Agile@Scale
for Financial Services
A UK Perspective

Capgemini Consulting

The UK's highly competitive and rapidly changing Financial Services market faces a key challenge – how to deliver higher quality services to customers more quickly, more efficiently, with no loss of functionality.

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Although 44% of respondents stated that they were extremely knowledgeable regarding Agile development practices, 80% said their organisation was at or below a 'still maturing' level.'

Source: VersionOne's 2017 State of Agile Report

Agile and Lean working practices are already part of the solution, helping support a move to faster, more customer-centric operations across Financial Services. Indeed, many of the biggest banks and insurance companies in the UK are already experiencing the benefits of Agile in their business. But large-scale, enterprise-wide adoption of Agile remains slow, with many industry reports showing that Agile is often limited to IT solutions that fail to fully deliver on the potential.

At Capgemini Consulting we understand that there is no single 'magic fix', but by working in partnership with many of the biggest names in UK Financial Services we've identified four key challenges facing organisations implementing Agile@Scale.

1 Structural Change

Many traditional banks and insurers still rely on hierarchical organisational structures. Add legacy IT infrastructure, complicated processes and waterfall-style governance and sign off procedures and it becomes clear that to scale Agile across organisations it is necessary to adapt the Operating Model to new ways of working.

Challenges with implementing Scrum

Organisational design and culture made it difficult to adopt and scale
51%

Difficult to transition from traditional Waterfall
44%

No clearly defined metrics to identify and measure success
41%

Alignment with other projects in portfolio
40%

Lack of Trust
38%

Desire for perceived predictability
35%

Product owners/teams not willing/enthusiastic
34%

Fear of transparency
28%

Had to convince clients
24%

No Support from senior management
19%

Scrum Alliance "State of Scrum" 2017-2018
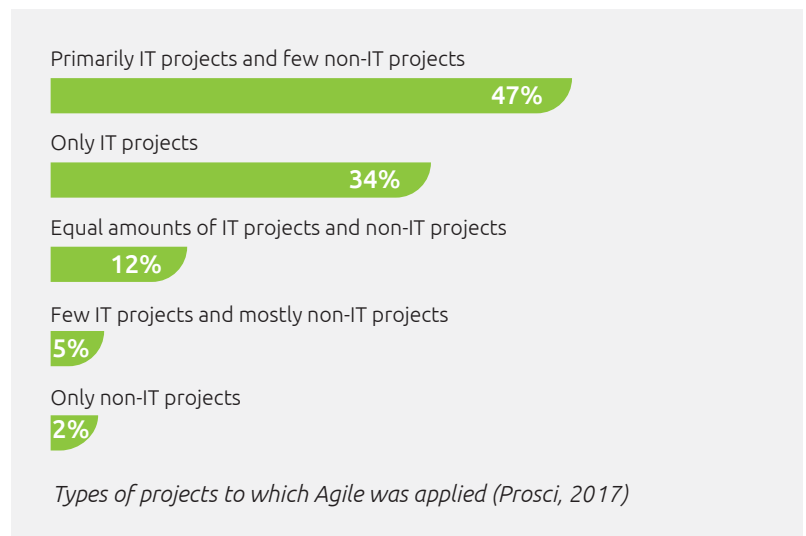
❷ Cultural resistance

We see that structural change requires cultural change. Our clients generally have good experiences of Agile implementations in discreet, localised teams.

What is harder to engineer is the organisation-wide mind-set necessary to create a decentralised, empowered, flexible delivery model. To achieve the desired outcomes from Agile we need to break down the silos that focus on individual goals and see the whole picture.

❸ Technology driven

Finding the right synergy between business and technology needs is critical to broader Agile deployment. Most projects aligned to Agile delivery are still driven by technology needs. Prosci's 'Change Management and Agile Report' shows that 81% of all Agile projects are delivered using either a majority or complete IT focus.

The evolution to enterprise-wide adoption of Agile approaches has a long way to go.

Primarily IT projects and few non-IT projects
47%

Only IT projects
34%

Equal amounts of IT projects and non-IT projects
12%

Few IT projects and mostly non-IT projects
5%

Only non-IT projects
2%

Types of projects to which Agile was applied (Prosci, 2017)
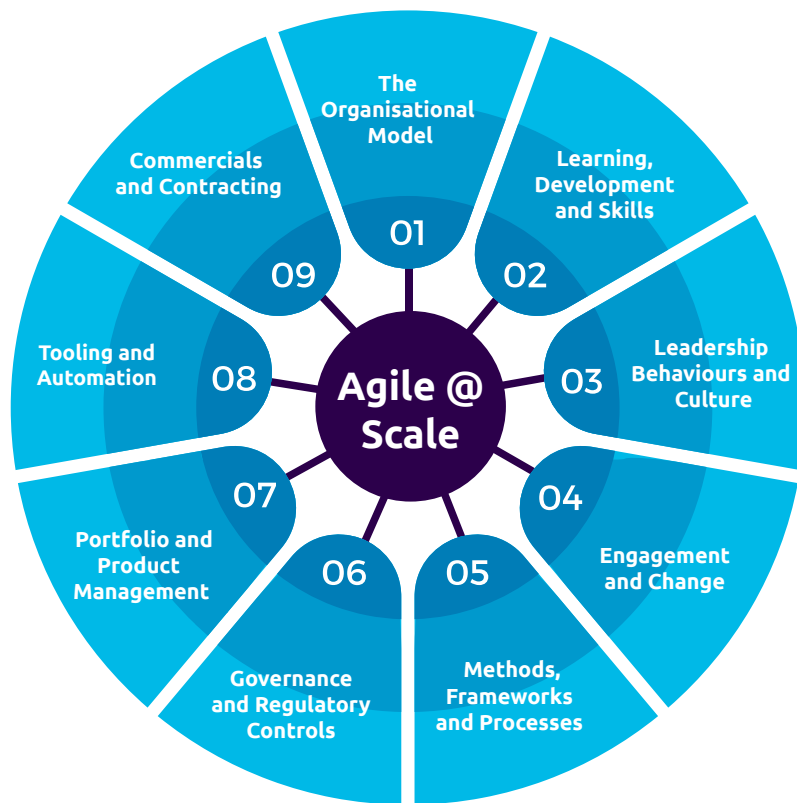
❹ Environmental pressures

Flexibility is inherent to Agile ways of working but the regulated environment surrounding Financial Services in the UK can pose operational and cultural obstacles to the broader adoption of Agile methods. It might even make wide-ranging adoption of Agile seem like a risk, especially where there are dependencies between projects and teams. Flexibility is inherent to Agile ways of working, but what if there's a requirement for more control and documentation? Or interaction with teams that are not part of the Agile Process?

Across Banks and Insurers we are already seeing great benefits from the move to Agile. Scaling those benefits will require changes in technology, methodologies, behaviours and overall mind-set. What is needed is a model that delivers the quality and speed of transformation required while boosting confidence in delivery and enhancing compliance.

Delivering an
Agile@Scale Solution

By working on some of the largest and most innovative Agile transformation programmes in Financial Services, Capgemini has identified nine focus areas that need to be addressed to successfully scale Agile within an organisation.

❶ The Organisational Model: Existing silos need to be challenged by integrating change right across business, development and operations (BizDevOps). For example, the role of Product Owners and Product Managers cuts across traditional 'Business versus IT' boundaries. We see some of the leading UK banks bringing together business and IT change functions into integated transformation functions.

❷ Learning, Development and Skills: The foundations for a successful shift to Agile ways of working and methodologies are laid upon a combination of structured training and regular coaching within a professional development framework. Several UK banks and insurance companies have established communities of Agile practice to 'host' the ongoing professional development of Agile capability.

❸ Leadership Behaviours and Culture: Nurturing the culture in which Agile@Scale can be implemented may require holistic changes across an organisation, supported by leadership that champions and articulates an Agile vision. We find that the 'test and learn' and 'fail fast' models do not always sit comfortably with the existing oversight models. This is a particular challenge in UK Financial Services where CxOs have regulatory compliance and audit requirements at their 'front of mind.

❹ Engagement and Change: The enterprise-wide adoption of an Agile model requires a significant change that impacts staff across the organisation. Our research has shown that effective employee engagement and local ownership of change are often the most critical factors in the introduction and adoption to changes in ways of working. Different groups of people are affected in different ways at different times. The engagement and change model for each needs to be tailored. For example, 'digital units' are often at the forefront of Agile change and are staffed by people with a variety of pre-existing (but often inconsistent) Agile capabilities, whereas the Agile change journey for legacy support and operational teams will be quite different and require a different engagement and change model.

❺ Methods, Frameworks and Processes: It is increasingly clear that there is no 'one size fits all' Agile framework for banks and insurers to adopt as they ramp up their Agile deployment and adoption. Our experience is that UK Financial Services organisations often create their own, incorporating (and tailoring) one or more leading Agile@Scale methods such as DAD (Disciplined Agile Delivery), SAFe (Scaled Agile Framework) and LeSS (Large Scale Scrum).

❻ Governance and Regulatory Controls: Following an Agile approach does not mean compromising controls and governance. Given the legal, compliance and regulatory standards that must be met in the UK Financial Services environment, establishment of an Agile control and governance framework is an early priority. We recently worked with a large UK-based bank on the introduction of an Agile control framework that enabled operational, legal and IT controls to be embedded into the core delivery backlog rather than being applied through an external mechanism.

Agile @ Scale

- O1 — The Organisational Model
- O2 — Learning, Development and Skills
- O3 — Leadership Behaviours and Culture
- O4 — Engagement and Change
- O5 — Methods, Frameworks and Processes
- O6 — Governance and Regulatory Controls
- O7 — Portfolio and Product Management
- O8 — Tooling and Automation
- O9 — Commercials and Contracting

❼ **Portfolio and Product Management:** Implementing Agile@Scale requires an organisation-wide transformation in which the focus is on the creation of products providing clear value to customers and the bank or insurer. Such a model allows for the introduction of product ownership and management, backed by strong portfolio management. This function needs to embed the Agile 'test and learn' model into the demand lifecycle. In our experience most of the portfolio management in UK banking and insurance is excessively administrative and does not reflect the increasing adoption of Agile delivery models. We see that leading practice here is arising from other sectors (e.g. Government and Retail) and that there are lessons to be learned from these.

❽ **Tooling and Automation:** As a concept, 'automate everything' plays a pivotal role in the journey towards agility. We've identified two key areas for focus:

Core Agile tooling – typically the adoption and effective use of tools that support collaborative ways of working and the Agile delivery lifecycle, e.g. Jira, Confluence, VersionOne and Blueprint. Many are using these tools but are not getting the benefits expected due to inconsistent use and a lack of leading practice.

DevOps pipeline automation: implementation of best-in-class tools that enable the automation of activities across an application's lifecycle and deliver efficiencies in excess of 60%. In the UK, banks are embracing such tools but face challenges with product selection and adoption in a volatile market.

❾ **Commercials and Contracting:** Contracting for Agile-based projects and services requires a new approach. In fact, using traditional contracts can actually inhibit Agile adoption. As many FS organisations source support and services from external parties, we are seeing new contracting models that can form the basis for wider adoption of Agile across a partner ecosystem.
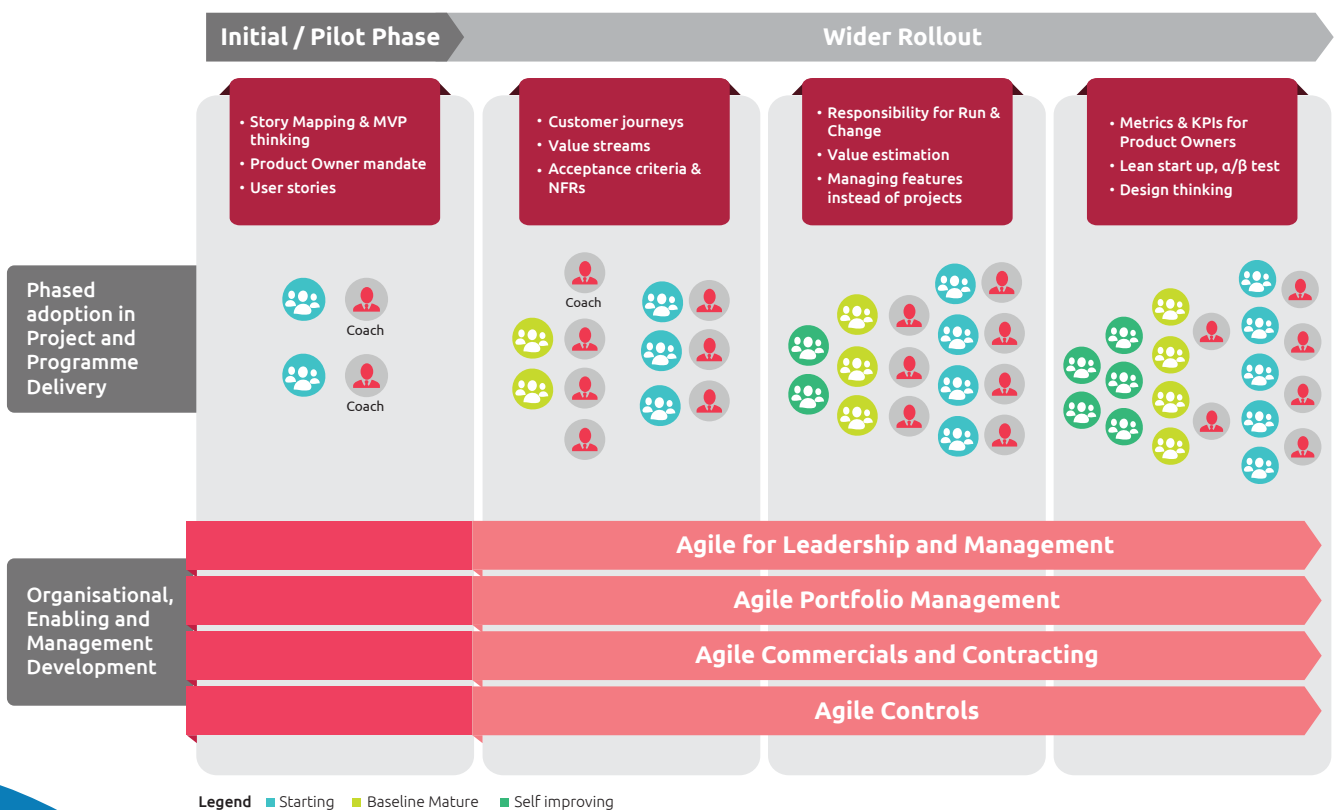
Supporting Your
Agile@Scale Journey
Capgemini Consulting

Take-up for Agile models typically starts with pathfinder projects and IT teams, but our experience shows that expanding to enterprise-scale requires a different approach, one which expands more widely in a controlled fashion.

From the outset we advocate an 'Agile first' model designed to increase the organic growth of Agile adoption through teams engaged in project delivery – think Agile first unless there is a clear reason not to do so.

Longer term our focus is on providing the support your teams will need to ramp up their existing Agile expertise and maturity, becoming a 'master of your own destiny'. This will be complemented by the establishment of wider organisational and governance models that are critical to enable the wider adoption of Agile delivery.

This combination leads to the design and implementation of change that provides both the speed and flexibility required as well as the control and operational infrastructure that gives confidence at all levels.
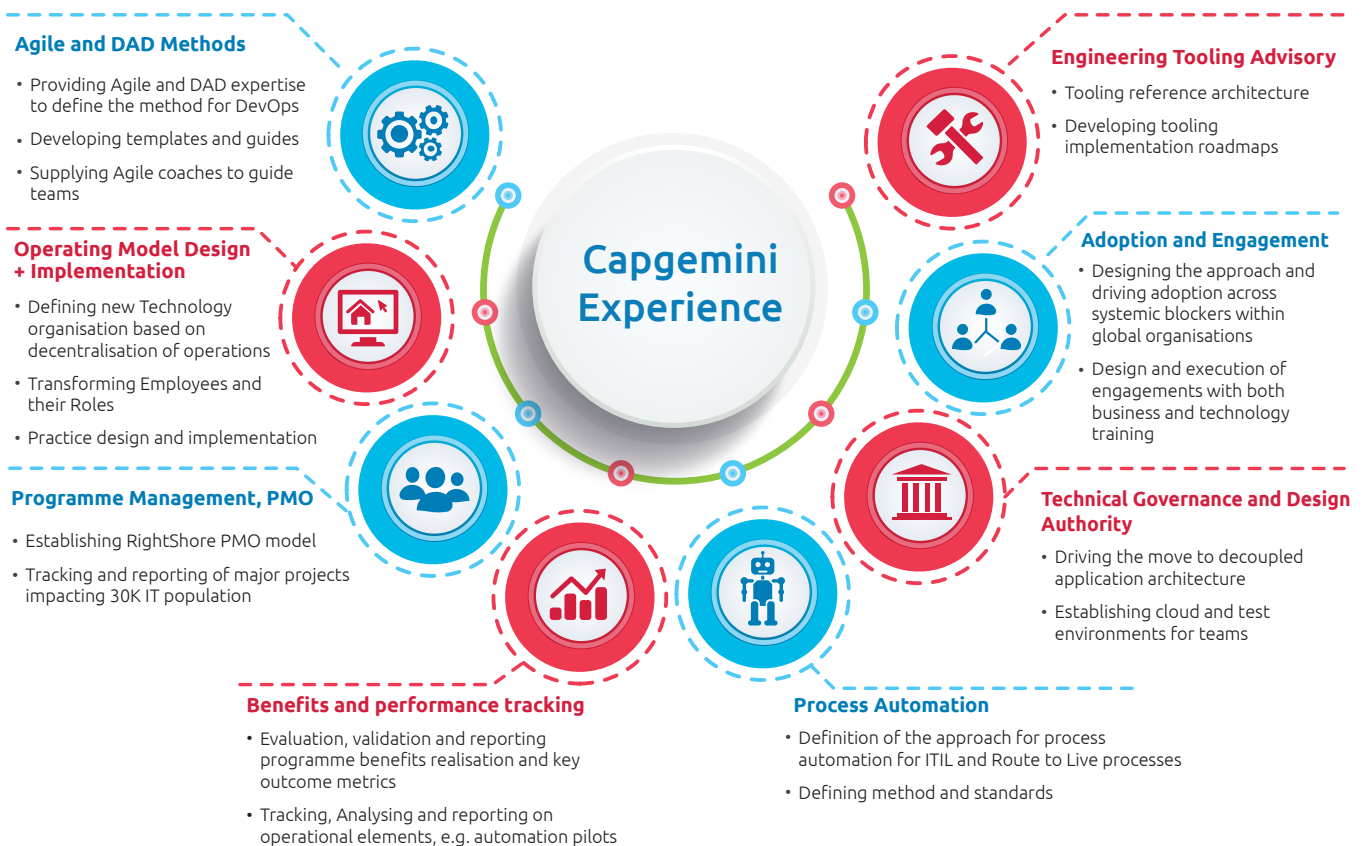
Initial / Pilot Phase	Wider Rollout		
• Story Mapping & MVP thinking • Product Owner mandate • User stories	• Customer journeys • Value streams • Acceptance criteria & NFRs	• Responsibility for Run & Change • Value estimation • Managing features instead of projects	• Metrics & KPIs for Product Owners • Lean start up, α/β test • Design thinking

Phased adoption in Project and Programme Delivery

Coach
Coach

Organisational, Enabling and Management Development

Agile for Leadership and Management

Agile Portfolio Management

Agile Commercials and Contracting

Agile Controls

Legend ■ Starting ■ Baseline Mature ■ Self improving

The Journey to Enterprise scale Agile Adoption

Capgemini has managed some of the largest, most complex Agile programmes in Financial Services. Using that experience we've built an integrated set of capabilities that are key to delivering a successful Agile@Scale transformation.

Agile and DAD Methods

- Providing Agile and DAD expertise to define the method for DevOps
- Developing templates and guides
- Supplying Agile coaches to guide teams

Operating Model Design + Implementation

- Defining new Technology organisation based on decentralisation of operations
- Transforming Employees and their Roles
- Practice design and implementation

Programme Management, PMO

- Establishing RightShore PMO model
- Tracking and reporting of major projects impacting 30K IT population

Benefits and performance tracking

- Evaluation, validation and reporting programme benefits realisation and key outcome metrics
- Tracking, Analysing and reporting on operational elements, e.g. automation pilots

Capgemini Experience

Engineering Tooling Advisory

- Tooling reference architecture
- Developing tooling implementation roadmaps

Adoption and Engagement

- Designing the approach and driving adoption across systemic blockers within global organisations
- Design and execution of engagements with both business and technology training

Technical Governance and Design Authority

- Driving the move to decoupled application architecture
- Establishing cloud and test environments for teams

Process Automation

- Definition of the approach for process automation for ITIL and Route to Live processes
- Defining method and standards

The Integrated set of Capgemini Agile capabilities

We understand how these elements work together and how an organisation can realise the benefits of Agile@Scale. Capgemini can deploy the key components to drive change:

- Strong transformation and programme management identifies roadblocks or risks but also ensures that the right coordination and orchestration of change elements are in play at the right time.

- Experienced Agile coaches and development team veterans work together with your own teams to accelerate adoption and maturity.

- Skilled adoption and change practitioners address the main non-technical elements of Agile.

- Expert Agile training capability based at the Capgemini Academy https://academy.capgemini.nl/en

- Expertise from specialists in the deployment and adoption of large-scale Agile frameworks: https://www.capgemini.com/consulting-gb/2017/10/scaled-agile-in-a-large-organisation-is-never-easy/

All Set to Scale?
We're Ready When You Are

Many of our Financial Services clients had already started on Agile transformation when they came to us with scale-up plans, but whatever stage you have reached, we can step in to help. Our Agile@Scale Maturity Assessment will give you a rapid, objective understanding of how far along you are in your Agile@Scale journey and provide the basis for your future roadmap.

An assessment typically takes 4-6 weeks and will establish where you are – and, more importantly, where you aspire to be – in relation to your strategy and goals. From there you can prioritise where best to focus your efforts for maximum value and look forward to seeing the benefits of more flexible, dynamic, self-motivated teams that will drive your business into the future.

	SPRINT 1	SPRINT 2	SPRINT 3
	Mobilise, Aspirations and Self-Assessment	**Priority 1 Assessment**	**Priority 2 Assessment & Finalise**
KEY ACTIVITIES	• Kick-off/Agree Priorities • Initial communications and stakeholder identification • Explore aspiration for the Agile@Scale journey • Undertake structured self-assessment • Preparation for independent assessment	• Undertake priority 1 reviews and workshops • Review documented sources • Calibrate outcomes • Produce outline priority 1 assessments • Identify gaps • Sprint 2 planning	• Undertake priority reviews and workshops • Review documented sources • Calibrate outcomes - against priority 1 assessments • Produce revised assessment across P1 and P2 areas • Identify remaining gaps • Opportunity and roadmap design
OUTCOMES	• Prioritised backlog and sprint plan • Agreed aspirations and targets • Self-assessment results and analysis • Key meeting and workshop sessions planned • Information sources agreed and available • Ready for next sprint	• Priority 1 focus assessment • First pass recommendations and outline roadmap • Refined view of maturity position • Next Sprint Plan	• Priority 1 & 2 assessment • Refined recommendations and roadmap • Agreed view of maturity position

Where have we done this before?

As part of a major two-year IT transformation programme, a global Bank is rationalising its IT application landscape, simplifying its infrastructure, upskilling resources, and using Agile@Scale and DevOps to improve time to market. In order to incorporate new ways of working into IT engineering and development, the bank is adopting Agile and DevOps practices at scale — moving from manual, waterfall processes to automated, agile delivery. We worked with the bank across multiple areas of the programme:

We deployed an on/offshore central DevOps PMO, supporting the rollout of the new Operating Model to reorganise employees into smaller self-empowered agile teams (pods)

We worked with the global businesses and global functions to support their transformation journey we led the transformation of a 1500 person IT unit to fully adopt DevOps working models and organisations

We managed the Training Centre of Excellence to upskill over 20,000 staff

A Tier 1 UK bank recognised the requirement to provide a more seamless, efficient and responsive experience to its online customers and launched a group wide Digital Customer Journey Transformation Programme. Supported by Capgemini the bank developed a comprehensive digital factory to support the end-to-end digitisation of customer journeys across the bank. The Digital factory focused on the four main capabilities: Identification and Authentication; Document Management; Customer Collaboration and Cognitive Computing.

Scrum methodology enabled teams to produce high quality outcomes quickly. Capgemini setup a Sandbox (Cloud environment) and embedded a 'Build-Measure-Learn' mind-set into the organisation to accelerate adoption.

A European Financial Services organisation launched a three-year program to improve the cost income ratio via the introduction of Agile scrum and application standardisation on a large scale. With more than 100 different applications and multiple delivery methods for change the bank was dealing with silos and too many hand-overs.

Capgemini helped our client to move away from the different delivery models to a wider adoption of Agile scrum via a defined organisational change program and a clear implementation roadmap to wider Agile scrum adoption. This included:

• Structured training programmes

• Scrum coaches in key domains

• Tooling selection, deployment and adoption

Our proven approach and experience led to a quick and smooth implementation of Agile scrum, wider organisational commitment to adopt one way of working and a reduction in costs and increased speed in delivery.

One of the largest banks in the Netherlands partnered with Capgemini to enhance the customer experience and improve time to market. We helped them to implement Scaled Distributed Agile ways of working & KPIs to over 30 teams.

We built sandpits, innovation centres and a full Agile Factory for our client.

We also delivered Continuous Integration and Continuous Delivery (CICD) tools and best practices to improve quality and speed of delivery. Value created included improved release cycle from two per year to one release per month. The client's online banking portal was awarded the best banking site in Netherlands and reduced Total Cost of Ownership by 30%.

Want to know more about how we can deliver your Agile@Scale journey?
Let's start a conversation...

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Capgemini Consulting

About Capgemini Consulting

Capgemini Consulting is the global strategy and transformation consulting organisation of the Capgemini Group, specializing in advising and supporting enterprises in significant transformation, from innovative strategy to execution and with an unstinting focus on results. With the new digital economy creating significant disruptions and opportunities, the global team of over 3,000 talented individuals work with leading companies and governments to master Digital Transformation, drawing on their understanding of the digital economy and leadership in business transformation and organisational change.

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