

SNS COLLEGE OF TECHNOLOGY



(An Autonomous Institution)

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Department of MCA

Topic: AGILE - BUSINESS AGILITY AND BENEFITS

Course

23CAE718
AGILE SOFTWARE
DEVELOPMENT

Unit I

AGILE – Business Agility and Benefits **Elective**

II Semester /
I MCA





What is Business Agility?

Business agility is a term that describes organizations' ability to quickly adapt and change their strategies to keep up with ever-changing market conditions. To be successful, businesses need to be able to reconfigure their operations to meet customer needs quickly.



Adapting to Changing Market Conditions







The widely appreciated 7 benefits of business agility

- Faster time-to-market
- 2. Increased innovation
- 3. Improved customer satisfaction
- 4. Greater efficiency
- 5. Enhanced employee engagement
- 6. Better risk management
- 7. Increased profitability





The widely appreciated 7 benefits of business agility

Faster time-to-market







CHANGING TRENDS IN CUSTOMER EXPECTATION

to respond













The widely appreciated 7 benefits of business agility

2. Increased innovation

encouraging experimentation

Business agility also promotes innovation

risk-taking

companies test new ideas pivot their strategies based on customer feedback

develop innovative products and services meet the needs of their target audience







The widely appreciated 7 benefits of business agility

3. Improved customer satisfaction

By being more responsive to customer needs and preferences

companies that prioritize business agility







improve customer satisfaction



Increased customer satisfaction and repeat business





The widely appreciated 7 benefits of business agility

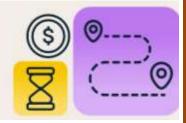
4. Greater efficiency

Business agility can also lead to greater efficiency by streamlining processes and reducing waste

Identifying and Eliminating Inefficiencies

Save time and resources

Know which new features are worth the investment

















The widely appreciated 7 benefits of business agility

5. Enhanced employee engagement







MAKE EMPLOYEES FEEL VALUED



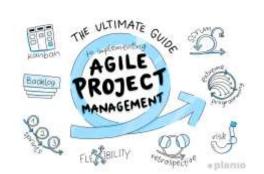
Get Your Ideas Heard at Work

Working Towards a Common Goal









Job satisfaction and morale

March 12, 2025





The widely appreciated 7 benefits of business agility

Monitoring Market Trends and News

6. Better risk management







helpS COMPANIES



When organizations can adapt quickly to new challenges, they are better equipped to mitigate risks and minimize potential losses.







The widely appreciated 7 benefits of business agility

7. Increased profitability

Finally, the benefits of business agility can ultimately lead to increased profitability.











For example, a retail company that uses agile methods to rapidly introduce new product lines and respond to customer feedback may see increased sales and profits as a result.





Business Agility







Scenario 1: Agile for Software Product Development, however, every product has software in it. Is Agile enough?

If you look back in 2001, Agile was brought primarily for software development teams. Software teams focused on building software incrementally and iteratively using frameworks like Scrum.

Gone are those days when the software was only software — for example, reservation system, HR system, Reservation system, etc. Now, every product is a software product. In other words, every product has a software part in it. A few examples to take are Banks, Insurance, Automotive, Healthcare, ERP, etc.

BMW expects 50% of the future R&D staff will be software engineers due to the way software is going to drive the entire product. This means the entire business and not just only software part of it.

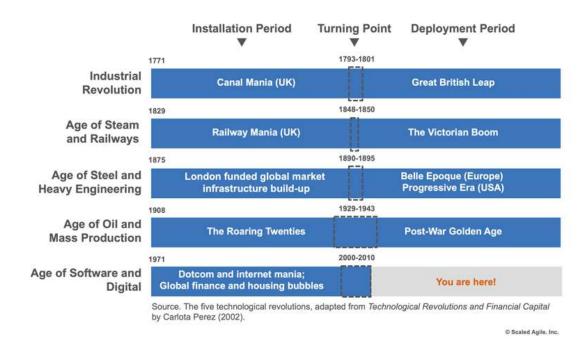
We need Scrum for the team; however, it's not enough. Software is just a part of the entire product. We need a framework like <u>Scaled Agile Framework (SAFe)</u> for the overall product development and delivery because SAFe brings value stream thinking and brings everyone in the value stream / <u>Agile Release Train</u> together.





Scenario 2: Learn from past technological revolutions in other industries

If you look at the picture below, it's clear that every industry has gone through its own learning curve, and at some point, there was a turning point. Post the turning point, every industry had a Deployment period during which the business flourished. If you notice, we are in the deployment period for the software & digital age now. Hence, we need to be ready to take off and be ready to grow much faster than in the past.





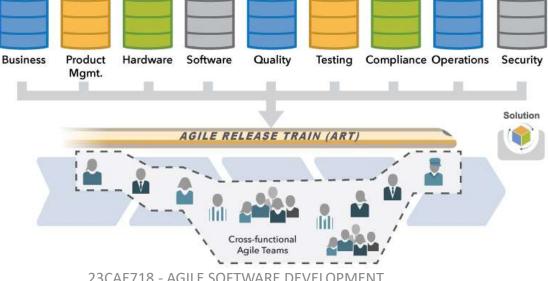


Scenario 3: Agility at Scale

As I mentioned earlier, every business is a software business now. Hence, Agility has to be for the entire organization including Marketing, Sales, Support, Legal, Product Management, Engineering, etc., as against team agility, which is just focused on 1 software development team.

This means we need to scale the agility journey across all parts of the organization that help sustain and grow business. We need Scaling Agility. Scaling Agility is not an option. It is very essential to scale the agility. If you look at the below picture, it clearly depicts all those skills/people required to release solutions to the customer. All should be part of the

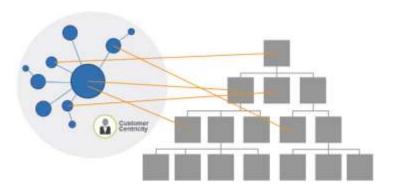
value stream.

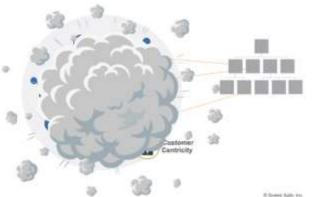






Scenario 4: Dual Operating System to manage both hierarchy and value stream network Products that started with a 3–5-member team to build the first version of the product. When the MVP of the product is successful, the product organization also grows, in fact, in no time, grows to hundreds of people. The complexity of the problem increases over a period. It is not enough to have 1 team to build a product and sustain and maintain it. When the product team is small, the focus is on customer-centricity and innovation. A few examples of customer centricity and innovation are – understanding the pains of the customer and addressing them, building what the customer needs, understanding the user persona, and building products to meet the needs of each specific user persona, etc. However, when they grow to the 100's, efficiency & stability becomes the focus. For ex., focusing on legal, compliance, ability to repeat the business, cost-efficiency, etc gets high focused. Customer centricity and innovation take a back seat. Sustaining product development becomes a challenge.

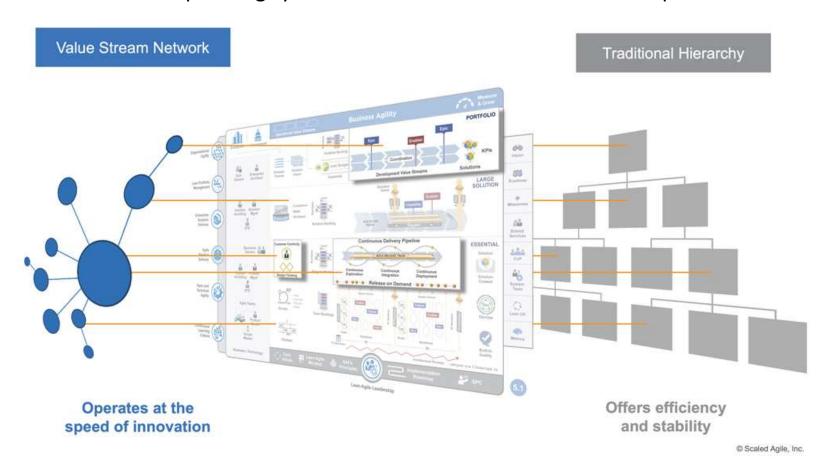








What is the solution for this? Organizational hierarchies, structures, and policies are built over a period of time for a reason; hence they are still required to run the organization. So we need a dual operating system like the one shown in the below picture.







Hierarchical / Traditional Operating System:

Since the hierarchy has existed for years, a few structures like people, management, designations, etc. will remain largely the same. We need not collapse it to bring scaling agility.

Value Stream / Network Operation system:

What is equally important is bringing value stream thinking into the existing organization to bring customer centricity and innovation into the system. For that, bringing elements like design thinking, continuous delivery pipeline, value stream alignment, <u>Agile Release Train</u> structure to bring all necessary roles together to deliver value, etc are key to





Scenario 5: Address dynamic market changes and emerging opportunities

In today's world, business opportunities are emerging so fast and market changes are so quick that many businesses struggle to survive with such market changes and expectations. 100-year-old large enterprises are struggling to fight against small start-ups due to start-ups ability to compete and prosper in the digital age by responding to market changes and responding to emerging opportunities. This is in short called "Business Agility". Few examples are

Apple is the highest watch-selling company in the world

Tesla can respond to customer/market demands much faster than 100-year-old companies like Ford





Key Benefits of Business Agility:

It enables everyone to think about the product/solution irrespective of which part of the solution they contribute to.

It helps connect as a value stream and removes siloed thinking.

Connect between Engineering teams and the market is quite high due to customer centricity. Adapting to market changes becomes easy as the organization is connected.

No need to change the organizational structure, hierarchy, etc. Hence the impact on the existing organization is minimal.

Agile businesses also tend to be more efficient, leading to cost savings. In addition, rapidly developing new products and services can also lead to increased revenue.

Finally, being able to respond rapidly to customer feedback can help companies create products and services that are both desirable and useful.





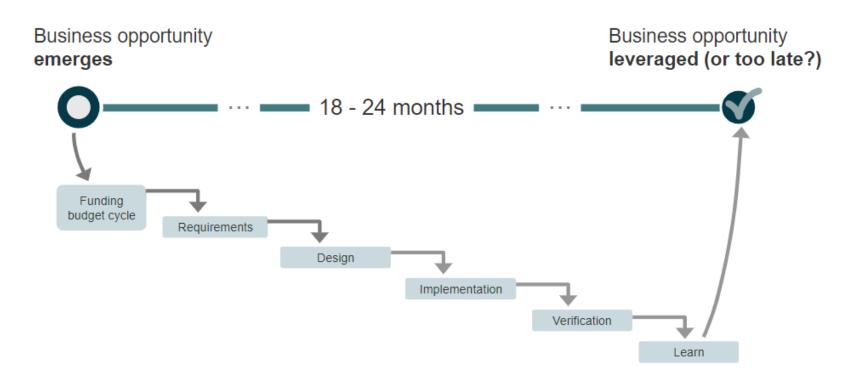






Traditional Development Won't Get You There In this new reality, competitiveness equates to rapidly delivering digitally enabled solutions.

As Figure 7 illustrates, responding to a traditional, phase-gate development process may mean missing the opportunity.







Introducing the Business Agility Value Stream

Instead, what is needed is a rapid cycle of sensing and responding that helps the Enterprise navigate the unknowns and arrive at a desirable solution before the window of opportunity closes. This is the Business Agility Value Stream (BAVS), illustrated in Figure 8. And it is explicitly designed to foster rapid learning and enable more favorable business outcomes. By implementing SAFe, enterprises inherently develop the Lean, Agile, and DevOps capabilities that will allow incremental delivery at scale. Although these capabilities are essential, establishing true business agility requires flow to be cultivated and accelerated through the entire BAVS, from sensing an emerging opportunity to delivering the right solution.

Business Agility Value Stream Business opportunity Business opportunity leveraged emerges QUICK RESPONSE TO **BUSINESS OPPORTUNITY** Deliver value Fund Organize Connect to Deliver Pivot or Learn opportunity MVP around value MVP continuously and adapt customer persevere

2 - 6 months to Minimum Viable Product



References



Text Books

- 1. Ken Schawber, Mike Beedle, "Agile Software Development with Scrum", International Edition, Pearson.
- 2. Robert C. Martin, "Agile Software Development, Principles, Patterns and Practices", First International Edition, Prentice Hall.

Web Resources

- https://www.leanwisdom.com/blog/what-is-business-agility-scenarios-benefits https://scaledagileframework.com/business-agility/ https://oboloo.com/blog/what-are-the-benefits-of-agility-in-business-operations/
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