

## **Benefits of Business Agility that Can Transform Any Company**

### **What is business agility?**

Business agility has been defined in many ways. In a nutshell, business agility is the ability to rapidly adapt to change. This can be internal changes, such as new product development or changes in strategy, or external changes, such as market shifts or disruptive technologies.

To be agile, businesses need to have the ability to quickly identify and respond to opportunities or threats. This requires a high degree of flexibility and coordination across all aspects of the business. Agile businesses are typically faster to market with new products and services, and better able to adapt to changing customer needs.

There are many benefits of business agility. Let's explore them below.

### **The widely appreciated 7 benefits of business agility**

#### **1. Faster time-to-market:**

One of the primary benefits of business agility is that it enables organizations to bring new products and services to market quickly. By being able to respond rapidly to changing customer demands and market conditions, companies can gain a significant competitive advantage. For example, a software company that uses agile development practices can release new features and updates more frequently than its competitors, giving it an edge in the market.

#### **2. Increased innovation:**

Business agility also promotes innovation by encouraging experimentation and risk-taking. When companies can quickly test new ideas and pivot their strategies based on customer feedback, they are more likely to develop innovative products and services that meet the needs of their target audience. For example, a fashion retailer that uses agile product development methods may be able to introduce new clothing lines more frequently and respond to trends faster than its competitors.

3. **Improved customer satisfaction:**

By being more responsive to customer needs and preferences, companies that prioritize business agility can improve customer satisfaction. When customers feel that their feedback is being heard and acted upon, they are more likely to remain loyal to a brand. For example, a restaurant chain that uses agile methods to gather feedback from customers and adjust its menu accordingly may see increased customer satisfaction and repeat business.

4. **Greater efficiency:**

Business agility can also lead to greater efficiency by streamlining processes and reducing waste. When organizations can quickly identify and eliminate inefficiencies in their operations, they can save time and resources. For example, a manufacturing company that uses agile methods to continuously improve its production processes may be able to reduce waste and increase productivity.

5. **Enhanced employee engagement:**

Agile methods prioritize collaboration and communication, which can lead to higher levels of employee engagement. When employees feel that their ideas are being heard and that they are working towards a shared goal, they are more likely to be invested in their work. For example, a marketing agency that uses agile project management methods may be able to improve team morale and job satisfaction by fostering a more collaborative and communicative work environment.

6. **Better risk management:**

Business agility also helps companies manage risk by enabling them to quickly respond to unexpected events and changes in the market. When organizations can adapt quickly to new challenges, they are better equipped to mitigate risks and minimize potential losses. For example, a financial services company that uses agile methods to continuously monitor market trends and adjust its investment strategy accordingly may be able to minimize the impact of market downturns on its clients' portfolios.

7. **Increased profitability:**

Finally, the benefits of business agility can ultimately lead to increased profitability. By being able to respond quickly to market changes, develop innovative products and services, and streamline operations, companies can gain a competitive advantage and capture greater market share. 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.

## **How does Design Thinking help to realize the benefits of business agility?**

Design Thinking is a problem-solving methodology that helps organizations to understand and empathize with their customers, identify their needs, and create innovative solutions to meet those needs. Business agility is the ability of an organization to respond quickly and effectively to changing market conditions, customer needs, and emerging trends.

Design Thinking can help organizations realize the benefits of business agility in several ways:

### **Customer-Centric Approach**

Design Thinking places the customer at the center of the problem-solving process, enabling organizations to understand their needs and expectations better. By focusing on the customer, organizations can develop products and services that are tailored to their needs, which helps to increase customer satisfaction and loyalty. This customer-centric approach also allows organizations to respond more quickly to changes in the market or customer needs, which is a critical component of business agility.

### **Rapid Prototyping**

Design Thinking encourages organizations to create prototypes quickly and test them with customers. This approach allows organizations to iterate and refine their products or services rapidly, based on customer feedback. By rapidly testing and refining prototypes, organizations can respond more quickly to changes in the market or customer needs, which is a key aspect of business agility.

### **Collaboration and Cross-Functional Teams**

Design Thinking promotes collaboration and cross-functional teams, bringing together people from different departments and disciplines to work together on a problem. This approach encourages diverse perspectives and enables organizations to leverage the collective intelligence of the team to develop innovative solutions. By working in cross-functional teams, organizations can respond more quickly to changes in the market or customer needs, which is a critical component of business agility.

## **Continuous Improvement**

Design Thinking is an iterative process that encourages organizations to continually refine and improve their products or services based on customer feedback. By continuously improving their offerings, organizations can stay ahead of the competition and respond more quickly to changes in the market or customer needs, which is a key aspect of business agility.

One real-life example of a company that reaped the benefits of business agility using design thinking is Airbnb. The company initially struggled with air mattresses but pivoted to success with apartments and houses.

Design thinking helped Airbnb founders understand their customers' needs and overcome early challenges. They conducted extensive user research and found that many travelers were looking for a more unique and personalized travel experience.

Based on these insights, Airbnb shifted its focus to providing a platform for people to rent out their homes and other unique accommodations. This shift allowed the company to differentiate itself from traditional hotel booking platforms and appeal to a new segment of travelers.

Airbnb truly claimed the benefits of business agility. By using design thinking, Airbnb was able to pivot its business model and create a more customer-centric platform that has since become a global leader in the travel industry. The company's agility in adapting to changing customer needs and preferences has been a key factor in its success.

## **Conclusion**

Business agility is becoming essential for businesses to remain competitive in a rapidly changing world. The seven benefits highlighted here provide actionable insights that your firm can use when striving toward greater business agility. Embrace scalability, flexibility, and cost-effectiveness for enhanced collaboration, communication, and innovation.