb's founders in 2008 to help launch the company



\$30bn

valuation given to Airbnb in a recent fundraising

In 2008 Brian Chesky was just another startup entrepreneur with a concept no one much cared about. His Airbed & Breakfast website had no money. So he raised capital by selling novelty Obama O's and Cap'n McCain cereal at the Democrat and Republic party conventions. This persistence eventually resulted in Airbnb, now valued at \$30 billion. The novelty cereal scheme raised \$30,000. It's a move legendary investor Paul Graham loves to retell: "Whenever someone tells me that they can't figure out how to raise the first \$25,000 they need to get their company started, I stand up, walk over to the cereal box and tell this story. It is a story of pure unadulterated hustle. And I love it."

10 WHEAT PRODUCERS

CHALLENGE: **Brexit chaos**
TACTIC: **Use sterling fall to export**

The adage in economics is: "There are no solutions, only trade-offs." This is exemplified by the volatile markets post-Brexit. The pound tumbled, leading to the FTSE 100 soaring due to overseas earnings inflating in value and exporters rubbing their hands with glee. Wheat producers are among the winners, with exports for July hitting eight-year highs. "The currency has made a big difference over the past few weeks. The marginal trades that didn't make sense were suddenly possible," says a spokesperson for the Ipswich Grain Terminal. It's a reminder that amid the gloom, there are rays of sunshine.



31-year low

reached in the sterling-dollar exchange rate in July following the Brexit vote



8-year high

in UK wheat exports recorded in July

COMMERCIAL FEATURE

ADAPTING AGILE TECHNIQUES FOR A HYBRID APPROACH

Understanding which parts of agile are applicable and appropriate to a change programme is key to a successful outcome

The Berkeley Partnership

The pursuit of the “agile business”, where multidisciplinary teams focus on solving business problems through the continuous evolution of capability, is seen as a response to the frequent failure of large, “waterfall” business change programmes.

But many organisations have mature financial and quality-control mechanisms that have been built around traditional waterfall ways of working. So when should you “go agile” and when should you stick to a traditional waterfall approach? This is a question that has confused many organisations as they prepare to undertake major programmes of business change. And it is a question that, according to Dave Machin, partner at The Berkeley Partnership, suggests they haven’t fully grasped what “agile” means.

The Berkeley Partnership has many years of experience working in “hybrid” project environments, integrating agile working practices into large organisations with complex legacy systems and support functions geared to waterfall ways of working.

Mr Machin says: “It isn’t a case of when to use agile and when not to use it; at enterprise scale, I don’t think change projects are ever quite 100 per

cent agile. It is about understanding which parts of agile are applicable and appropriate based on the nature of the change programme being undertaken.

“Agile is both a philosophy, and a series of tools and techniques. Being truly agile means adopting both. But even when the nature of the programme prevents the use of the agile philosophy, many of the techniques can still be used very successfully.”

IT projects have traditionally had a fixed scope, with the variable being team size and delivery date. Agile philosophy recognises the delivery date is fixed, and the team size should be stable, and defines the scope of work delivered as the thing that should change.

Mr Machin says: “If speed to market is key, if you’re trying out a new technology or business strategy, if you have an ambiguous project scope and the requirements are unclear at the start, going through an iterative, ‘build something, try it, have a look at it and then go again’ process can be a great solution.”

Instead of splitting the work into phases structured around activities, agile structures the work around delivered functionality, encompassing the gathering of requirements,

SIMPLIFIED PRODUCT BACKLOG					
Backlog sequence	As a/an...	I want to...	So that...	Tests	Story points
01	Current account holder 	Log on to my account securely using an ID, password or bio metric 	I can access my account and be confident it is secure from misuse	Account logon with password or fingerprint Account logon in user ID and password	21
02	Current account holder 	Check the balance on all my accounts 	I can manage my personal cash flow and decide when to use my overdraft	Account logon with password or fingerprint Account logon in user ID and password	13
03	Branch employee 	Be able to update my branch opening hours 	Customers can see when my branch is open	Changes to opening hours are available via online or app user interface within ten minutes	08

the design, build and testing of functionality, within a sprint.

In a sprint-based structure, work is organised into two or three-week bursts, from initial requirement stage through to complete testing and delivery of working software. Each sprint starts with a planning session at which the team defines and agrees the work they’ll complete during the next sprint. This is done by reviewing the “product backlog”, a list of requirements, sequenced in the order in which they’ll be delivered. That sequence takes into account business priority and value as well as requirements, which are dependent on each other, and those which are risky and should therefore be tackled early.

At this stage, agile tools and techniques can come into play, specifically a technique known as “planning poker”. Individual team members produce estimates for the amount of work a story requires, which are reviewed and discussed by the whole team, with the process repeated

until a consensus estimate is reached. It ends with the sprint retrospective and the team considering improvements for the next sprint.

In one project The Berkeley Partnership ran with a large energy company, the team found that following the “textbook” agile approach – tackling the design, build and test of each user-story one at a time – led to the inefficient repetition of some user-interface (UI) design work.

“Recognising this and breaking the overall UI design out as an up-front task made the teams considerably more efficient,” says Mr Machin. “While this specific approach might not be textbook, thinking carefully at the end of each sprint about what is and what isn’t working well is a key part of the prescribed sprint retrospective meeting.”

A traditional waterfall-style integration and acceptance-test phase was also added as a final check to ensure links with legacy systems, which were subject to traditional maintenance and release cycles, worked as expected. This also provided the final broad-based confidence in the solution among the user community.

Mr Machin adds: “Agile textbooks may argue that this is not necessary, but the confidence generated by a traditional acceptance test, particularly among businesspeople who are used to

that discipline and haven’t used agile techniques before, was key to this project’s success.”

A key advantage of agile methodologies is they accept that requirements are likely to change over time. Instead of extensive up-front planning and design, multidisciplinary teams of planners, designers, developers and testers work on successive iterations of the product over fixed periods of time.

“With projects that are a regulatory response or that require a large group of people to achieve consensus before implementation, it becomes much more difficult to use agile methodologies, so the nature of the requirement will influence which tools and techniques are appropriate. However, some of the techniques are always applicable, albeit in a different way,” says Mr Machin.

“Consensus-based planning and the planning-poker approach are great techniques to use with software developers or systems integration teams, even in a waterfall project. And holding regular demonstrations and retrospectives within a waterfall build phase can improve efficiency, and help flush out design problems and bugs well in advance of traditional integration and acceptance testing.

“Equally, in an essentially agile project structure, including some waterfall-style, batching of activity and stage-gating can improve efficiency and help to build trust. Even the most agile of change programmes need good project-management discipline and appropriate levels of control.”

AGILE: A DEFINITION

PHILOSOPHY AND METHODOLOGY

Scope is the variable

- Minimum viable product
- 50% rule

Just-in-time analysis

- Multiple interactions (sprints)

Multi-disciplinary team and empowered product owner

- The person whose decisions will not be overturned
- Replaces documented, group-approved phase-end deliverables

TOOLS AND TECHNIQUES

Sprint-based work structure

- Two or three-week bursts
- Sprint kick-off and retrospective
- In-sprint testing and sign-off
- Burn-down charts, velocity

Requirements backlog

- Sequenced (not prioritised or ranked) – factors risk and technical dependencies as well as benefits
- User-stories to capture requirements

Consensus-based planning

- Story point workload estimation
- Planning poker

Multi-disciplinary teams

- Scrum master facilitator
- Daily scrums/stand-ups for issue resolution
- Self-managed delivery of defined accountability



Even when the nature of the programme prevents the use of the agile philosophy, many of the techniques can still be used very successfully

For more information visit www.berkeleypartnership.com

Lessons from Pokémon Go's big debut

It's a stellar example of how a business can burst into the big time with one spectacular play

POKÉMON GO
DAN MATTHEWS

When historians look back on 2016 and consider the biggest corporate development of the year, they won't point to a revolutionary new car or a smartphone, but an apparently frivolous game in which players catch imaginary cartoon critters.

It's hard to believe that Pokémon Go was launched little more than two months ago. In that time the location-based augmented reality (AR) game has caused a seismic shift in the world's business, technological and cultural landscape.

Overnight AR went mainstream and Nintendo's market value increased by \$7 billion, before falling back when investors realised it didn't make or even really own the game – it's a minority shareholder in the game's designer Niantic.

Niantic, on the other hand, grew a multi-billion-dollar valuation. Google, another investor, opened up a potential new avenue to sell its ads. Business angels and institutional investors who backed Niantic got very rich, very quickly. Apple welcomed the millions of extra iTunes downloads.

Had you run an online search for Pokémon Go back in June, you would have received links to a small and confused mix of webpages. Run one today and you'll get 50 million listings all teeming with facts, speculation and gossip zeroing in on the new brand.

For consumers, the game has invented an entirely new pastime; one which blends gaming, formerly a seated activity taking place in people's homes, with walking in the open air, something that modern gamers did very little of.

New communities have sprouted, friendships have cemented in ungodly hours in weird locations and a cottage industry has sprouted, with rival developers hoping to piggyback Pokémon Go's rampant and unprecedented success.

It was the launch to end all launches and one enterprise superstar Elon Musk would be jealous of. Can you think of a bigger instant hit with a more immediate effect? The story of Pokémon Go speaks volumes about how a business can transform itself with a single, spectacular play.

"The launch of products using innovative technologies should ignite conversations around what is achievable and Pokémon Go has definitely achieved that with AR," says Ian Hetherington, chief executive and founder of eeGeo, who previously enjoyed a successful career in the European gaming industry.

"Aside from the technology, we would be foolish to ignore the effect



Edward Berthelot/Getty Images



William West/AP/Getty Images

01 Pokémon Go players are able to interact with virtual characters in real-world surroundings

02 The game's launch created a global frenzy as crowds roamed the streets in search of Pokémon characters to catch

"Pokémon Go is a marriage of the real world with the fantastical. The idea that ordinary locations or street corners can hold surprises and excitement, literally making the world your playground – it's a fantastic and simple proposition."

Betting big on a major launch is

one way of taking a business to new heights. But, sadly, real-world fundamentals apply to all of us. Silicon Valley is full of companies that went pop because they thought amassing a following would be enough, when even in the tech world money talks.

It's why Nintendo and Google

that the Pokémon brand has had on the launch of Pokémon Go. Niantic cleverly lends heavily from the original Pokémon game to wrap its innovation in a familiar and lovable IP [intellectual property] with strong legacy value."

Experts say it was down to three main factors. One was timing; the game might have had less impact if the pot hadn't already been stirred by the arrival of new consumer-grade virtual reality (VR) technology from global brands. This provided a platform upon which it could launch.

The second was simplicity. This was a high-tech launch, but there is nothing intimidating or fiddly about the game so it appeals to the mainstream as well as first-movers. You download it and away you go. It's free too, meaning people could experiment risk free.

The third element was possibly the most important of all. Pokémon is a globally recognised and well-liked brand. It's been around for two decades, so nostalgic 30-somethings are just as endeared to the release as ten year olds discovering it for the first time.

Other businesses keen to make waves might not be lucky enough to have a global brand to reinvigorate, but new platforms like AR do offer an array of opportunities for the me-toos.

"The key take-home for me is that old ideas can be applied to new technology, meaning huge new opportunities that could be mined are being missed," says Henry Stuart, chief executive and co-founder of Visualise.

enjoyed the glow of Pokémon's AR revival, but Niantic got to light the fire. The game has achieved the Holy Grail of being both popular and lucrative at the same time. Within weeks it was bringing in more than \$2 million a day just from players in the United States.

Hooked gamers looking for shortcuts to Pikachu glory can pay up to \$99 a time for inventory upgrades. That compares favourably with \$39.99 for the best-selling console game Uncharted 4, not forgetting that in the latter case you get the whole game, not just extra Poké balls.

"Silicon Valley wisdom prizes users above all else. The idea being

“The location-based augmented reality game has caused a seismic shift in the world's business, technological and cultural landscape

that monetisation can follow," says Joakim Everstin, head of innovation at travel technology company Sabre. "But a business can't drift from experiment to experiment. It's important to have a strategic advantage in the product and then have a path to profitability should the product hit."

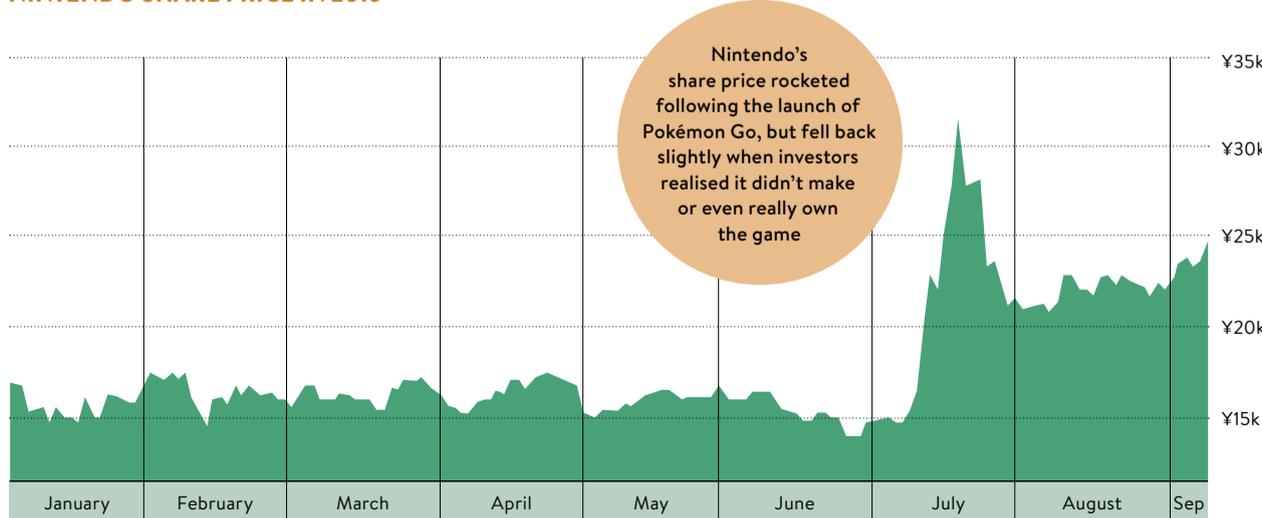
Gideon Scarborough, managing director of Market Gravity, agrees. "Launching new ventures can help brands increase their relevance, reinvigorate customer relationships and attract new audiences, as well as being an effective response to changing market trends or competition," he says.

"It isn't worth launching something that has no route to profits ever, but there are good reasons to launch something that may not be profitable in the short term. A new venture may engage valuable customers in new ways, accelerate learning in a new market or test a new business model before committing to investing further and scaling it."

For bosses wondering where all this leaves them, help is hand. Mr Hetherington at eeGeo believes the three watchwords are innovate, create and capitalise. No one wants a lot of Pokémon Go copycats, he says, so firms should consider the bigger picture and think how things like AR and VR can transform what they do.

Committing fully to an innovation gives it a better chance of success and, once it's out there, capitalising on the opportunity is a must. "These opportunities are few and far between, so you have to maximise them when they come along," he says. "This is where the true reward for taking the risk in the first place can be realised."

NINTENDO SHARE PRICE IN 2016



Nintendo's share price rocketed following the launch of Pokémon Go, but fell back slightly when investors realised it didn't make or even really own the game



Shutterstock



Satisfying consumers' increasing demands

Desire for instant gratification has pushed up consumers' expectations and opened the way for a new kind of selling

ON-DEMAND ECONOMY

MARK FRARY

What do we want? Everything. When do we want it? Now!" The 20 and 30-something millennials, with their short attention spans and need for instant gratification, have stolen the evergreen political protest chant and made it their own.

The decline of the nine-to-five high street, with early closing on Wednesdays, and the rise of companies such as Amazon, Uber and Deliveroo operating 24/7 has led to the creation of what has been dubbed the "on-demand economy", where a desire for

something is fulfilled as quickly as humanly possible or perhaps by drone in the case of Amazon Prime.

One of the clearest manifestations of the on-demand economy has been the success of Appear Here, whose founder Ross Bailey calls the "Airbnb of retail". In the on-demand world, you quickly get used to disruptive startups which are the Airbnb of X, the Tinder of Y or the Uber of Z.

Appear Here lets would-be shopkeepers shortcut the process of renting retail space, cutting the time to ink a deal from months to just days. It has also enabled the concept of the pop-up shop or restaurant, there for days rather than decades.

Mr Bailey doesn't see Appear Here as particularly disruptive, but rather

as expanding the market. "We are not taking away business from property agents and landlords. They were never interested in short-time business as it was such a hassle," he says.

What has changed is the amount of investment required by those wanting to rent space. A few thousand will now get you set up in a store compared to the tens or hundreds of thousands that landlords might have demanded before.

Appear Here has used its technology to standardise the process. "The whole user journey, from discovering space to talking to a landlord, to signing legal, which are the same for every space, all happens online. Every single utility and rate cost is rolled into the cost. That makes it

ABOVE RIGHT YPlan's instant booking platform app is described as a "bookable Time Out"

fast, understandable and also means there is no negotiation required," says Mr Bailey.

The company's app also means landlords can assess proposals far more quickly than in the past.

Mr Bailey says much of Appear Here's success has been the changing tastes of the consumer. "Seventy per cent of consumers are more likely to spend on a desirable experience than on a product," he says. This has seen makers, artists and foodies working in their bedrooms, kitchens and workshops becoming a new generation of retail heroes to consumers seeking authenticity rather than global brands; Appear Here is just facilitating that process.

Mr Bailey sees a future in which companies launching new products do so by renting pop-up space and creating experiences rather than rolling out a traditional billboard poster campaign.

One of Appear Here's success stories is jewellery company LittleSmith which makes personalised necklaces costing just a few pounds apiece. The company rented a stall through Appear Here at London's Spitalfields Market and soon started making £2,000 a week.

Buoyed by that success, they took out a temporary concession in Topshop on Oxford Street and sales quickly jumped to £20,000. "A few weeks ago he was the best-selling concession on the ground floor," says Mr Bailey.

YPlan is on-demand's answer to the question "What cool thing can we do tonight?" and offers an instant

“**Would-be shopkeepers shortcut the process of renting retail space, cutting the time to ink a deal from months to just days**”

booking platform to a curated selection of films, theatres, clubs and more. Chief operating officer Peter Briffett describes it as a "bookable Time Out".

"If you are a mobile-only play, the usability of your platform has to be high. If you are a utility like [transport app] Citymapper,

you might use that two or three times a day. People have a lot less patience on mobile so unless you can give satisfaction almost instantaneously you are going to lose people. If you can't get a taxi in three minutes, Uber's business falls over," says Mr Briffett.

The app uses algorithms taking into account location and preferences to showcase a number of events happening nearby it thinks you will like. In total there might be anything up to 1,700 events a day on the app.

Mr Briffett is a big believer in personalising the on-demand experience. "If you get it right, the conversion rate you can get is huge. Our conversion rate is anywhere between 12 and 14 per cent in a given month," he says.

So has the millennial consumer become more demanding than ever? Mr Briffett says expectations of good customer experience are being driven higher. "There will always be companies that excel and set expectations for rest of market," he says. "Once set, you have to be on par or better for people to want to use your product. I go to Amazon now and expect my order to arrive within 24 hours - that wouldn't have happened five years ago."

CASE STUDY: ARGOS



Founded in 1972, Argos is old-school on-demand. In 750 stores across the land, customers have grown used to flicking through more than 15,000 items in the

famous laminated catalogue and receiving their purchase minutes later.

The failure of Woolworths and the rise of Amazon saw Argos undergo transformation under chief digital officer Bertrand Bodson. This involved reinventing its store network into a hub-and-spoke operation with hubs stocking every product with supporting "spoke" stores holding only the fastest-

moving items. Trucks would move items between hub and spoke several times a day.

The knock-on effect has been to make this an ideal distribution network for online orders, offering click and collect throughout the country. Argos is now the UK's third largest online retailer, with more than half of orders originating online for customers who are blissfully unaware that their goods are being transferred from hub

to spoke just in time for their collection.

Mr Bodson sees Argos as more of a technology company now than a retailer. "We are a big data business. We know in real time what our customers are looking for, based on their postcode and their behaviour," he says.

The Argos Fast Track proposition allows customers to order smaller items before 6pm and have them delivered

the same day to homes in certain postcodes. Mr Bodson also sees potential in next-day delivery of larger items, such as furniture, instead of the weeks that some retailers require.

Argos is also working with eBay to provide collection points for 250,000 sellers. "It makes sense for both of us," he says, pointing out that working with the online marketplace would have been unthinkable a few years ago.

COMMERCIAL FEATURE

ADVANCING PROJECT MANAGEMENT WITH A CHIEF PROJECT OFFICER

Mark A. Langley, president and chief executive of the Project Management Institute, says organisations see added value from having a chief project officer



Project management – a structured approach to driving and achieving results through a strategic focus on critical initiatives – is crucial to any organisation’s success. We know that senior executives realise the importance of linking strategy and implementation. According to research done by the Economist Intelligence Unit in collaboration with the Project Management Institute (PMI), 88 per cent of executives say successful execution of their strategic initiatives will be “essential” or “very important” to their organisation’s competitiveness in the next few years. As organisations face increasingly complex challenges from such forces as innovation, disruption and the demands of a global business environment, the inextricable link between strategy and implementation must be addressed. An understanding

of how needed change occurs is also critical – operations run the business, but projects change the business. A formal approach to project and programme management can be the link that ensures an organisation has the capabilities for both change and strategy execution that it needs.

Research from PMI’s *Pulse of the Profession®: Capturing the Value of Project Management* shows that in high-performing organisations, projects successfully meet goals two-and-a-half times more often. We define high performers as organisations in which 80 per cent or more of projects meet business goals as well as deliver on time and on budget. In light of what our research shows, it is not surprising that organisations see added value from having a chief project officer (CPO). This can be a highly effective way of enabling the change an organisation needs to deliver business results, emphasising the strategic importance of project management while elevating both the profession and the practice of project management in the eyes of all employees.

One company that has done this effectively is Telstra, the Australian telecommunications company. Two years ago Telstra hired its first CPO, Alicia Aitken. This was both a bold and logical move for the company, which has a history of commitment to project management and supporting the profession overall.

Telstra chief executive Andy Penn says: “Our vision of becoming a world-class technology company won’t be achieved without world-class project management. It’s central to the way we work and fundamental to our ability to deliver a brilliant connected future for our customers.”

While there are many organisations that achieve project and strategic success thanks to having a project management office (PMO) or an enterprise project management office (EPMO), having a CPO can help your organisation maintain a constant, forward-looking focus on connecting the project portfolio to strategy. It is common for leaders to be focused on fixing past problems rather than thinking about the capabilities, talent and other resources needed to move forward.

I have seen too many organisations struggle with “what do we do about the problems of the last two or three years?” instead of thinking about “how can we be sure we are



DELIVERY IS MORE IMPORTANT THAN EVER FOR ORGANISATIONS



Source: PMI® *Pulse of the Profession 2016: The High Cost of Low Performance*



Source: Economist Intelligence Unit, *Why Good Strategies Fail: Lessons for the C-Suite*



Source: *Pulse of the Profession®: Capturing the Value of Project Management 2015*

prepared to compete in the next three to five years?” Certainly that is how Telstra envisions the CPO role. The company’s EPMO is staffed with people who are experts in project management and can deliver on the promises of today; in contrast, Ms Aitken’s role is more future focused. Creating the CPO role was not a retitling of Telstra’s PMO or EPMO, it was a step beyond.

“Telstra is in a period of transition as the rollout of the National Broadband Network progresses across Australia, the pace of technology innovation accelerates and the company grows into new markets,” says Ms Aitken. “In this environment, it is important for the company to have change leadership in place, and my work has been about bringing together a community of over 3,500 project managers and sponsors across 22 countries to lead through this change, and to grow the project management capability at Telstra.”

A forward-thinking focus calls for understanding the constantly changing skills, competencies and behaviours that enable an organisation to deliver over time in many different environments. Some organisations refer to this as being agile. Agility is both a specific project management method and an organisational mindset.

In her group, Ms Aitken says agile and scaled-agile methods are often used in conjunction with sequential techniques such as waterfall and specific customer-driven approaches. “Part of my role as CPO is to bring

to life the vision of what professional project management means in 2016, which is about getting projects most efficiently and effectively from ideation to value creation,” says Ms Aitken of Telstra’s approach. “This enables Telstra to be agile with our delivery, independent of project type or methodology.”

Delivery is more important than ever for organisations. “According to PMI’s research, on average, \$122 million is wasted for every \$1 billion invested due to poor project performance, a 12 per cent increase over last year,” says Ms Aitken. “The role of CPO was created to ensure we have professional project management as a standalone capability distinct from our engineering, IT or business skills to safeguard our portfolio from this statistic. The better we can execute our projects, the more money we will have to invest in delivering world-class technology to our customers on a world-class network.”

A focus on aligning projects with strategy while also managing projects on a tactical, day-to-day basis can

PROJECTS ARE 2.5 TIMES MORE SUCCESSFUL WHEN PROVEN PROJECT MANAGEMENT PRACTICES ARE USED



Source: PMI® *Pulse of the Profession 2016: The High Cost of Low Performance*

“Having a chief project officer can help your organisation maintain a constant, forward-looking focus on connecting the project portfolio to strategy

help your organisation achieve its desired business results while being a model of high performance and efficiency. Having a CPO can help your organisation be agile and nimble while focusing on delivering business results – qualities that are necessary in today’s unpredictable environment.

For more information please visit www.PMI.org.uk

COMMERCIAL FEATURE

AGILE: THE KEY TO UNLOCKING YOUR POTENTIAL

Transforming your business to keep pace with a fast-moving digital world needs an agile approach which focuses on people – and a shift in culture and mindsets



and the public sector to cut costs and transform their underlying operations.

For instance, it recently partnered with Bristol City Council, which is now on track to make £64 million in annual savings from fiscal year 2016-17 by investing in new technology and consolidating 35 separate offices into two main hubs from which the council is now even generating revenue.

Radtac also works very closely with Hewlett Packard Enterprise when undertaking public-sector projects of all types to provide specialist, scalable development and delivery capabilities. Because a key consideration here is that successful transformation ultimately depends on the people involved.

This means the company only uses the most highly skilled consultants, certified delivery professionals and hugely experienced software development professionals. Specialist in-house skills can also be developed by means of the firm's vast portfolio of certified professional agile training courses. In fact, Radtac has trained more than 1,300 companies in the last five years.

But Radtac has also developed its own engagement model, widely known as the Radtac Key. This is based on 20 years of practical experience at the coalface and is an adaptable, dynamic four-stage approach for enabling agile-based change, whether you are employing it for the first time, expanding the number of your initiatives or going for full-scale business transformation.

The Radtac Key's vital precepts have just been revealed in a groundbreaking book entitled *Agile Foundations: Principles, Practices and Frameworks*. The official textbook for the BCS [Chartered Institute for IT] Foundation Certificate in Agile, it is an independent, unbiased guide to the wide range of techniques and frameworks currently on the market.

Unsurprisingly then, Radtac is also one of the few consultancies in the world to be a gold partner with Scaled Agile Inc. This means it has all the necessary experience to help you roll out agile working practices across the enterprise using the Scaled Agile Framework® (SAFe®).

For more information please visit www.radtac.co.uk/times

In today's fast-moving, globalised and progressively digitised world, any organisation that expects customers to wait years, or even months, for new products and services to meet their increasingly rigorous demands will no longer cut the mustard. In a social media-savvy age where customers expect their queries and concerns to be addressed within minutes, woe betide the company that fails to keep their eye on the ball.

As a result of such pressures, the average lifespan of a company in the Standard & Poor's (S&P) 500 Index has now fallen from 61 years in 1958 to just 18 today, according to Yale University's Professor Richard Foster. But if this run rate is borne out, it means that by 2027 more than three quarters of the current S&P 500 will no longer be in business – that's 375 companies. A sobering thought.

Key challenges for everyone these days include cutting costs, reducing time to market, increasing customer satisfaction, improving processes and motivating people.

There are four key approaches to cutting costs. These are doing without, working with less, doing things better or doing things differently.

While most organisations opt for one of the first two tactics, as they are generally easier to achieve, it is actually the last two that generate the real prize in the shape of innovation, major cost reductions and sustainable savings. But the big difficulty for many is simply how to go about it.

Increased customer satisfaction, in an era where there is so much sales and marketing noise at every level, becomes the true differentiator. This means not only being responsive to customer complaints if something goes wrong, but also building the right products and services quickly, efficiently and well in the first place to ensure they not just meet, but exceed expectations.

To do this right, it is about ensuring your business processes are optimised for peak performance, which involves focusing scarce resources where they are needed most to maximise a return on investment. This kind of well-organised approach will also reduce time to market.

“Implementing this kind of transformation is tricky if you are not familiar with it – it requires a cultural and mindset shift that can be difficult to introduce alone

HOLY GRAIL OF TRANSFORMATION

But core to all of this are your people – without them on side, valued, engaged and motivated, none of the above will be possible. Instead, you will see low productivity and high staff turnover, which is always expensive at the very least in terms of recruitment costs, time and effort, and getting people up to speed once they start.

That all important customer experience will also suffer if your employees are not sufficiently inspired to go the extra mile for customers. With staff engaged and empowered to try new approaches that real innovation can be embedded into the organisation.

So what is the answer, and how can you truly achieve the Holy Grail of digital and/or business transformation with minimum pain?

Dee Hock, founder and chief executive of credit card giant Visa, once said: “Simple, clear purpose and principles give rise to complex intelligent behaviour. Complex rules and regulations give rise to simple, stupid behaviour.” And the same principle holds true today.

Over recent years, a number of frameworks have appeared on the market with the aim of streamlining and simplifying processes. The aim is to enable teams to deliver the products and services that customers want in the least possible time. These frameworks include Scaled Agile®, Lean, Kanban and Scrum.

One of the guiding principles of agile frameworks, in particular, is simplicity: the art of maximising the amount of work not done. This

simplicity is about keeping processes as straightforward as possible and creating agile “feature teams” that comprise all the skills necessary to create small batches of valuable product functionality.

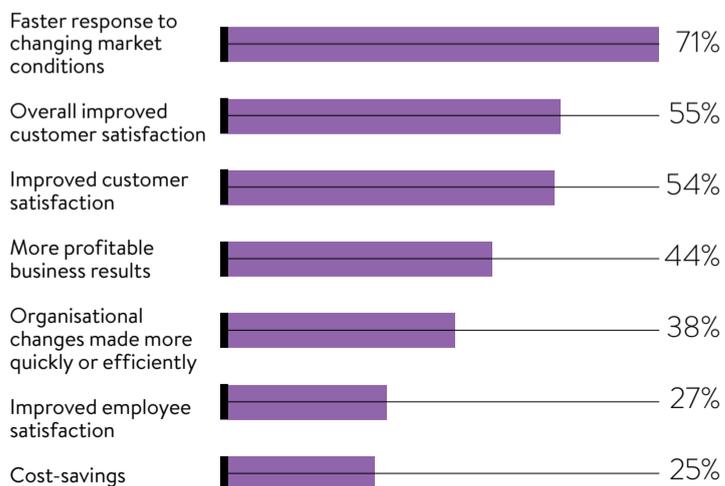
The ultimate nirvana, enabled by a collaborative DevOps approach to software development, quality assurance and IT operations, is then to provide value, continuously. So what it all adds up to is “complex intelligent behaviour” as well as a significant decrease in waste.

But implementing this kind of transformation is tricky if you are not familiar with it – it requires a cultural and mindset shift that can be difficult to introduce alone. That is where transformation services provider Radtac comes in.

ENSURING SUCCESSFUL CHANGE

For nearly 20 years, Radtac has been using the most appropriate elements of a variety of agile frameworks to help clients in industries as diverse as financial services, gaming and leisure,

BENEFITS OF INCREASED ORGANISATIONAL AGILITY



Source: Project Management Institute, *Pulse of the Profession*

SCALED AGILE FRAMEWORK®

SAFe® is a proven, successful method for implementing agile across the enterprise. It provides productivity increases of between 20 and 50 per cent, quality improvement of 50 per cent plus and project delivery times that are between 30 and 75 per cent faster.

But while frameworks matter, it is also important to note that the real key to successful change actually lies within your own people and teams. Everything that Radtac does is focused more on people than processes, which is why it always puts individuals and outcomes first.

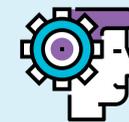
The ultimate goal is rapid, evolutionary change at a sustainable pace. So the company gives you ongoing guidance and the tools to help effect transformation at your own rate – while also supporting you in standing on your own two feet.



50%
quality improvement



20-50%
productivity increase



30-75%
faster project delivery times

DATA
ALISON COLEMAN

In the current climate of uncertainty and change, companies must be able to adapt and respond to emerging market trends swiftly. Key to success is how well they use their data, not just measuring it, but using it to change strategy, drive product innovation and gain competitive advantage.

Jacyn Heavens, founder and chief executive of electronic point-of-sale company Epos Now, says: "The process of bringing new solutions to market more quickly and efficiently can be enhanced by analysing what has worked well and not so well in the past, and bringing that knowledge to bear in creating new product concepts and ultimately prototypes. This process must also be about gathering customer feedback and analysing to tweak and further enhance the solution moving forwards."

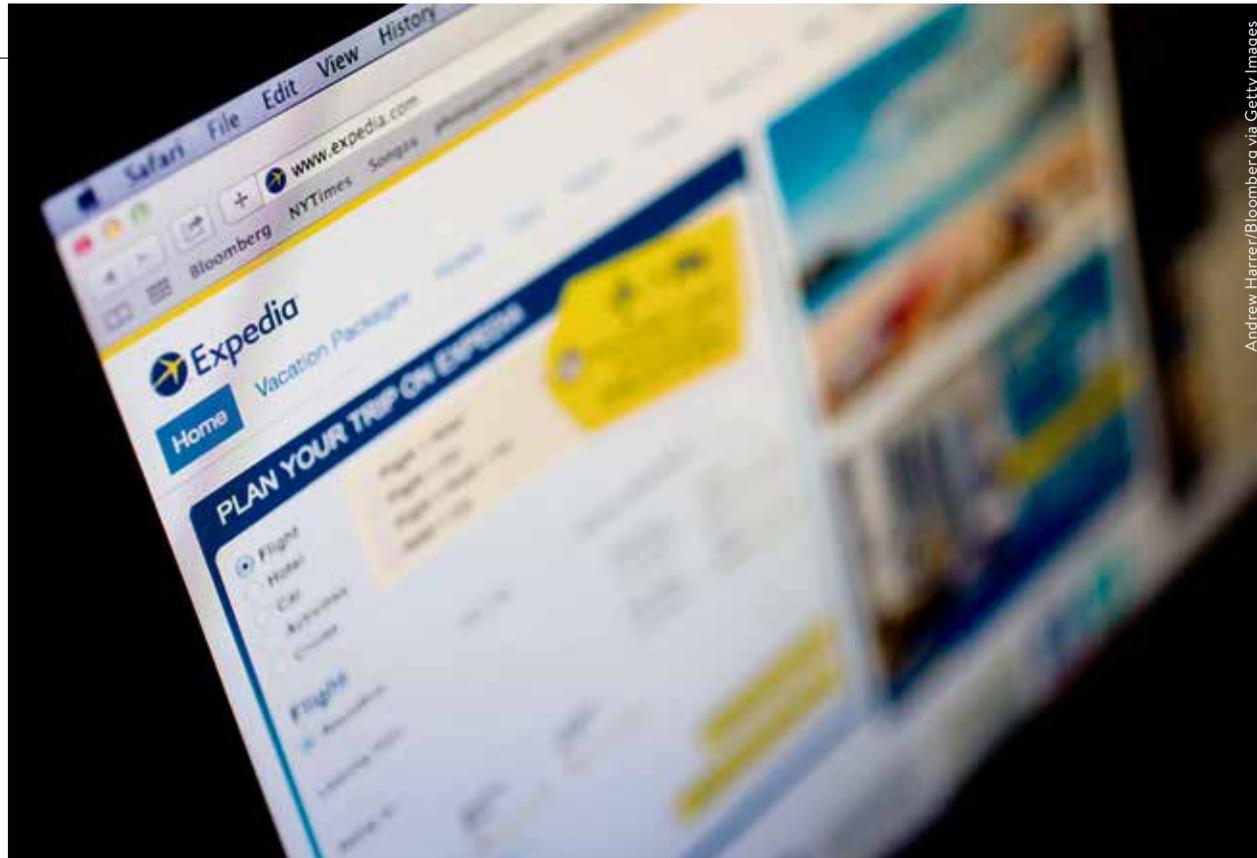
Understanding the principles of using data to innovate is one thing, but are businesses putting them into practice? Research from Experian suggests senior executives are aware of the opportunities data provides to become more agile and more productive, but also highlights barriers such as limited budget (51 per cent) and volumes of data (47 per cent) that prevent businesses from exploiting these assets.

"A C-suite data champion representative will help," says Experian's data expert Rebecca Hennessy. "Only when the strategic value of data is realised at board level can businesses be in a better position to exploit data."

For years the retail sector has lagged behind others in the use of technology to harvest data, but after a slow start the big data revolution is starting to emerge.

According to Dmitry Bagrov, UK managing director of technology consultancy DataArt, machine-learning using harvested big data is proving to be a Holy Grail for the retail industry's marketing and strategy departments.

He says: "Firms that can better understand their customers' unique desires and preferences will gain significant competitive advantage in deciding future strategy. For example, 'scan as you shop' devices are the



Andrew Harrer/Bloomberg via Getty Images

The key to unlocking increased sales

Data on customer behaviour and buying patterns can deliver business insights and a competitive edge

easiest way to collect data in real time about how and why customers buy in a particular shop. Early adopters that apply machine-learning to harvested big data can build a far more detailed profile of their customers than those who lag behind."

Data is one of the banking industry's most valuable assets, yet most high street providers are still not using it smartly for upselling or im-

CASE STUDY: HALL HUNTER PARTNERSHIP



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HHP business analyst Alex Gooi says: "We knew that a more efficient and accurate way to collate and analyse this data would enable the team to make better, data-driven decisions, eliminate guesswork, and allow us to identify and act quickly upon trends."

The company decided to review its infrastructural stance on data management and build a data warehouse using WhereScape Data Warehouse automation. One of the long-term objectives was being able to compare identical varieties of fruit grown on similar crop systems between HHP farms to see how productivity, quality of fruit and yields compare.

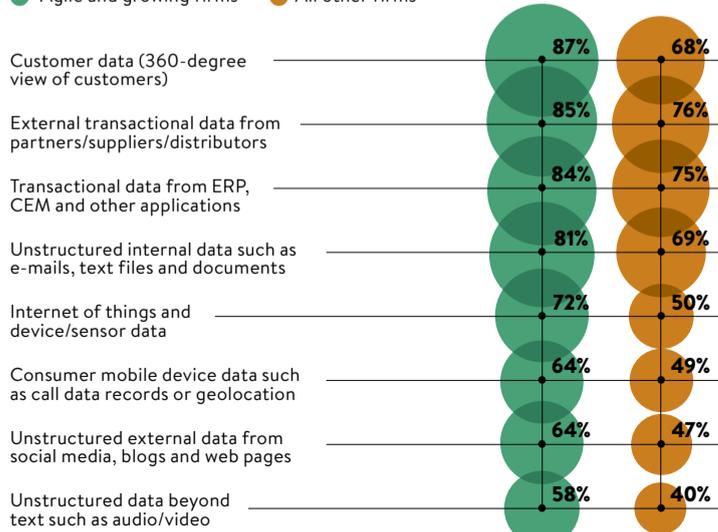
Mr Gooi explains: "It is now easy to align fields within a common timeline reference without altering how data is originally recorded or stored. Having an accurate understanding of our stock positioning is also central to our crop and accounting forecast initiatives, particularly when it comes to our locally grown fruit. This enables us to calculate the total fruit tonnage harvested to date, and to determine with a degree of precision where our fields are within a harvest cycle and how aligned we are against our harvest programmes."

Hall Hunter Partnership (HHP) is a leading UK fruit grower, employing more than 2,000 workers across multiple sites in Berkshire, Surrey and West Sussex. The company gathers data from a number of disparate sources, including pickers and packers, soil and temperature sensors, and weather information, and consequently had always struggled to get a fast, accurate picture of the business, based on reliable data.

IMPORTANCE OF DATA TYPES TO BUSINESS STRATEGY

GLOBAL SURVEY OF BUSINESS INTELLIGENCE AND ANALYTICS DECISION-MAKERS

● Agile and growing firms ● All other firms



Source: HP/Forrester 2016

proving customer services.

"If they want to keep the fintech challengers away from eating their lunch, heritage banks need to unleash and embrace the big data that is locked away in their 60-year-old systems," says Nanda Kumar, president and chief executive of business software firm SunTec.

This could be achieved by using customer transactions to inform real-time offers, and create a personalised customer experience and additional value-add for an underappreciated market.

"When you book a holiday, for example, it's likely that you also need travel insurance, money exchange and local offers at the destination," says Mr Kumar. "Using their big data, banks have the power to help."

The next big thing in travel will be better use of data to make travel more personalised and predictive in real time, but only if companies turn their data into consumer value in real time, says Scott Crawford, vice president of product at Expedia.

"Through our scale, we have access to better travel data than anyone in the industry and we make our data work hard to create a better, personalised, customer experience," he says. "However, we also want to give travellers the most relevant data for them, so we use pattern recognition that takes data from across our brands and delivers insights in a way that consumers find useful. Ultimately, our data belongs to our customers and we give that data back to them in the most relevant, personalised way possible."

But companies shouldn't get too hung up on the term big data. "It incites fear of information overload and cultivates the belief that working with data can be difficult, unwieldy and expensive," says Edward Bass, co-founder and director of audience intelligence consultancy EntSight.

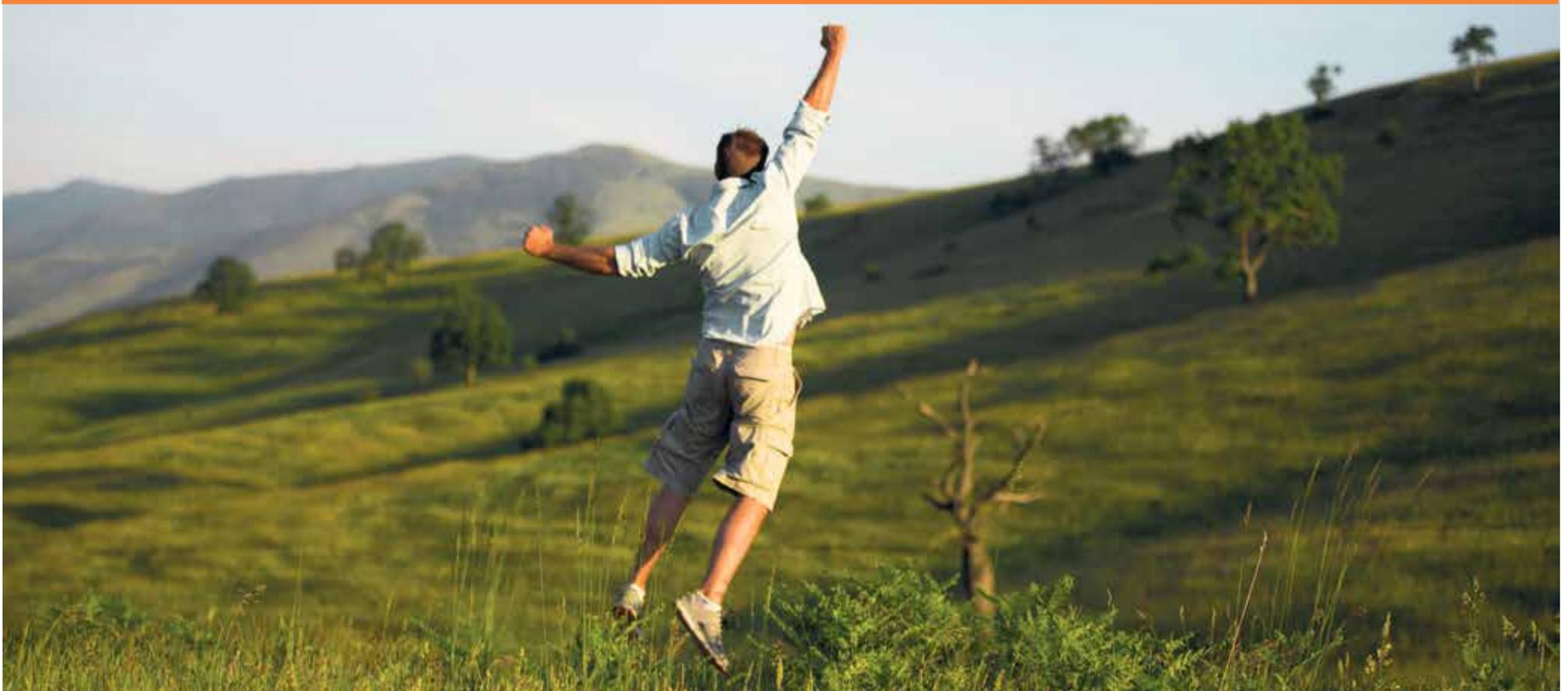
His advice is to break it down into three categories: multichannel, omnichannel and universal data. Multichannel data is what most organisations own and have pulled from internal systems such as customer relationship management systems, web and social, as well as consumer data from third parties. Omnichannel data, sourced from mobile apps, wearable technology and games consoles, is being used by companies to define user behaviour, while universal data comes from external sources and could include wider information that influences consumers such as weather and traffic conditions.

Ultimately, the most successful companies are those that ensure effective use of data throughout their enterprise. Dr Simon Tomlinson, data science business engagement manager at Lancaster University, concludes: "By combining and analysing their data sources, these companies have derived insights that deliver a real competitive advantage. In our work with industry partners, we have seen companies grasping the opportunity to gain a rich understanding of their customers, identify and eliminate production line issues, and instil a culture of continuous improvement based on real evidence."

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Survival of the fittest through business agility

“The enterprise that does not innovate inevitably ages and declines. And in a period of rapid change such as the present, the decline will be fast.” *Peter F Drucker*



In 1859 Charles Darwin published his theory of evolution – a scientific hypothesis describing how species adapt to thrive in an ever-changing environment based on the survival of the fittest in each generation.

It is ironic that some of the very characteristics of humans that have allowed us to evolve to pre-eminence on earth – such as those for collaborative problem solving – may have been systematically undermined in many businesses. In pursuit of efficiency, based on their people following increasingly tightly defined and overly optimised processes, many businesses may

have diminished their ability to innovate and hastened their inevitable decline.

If business agility represents the ability of a business to respond quickly to the changing needs of its customers then it would seem sensible that the way to do this is to

An Agile business will value:

- Innovation over the status quo
- Inspirational leadership over conservative management
- Collaborative autonomy over hierarchical control
- Customer focus over individual or organisational self-interest

unleash the creative problem-solving skills of their people and encourage innovation. Inspirational leadership of collaboratively autonomous teams, committed to delighting their customers, is at the core of business agility. Iterative development and incremental delivery of customer-centric products and services, evolving hand-in-hand with supporting technology, provide the tangible bridge to successful business agility – surely an essential cultural fitness characteristic that will allow a business to not only survive but to thrive.

Andrew Craddock,
Product Innovation Director

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