

Business  
Agility:

# Does Agile adoption help or hinder agility?

2017 SURVEY REPORT

In Q3 of 2017, Changepoint conducted its second annual survey measuring project management professionals' confidence in their organization's ability to pivot in the face of change. More than 640 individuals from around the globe responded. These are the results.







# Executive summary

## Preface

In Q3 of 2017, Changepoint surveyed project management offices worldwide to understand the agility of today's businesses and to evaluate the challenges and barriers to building a nimbler organization. This was the second annual survey. More than 640 project managers, PMO leaders, business leaders, and individual contributors from across geographies and industries responded. Results reflect today's truly global business landscape—just under half of respondents reside in North America, more than a quarter reside in EMEA, and the remainder, just under a quarter of all responses, are from APAC and Latin America.

Every response reported below is based on full completion of the survey. Results were rounded to the nearest percent. Analysis and results follow.

## Analysis

Today's rapidly changing, digitally-driven markets and intense battle for customers demand organizations execute with unprecedented speed and agility. Enterprises are fighting for a competitive edge. The promise of a methodology that helps teams respond to unpredictability has sent interest in agile methodologies soaring as organizations reject traditional, regimented practices in favor of small, continuous, and controllable experiments.

And yet, business agility remains elusive. Our survey found that, despite increasing adoption of and experimentation with Agile work management, organizations are less confident in their ability to adapt to today's dynamic business environment than they were a year ago.

Key findings include:

- 1. Desperate to speed execution, organizations are looking to Agile methodologies more than ever:** The allure of Agile is understandable—especially for project-driven organizations whose weakest moments are forever memorialized in Dilbert cartoons. Agile methods are adaptive, people-centric, and prioritize collaboration to solve customer problems. All things that, at first glance, offer a refreshing alternative to the micromanagement, cynicism, and inflexible processes often associated with traditional project management.

Regardless of region, industry, or size, Agile experimentation is widespread. Last year, barely more than half of respondents used both waterfall and Agile methods for project management. One year later and that number has increased significantly. Today, 64 percent of respondents rely on multiple methods to manage projects and tasks.

- 2. Yet, cherry-picking Agile methodologies leads to uninformed, unfocused organizations:** While interest in Agile is at an all-time high, adoption is much more limited. The majority of Agile adoption is iterative and pure Agile remain scarce. In most cases, Agile is adopted in small pockets or tested in one-off projects. In fact, less than ten percent of organizations and fewer than four percent of projects rely only on Agile.



Even in software development, the birthplace of the Agile Manifesto, Agile at scale is elusive. Only 12 percent of development teams subscribe to pure Agile, while a much larger 50 percent combine Agile with other methods. Even Facebook, despite deep hacker roots, retired its ‘Move Fast and Break Things’ mantra as it evolved to prioritize stability, revenue, scalability, and customer experience. When announcing the change, CEO Mark Zuckerberg said: “‘Move fast with stable infra[structure]’ isn’t as catchy, but it helps us build better for the people we serve.”

It all proves that, while experimentation is common, transformation is not as straightforward as assigning a Scrum Master or scheduling a stand-up.

In reality, perspectives on how to navigate this complexity take many forms. Some organizations embrace a ‘roll your own’ approach to create their own Agile lifecycle, often without fully understanding and implementing fundamental concepts and practices. These teams are self-managed and reactive, not strategic and nimble.

Others prioritize collaboration above all else. These organizations celebrate breaking down silos and increased connectivity. For them, teamwork is the ultimate key to success—one mired in increasingly time-intensive activities. Harvard Business Review<sup>1</sup> has the data to prove it. In the past decade, time spent by managers and employees in collaborative activities increased by 50 percent or more. As a result, many employees are left scrambling to complete critical work.

Regardless of approach, both mindsets negatively impact transparency, visibility, and alignment—all keys to agility. Among organizations embracing collaborative work management, only 40 percent have real-time insight into their resources while those that embrace centralized processes—formal or informal—are more informed. In fact, businesses that embrace decentralized project management report having the least visibility into projects and tasks as well as current utilization or availability of key team members.

On the flip side, more than half of process-driven organizations report having real-time insight into project and task status. The data is clear: experimentation without guardrails can do more harm than good.

### **3. Lightweight tools don’t fix the problem—in fact, tool proliferation makes it worse:**

The myriad ways teams manage projects further complicate attempts at organizational alignment and agility. To evolve, teams are blending methods in a process that quickly comes to mirror a page from Dr. Jekyll & Mr. Hyde. While 71 percent of organizations use multiple methods to manage projects, 72 percent also still track project status manually, via spreadsheets or similar tools, illustrating continued reliance on legacy methods.

As if managing multiple projects via multiple methods and processes wasn’t enough—project teams also juggle multiple tools. Eighty-four percent of respondents said they waste more than an hour a day on manual data input, often entering identical data into multiple programs. Even once all data is accounted for, the challenge isn’t over, as the 76 percent of managers that spend at least an hour a day preparing reports and presentations can attest.



Together, these factors contribute to a landscape marred by fractured technology and processes—one in which the latest Agile-only tools are expected to work in harmony with decades-old programs like Microsoft Excel. Regardless of project management method or methodologies, organizations have a lot of work to do to modernize their internal tools and processes.

**4. Instead of trying to force-fit Agile methodologies, internalize an agile mindset:**

Businesses are fighting for footing on shaky ground. While the lure of Agile is strong, it offers too vague a map to true organizational agility. In fact, blind adoption over the past year has resulted in decreased alignment, transparency, visibility, and continued communication challenges.

Instead of trying to force-fit Agile practices, embrace an agile mindset—a culture, a set of common concepts, values, and principles, a way of interacting and thinking about work. Prioritize and reward this mindset, regardless of project, methodology, budget, or scope.

An agile mindset is the key to achieving better outcomes and taking advantage of the opportunities change brings, rather than reacting or trying to control it. To build a nimble, data-driven organization, turn to your science textbook and read up on the scientific method. Its clearly-defined process of hypothesis, experimentation, learning, and adapting to validate (or invalidate) ideas brings order to chaos by helping assess current status and determine targets for improvement—steps that will lead to true competitive advantage.

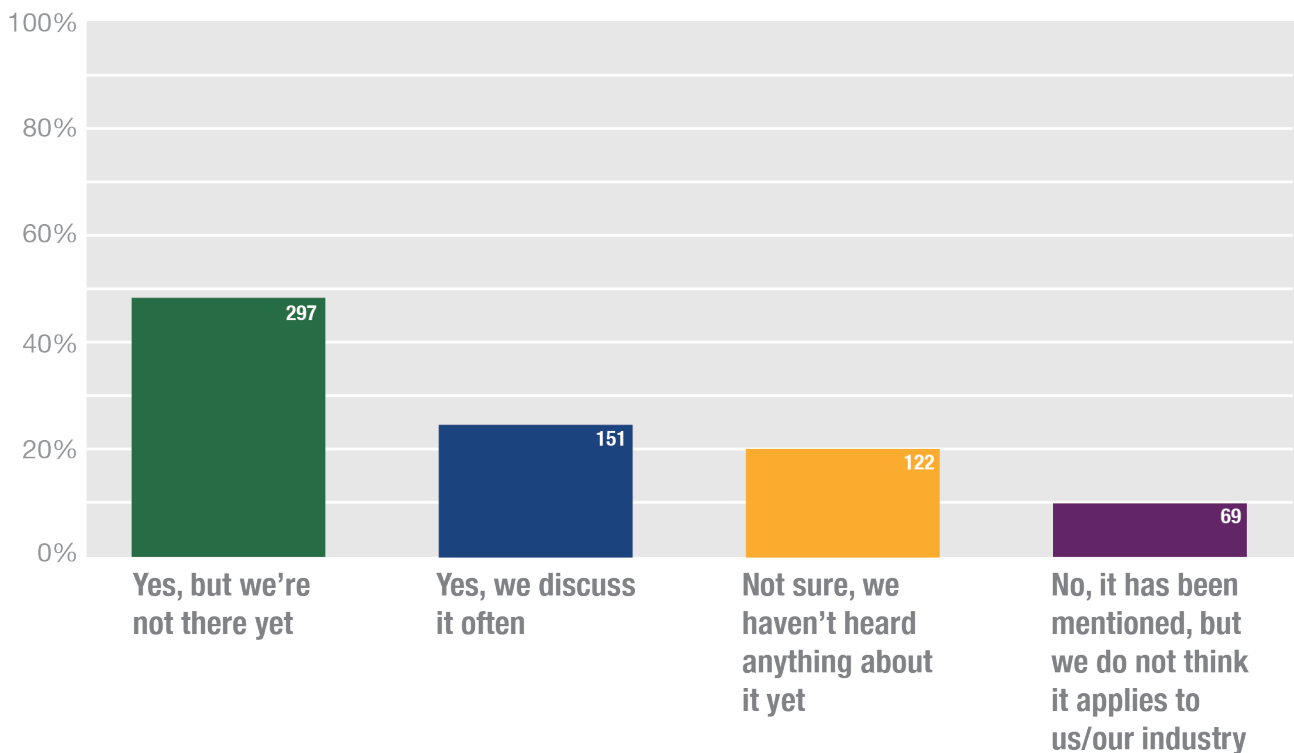


## Companies view organizational agility as a competitive advantage

More than 70 percent of respondents report using some form of Agile. These same individuals said their organization views business agility as a competitive advantage and discuss it often. The remaining 30 percent, nearly a third of respondents, haven't discussed the importance of agility or think it doesn't apply to their team, organization, or industry. Unfortunately, it's not a surprising statistic. Recent McKinsey research on organizational agility is even more grim.

McKinsey's study<sup>3</sup> sought to uncover why organizational agility is so elusive. It found a direct link between stability and agility, which helps explain why, to date, so few organization-wide agile transformations have been completed. Only four percent of McKinsey study respondents say their company has fully implemented organization-wide agile transformations, though more than a third (37 percent) say company-wide transformation is underway.

### Does your company view organizational agility as a competitive advantage?



**Takeaway:** With more than two-thirds of respondents viewing agile as a competitive advantage, interest in agile transcends region, industry, and company size. It's hardly surprising. Rapid changes in competition, demand, technology, political climate, regulation, and customer expectations make it more important than ever for organizations to respond and adapt quickly.

Today's digitally-driven businesses face an ever-growing demand to execute with unprecedented speed and agility. The transformative power of Agile and the benefits it promises an organization—flexibility, speed, collaboration, faster responses to unpredictability, and better resolutions to customer problems—offer a powerful, compelling case to organizations fighting to survive, compete, and ultimately thrive.

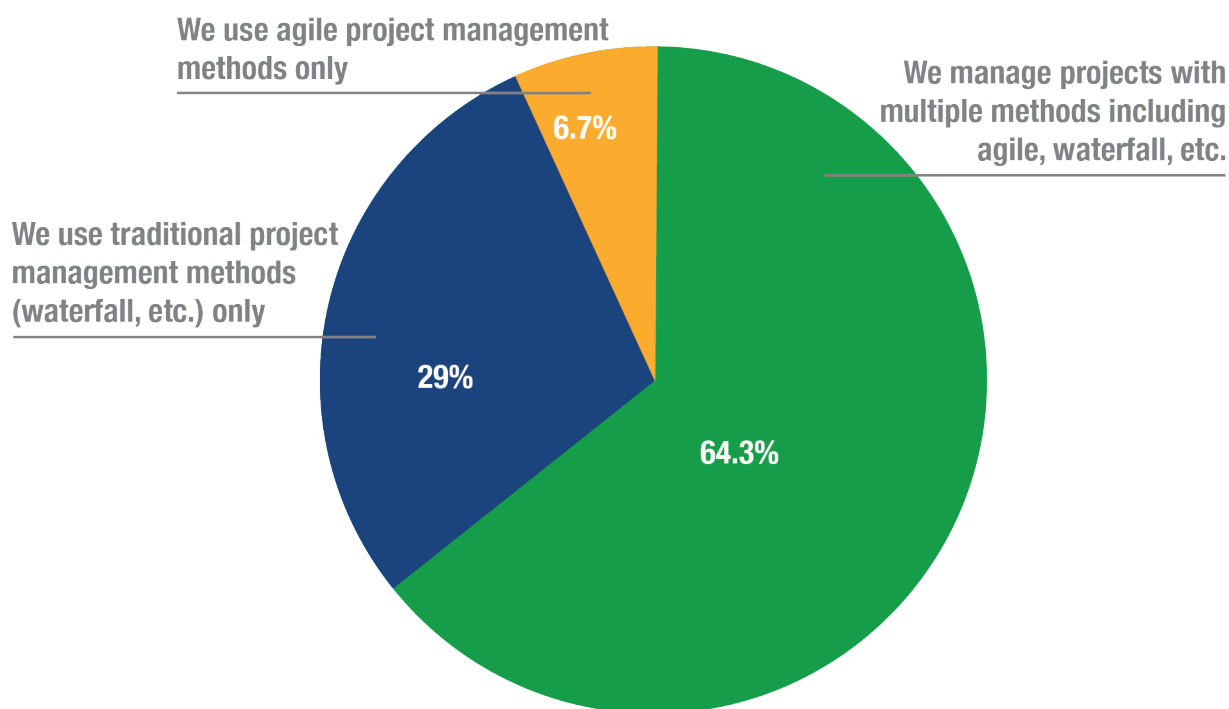


## Organizations manage day-to-day work and projects in many ways

In 2016, just over half of our survey respondents used more than one method to manage projects. Fast forward one year and we see a significant increase. Today, 65 percent of organizations use multiple methods to manage projects, including waterfall and agile.

And while interest in Agile is at an all-time high, adoption lags greatly. In fact, only seven percent of organizations use pure Agile while four times more rely on traditional methods like waterfall to manage projects.

### Which best describes how your organization manages day-to-day work and projects?



**Takeaway:** As an increasing number of organizations report using agile methods in their approach to project management, it's clear the interest in Agile has reached new levels. Yet, transforming companies to achieve organizational agility is in early days. While the path to transformation varies, few have adopted Agile fully, instead choosing to dip their toes in while testing multiple modes.

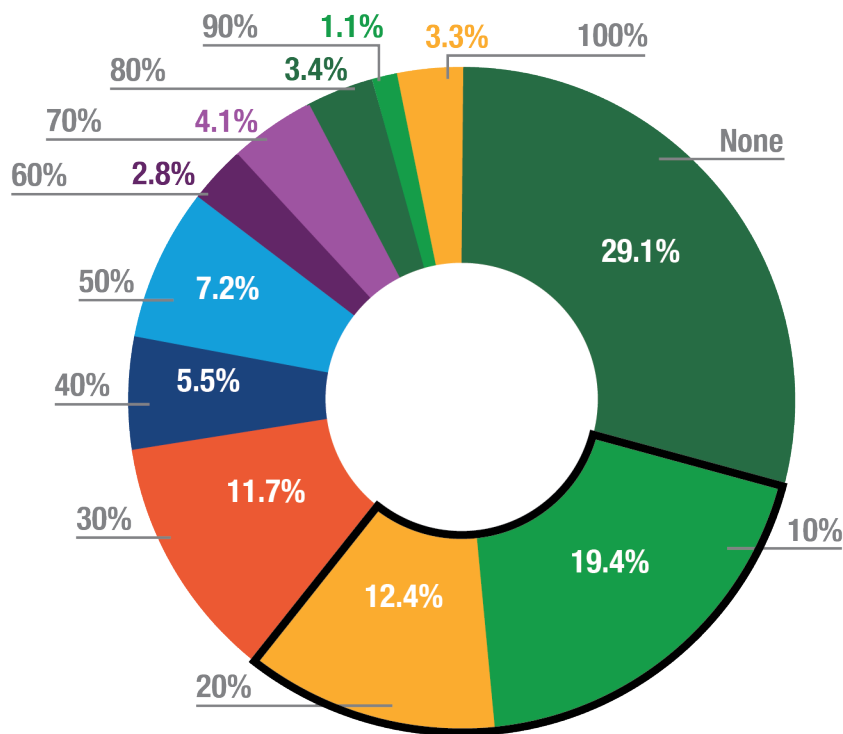
And while Agile is inspiring project management methods everywhere, it's not fully trusted. In fact, when faced with high-impact or high-visibility projects, organizations turn to tried and true methods as demonstrated by the 30 percent of organizations that still prefer to stick to trusted methods like waterfall.



## Very few organizations are going 'pure Agile'

When looking at the projects an organization undertakes, it's quickly apparent that only a small fraction are managed with pure Agile methods. In fact, one third of organizations manage fewer than a quarter of their projects with pure Agile, and 20 percent of respondents said they only use Agile for 10 percent of projects.

What percentage of your projects are completed with pure Agile?



**Takeaway:** Although there's a growing interest in Agile, the reality is this adoption is much more limited, and transformation is exceedingly complex. Agile is appearing in small pockets within organizations, or is reserved for testing, experimentation, and one-off projects, but the number of purely Agile projects remains low. That lack of pure Agile indicates that while most respondents claim to use Agile, they're not implementing the full methodology. Additional survey results indicate that partially adopting agile methods—without a complete understanding of its fundamental concepts and practices—does not make businesses more flexible, nimble, or competitive and can be counter-productive to the point that it limits organizational agility.

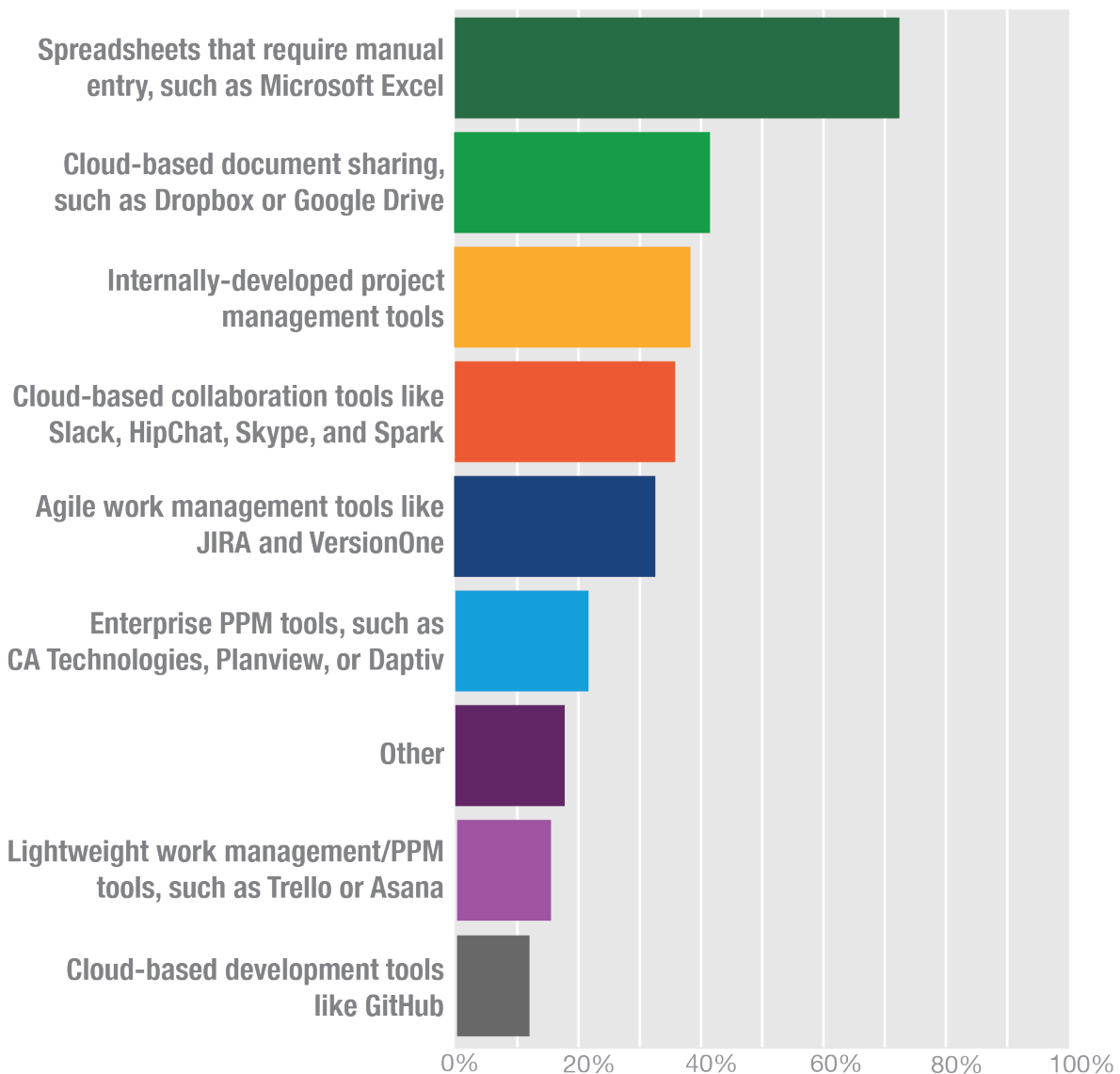




## Organizations like the idea of agile, but work old-school

Despite the interest in agile and new methods of managing work, there is a continued over-reliance on outdated legacy systems and processes. Compared to the 2016 survey results, 2017 only saw a minute decrease (75 percent vs. 72 percent, respectively) in the use of manual processes such as spreadsheets.

### Which best describes how your organization manages day-to-day work and projects?



**Takeaway:** Too many organizations still rely on 27-year-old technology: Excel is everywhere. Regardless of the method or methodologies they select for project management, organizations have a lot of work to do to modernize their internal tools and processes. The strong desire for new ways of managing work across organizations is likely behind the marked increase of interest in agile.

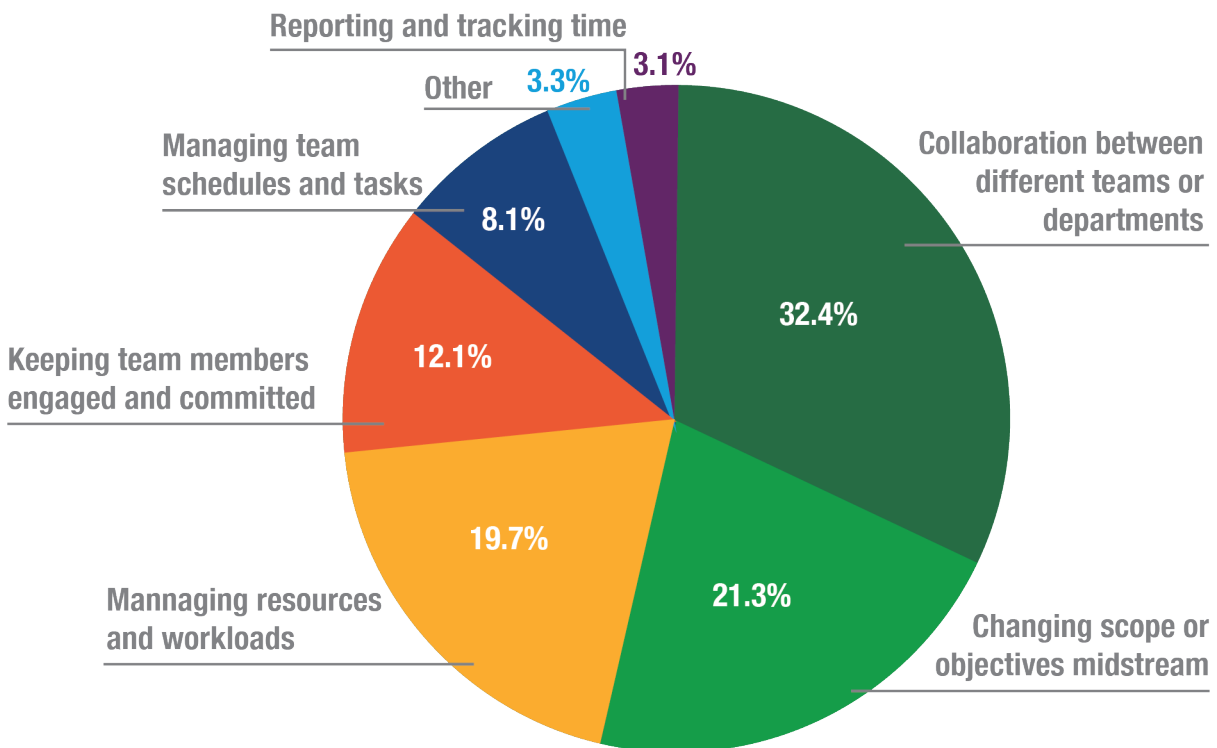




## It's hard to manage projects when no one's talking

A third of respondents (32 percent) point to collaboration as the most difficult aspect of managing their project teams. Surprisingly, despite being a top focus of organizations today, collaboration outranks the most common project management challenges, including resource management (20 percent) and changing scope or objectives (21 percent), in perceived level of difficulty.

### What is the most difficult aspect of managing your project team?



**Takeaway:** The fact that respondents find team collaboration to be more difficult than some of the most critical aspects of project management (i.e., resource management) is indicative of the problems that can arise when organizations rush to implement Agile, or merely cherry-pick agile methodologies.

When Agile is implemented without a fundamental understanding of its concepts and practices, organizations quickly become uninformed and unfocused—or focused on the wrong things entirely.

An over-focus on a single priority—in this case, collaboration—can be detrimental to other important aspects of the business, including processes, team structure, and project success.



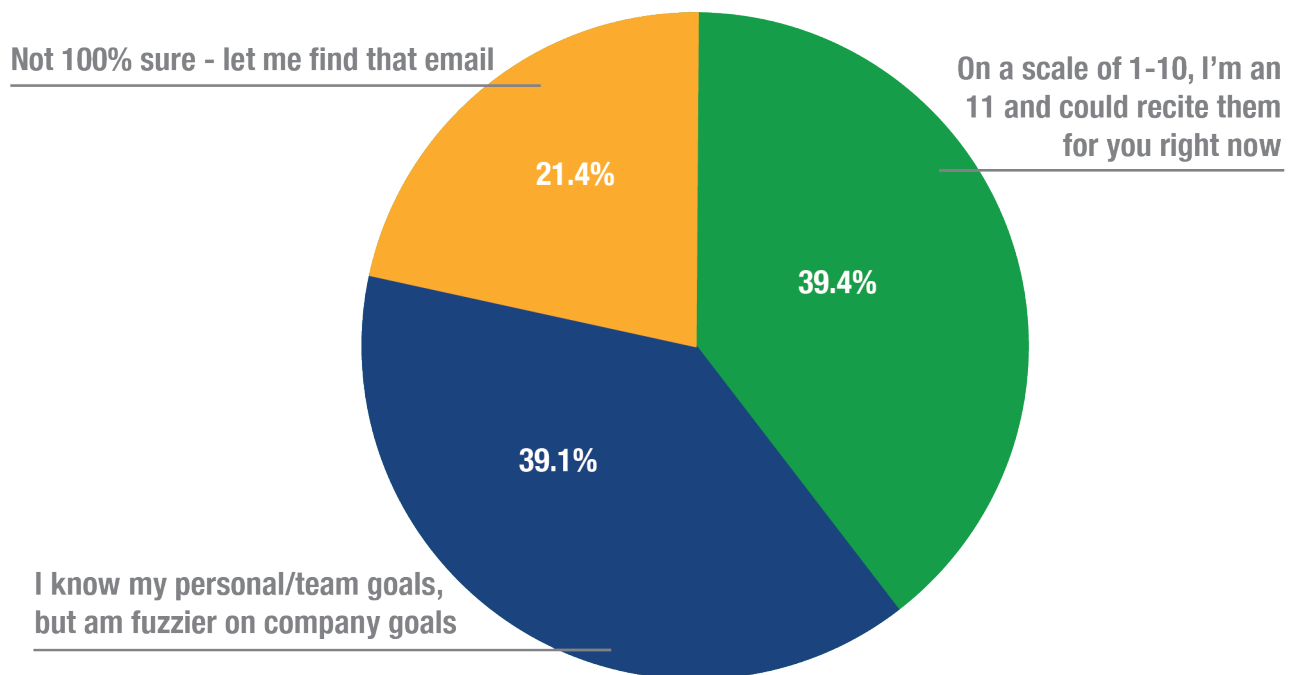
## For many, knowledge of business objectives is elusive

While organizational agility is elusive and difficult to measure, employee sentiment has long been a barometer for measuring company vision, direction, and effectiveness of communication. Broad understanding of company objectives is key to focused organizations.

And yet, despite the exponential increase in time spent collaborating and broad acceptance of organizational agility as a competitive advantage, employees are no more confident in their organization's objectives.

In fact, knowledge of business objectives is down all-up. In 2016, 47 percent said they understood their organization's objectives. Fifty-three percent did not. One year later, less than 40 percent of respondents are confident in their knowledge of their company's business objectives. The remaining 60 percent are unsure or admit that they're confident in their personal goals, but their knowledge of company objectives remains fuzzy.

### How confident are you in your company's business objectives?



**Takeaway:** These disappointing numbers tell a somber story—despite attempts to improve communication and collaboration across industries—clear, effective communication remains a key barrier to agility.

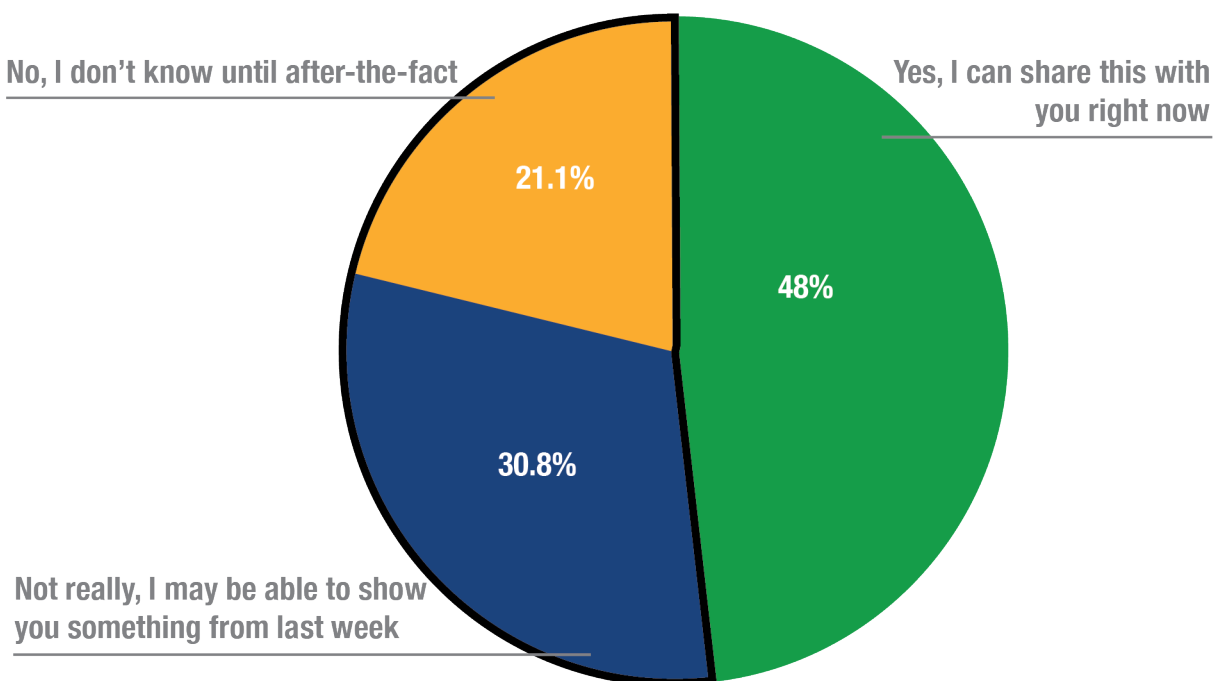
For organizations navigating business transformation, effective internal communications should be a top priority. Improved communication between team members and stakeholders will promote a shared company culture and reduce confusion and frustration over shifting priorities and changing expectations



## Teams are losing project visibility

In 2016, 59 percent of respondents said they had real-time visibility into product status, 37 percent did not. In 2017, just 48 percent of respondents claim to have full, real-time visibility into projects while 51 percent do not have complete project visibility.

### Do you have real-time visibility into project and task status?



**Takeaway:** Although increased interest has led to widespread experimentation with agile, one of the most crucial aspects of successful agile—full visibility into projects and tasks—has decreased. True agility relies on full transparency and visibility into projects.





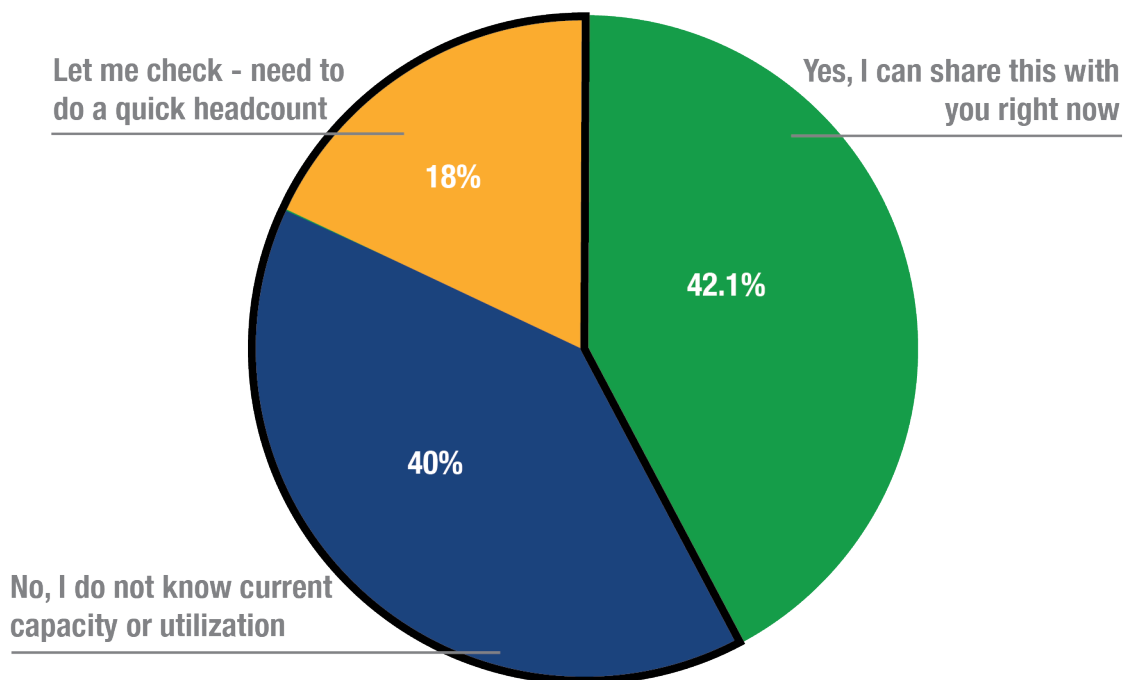
## It's getting harder for teams to see how resources are being used

Knowing which resources are available at a given time is a key factor in managing projects and moving a business forward. And yet, few organizations have real-time visibility into the state of their resources. Further complicating the situation is the rush to embrace Agile which, by sacrificing transparency and visibility, is delivering anything but improved agility. And that's not just for projects. Lack of visibility into resources is particularly risky for businesses, resulting in negative impacts on timelines, costs, employee morale, and overall business success.

And yet, lack of visibility continues hindering organizations—rising by nearly 17 percent in one year.

In our 2016 survey, 48 percent of respondents said they had real-time visibility into resource utilization or availability, while 52 percent did not. In 2017, lack of real-time visibility increased, with 56 percent of respondents saying they do not have real-time visibility into resources, or are uncertain of the visibility they do have.

### Do you have real-time visibility into the utilization or availability of your resources?



**Takeaway:** Cross-enterprise visibility into resources is not only crucial to effective resource management, but is also often a key factor in overall project success.

Building a fast, flexible, and nimble business is not a direct outcome of blindly adopting Agile principles—rather, it begins with business leaders who understand that the vital role of resource management requires full visibility into all resources. To be sure, Agile has a role to play in this landscape but, adopting Agile must not be confused with opening the door to an 'anything goes' corporate culture.

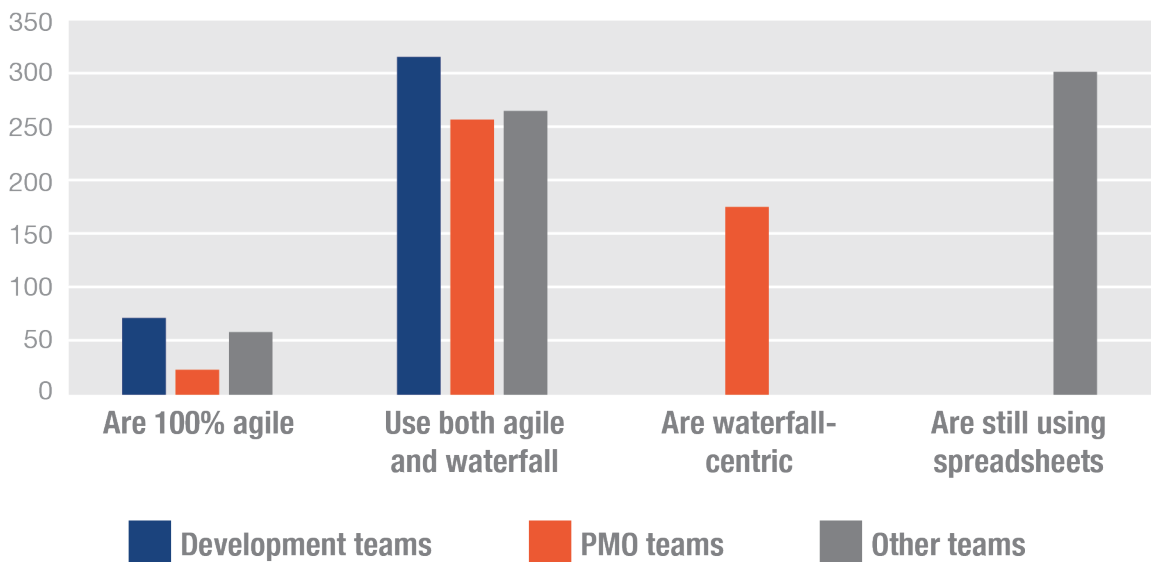
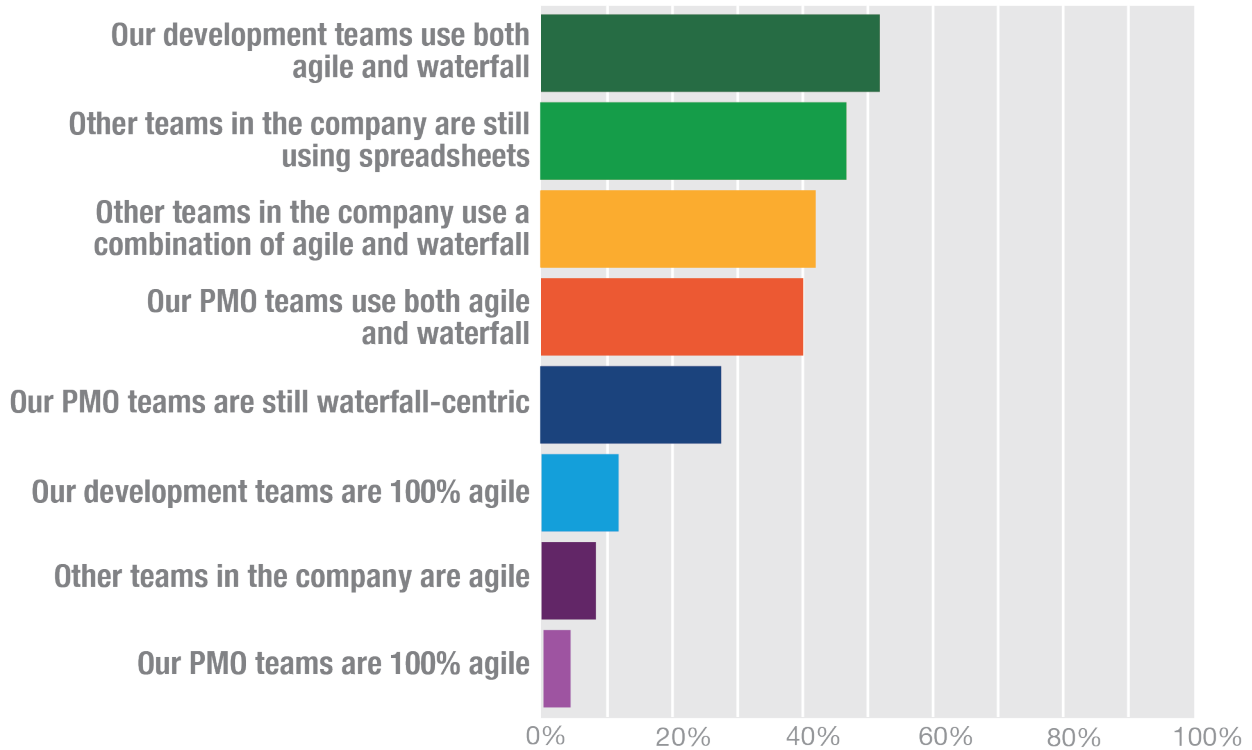
To be truly successful, Agile must be paired with discipline—it requires a change in thinking and processes, not the rejection of process all together.



## Waterfall or agile? It doesn't matter if tools and processes aren't in sync

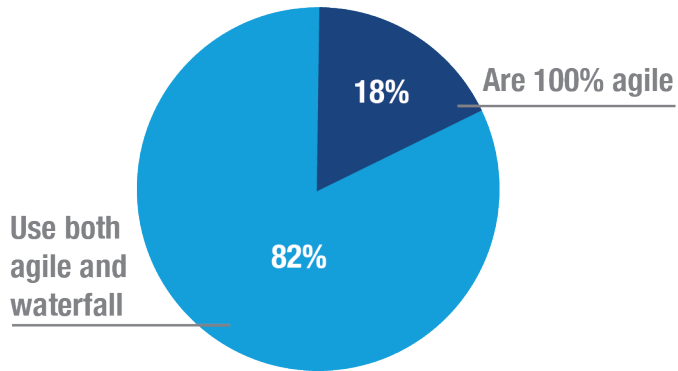
The adoption of Agile varies from team to team, organization to organization, but there's one universal truth: Very few teams, from development to the project management organization, have embraced pure Agile. Even among software development teams—the birthplace of the Agile Manifesto—only 11 percent use pure Agile to manage projects.

### Which areas of your company utilize waterfall and/or agile methods?

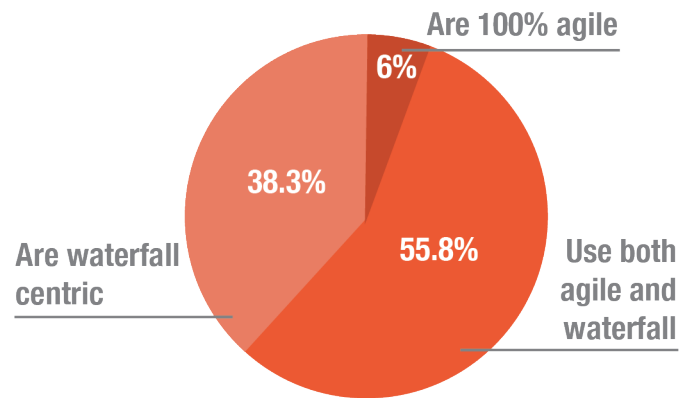




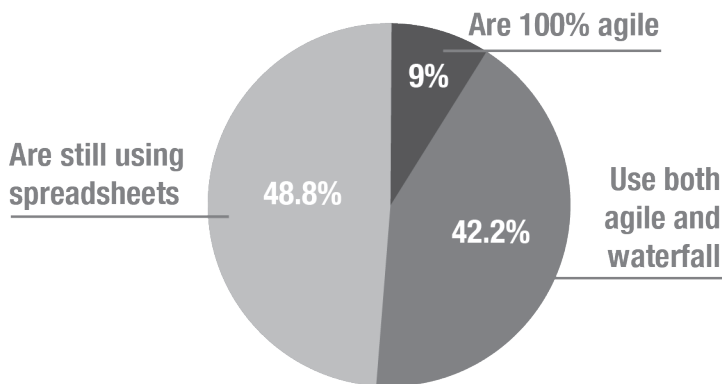
### Development teams



### PMO teams



### Other teams



**Takeaway:** Internal systems and processes are not keeping pace with innovation. Despite acknowledging technology’s ability to bring efficiency to project portfolio management, organizations continue to use legacy tools and processes in tandem with the latest trend-setting solutions. These disconnected systems further amplify the rift between business and IT.

Over the past year, we saw only a minute decrease in organizations relying on spreadsheets and manual processes to manage initiatives—proving that the challenge of managing initiatives and compiling insights across the organization won’t disappear anytime soon. Today, 71 percent of organizations use spreadsheets, a decrease of only four percent from last year.



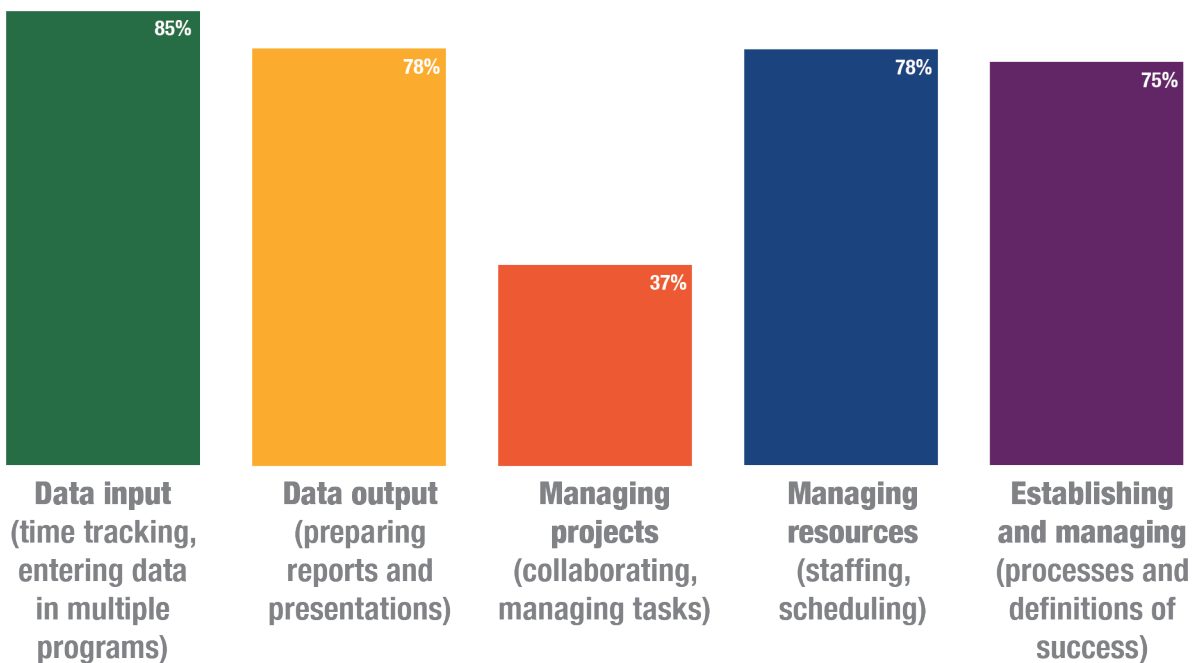


## Most organizations are wasting time

We asked respondents about the number of hours they spend per day on the following: data input, such as time tracking or entering data in multiple programs; data output, such as preparing reports and presentations; managing projects; managing resources, including staffing and scheduling; managing processes and defining success.

### How many hours per day do you spend on project functions?

#### 1-2 hours per day are spent on...



**Takeaway:** While a reasonable number of hours per day are spent on necessary project functions such as project and resource management, an inordinate amount of time is spent on less pressing tasks. The overwhelming majority of respondents (84 percent) spend one to two hours per day—or between seven and 14 hours per week—tracking time and entering data into multiple programs. Eighty-seven percent spend the same amount of time on data output activities including preparing reports and presentations.

These findings illustrate how much time is spent on repetitive, non-essential tasks—time that would be better spent on strategic planning and project execution. Lost time and inefficiency are, unfortunately, often the result of multiple tools and confusing processes. Managing information, resources, and project execution in a singular tool not only increases time tracking and reporting efficiency, it simplifies and standardizes the entire project management process regardless of methodology.



## Project and resource management are the most-desired solution capabilities

Our 2017 findings found the top four most important solution capabilities are project, resource, portfolio, and demand management.

Today's agile work management tools do an excellent job of delivering against survey respondent's top concern—project management. This concern, paired with broad adoption of Agile, has buoyed the proliferation of work management tools. This often-myopic emphasis on task management sets teams up for successful sprints and fulfills a key component of Agile—focus.

However, this strength is also a weakness. These tools don't meet the broader needs of modern organizations. Today's project teams are looking for the big picture. They need transparency, visibility, and accountability as well as a shared understanding.

Regardless of how they currently manage work, organizations are prioritizing capabilities only found in more robust project and portfolio management solutions.

### Rank the project portfolio management solution capabilities in order of importance for getting projects completed and meeting business objectives.



#### Most Important (rank 1 & 2)

Project management:	57%
Resource management:	46%



#### Least Important (rank 5 & 6)

Analytics and reporting:	50%
Time tracking:	47%

**Takeaway:** At the end of the day, organizations are focused on the things that matter most—managing projects, resources, and portfolios. However, over the past year, the methods they've adopted to help improve organizational agility aren't helping. In fact, they can negatively impact organizational transparency, visibility, and alignment.

Technology should be an enabler, not a barrier to agility. Today's robust solutions allow focused task and project tracking while delivering project transparency and portfolio-level insights.

Organizations seeking true agility should consider solutions that support multiple methods of managing work. When considering tools to support desired business outcomes, look for a tool or set of tools that encourage experimentation while supporting alignment.

*Note on survey methodology: Capabilities were ranked in order of importance, 1 being most, 6 being least. Statistics shown above are a combination of rank 1 and 2, and 5 and 6, respectively.*

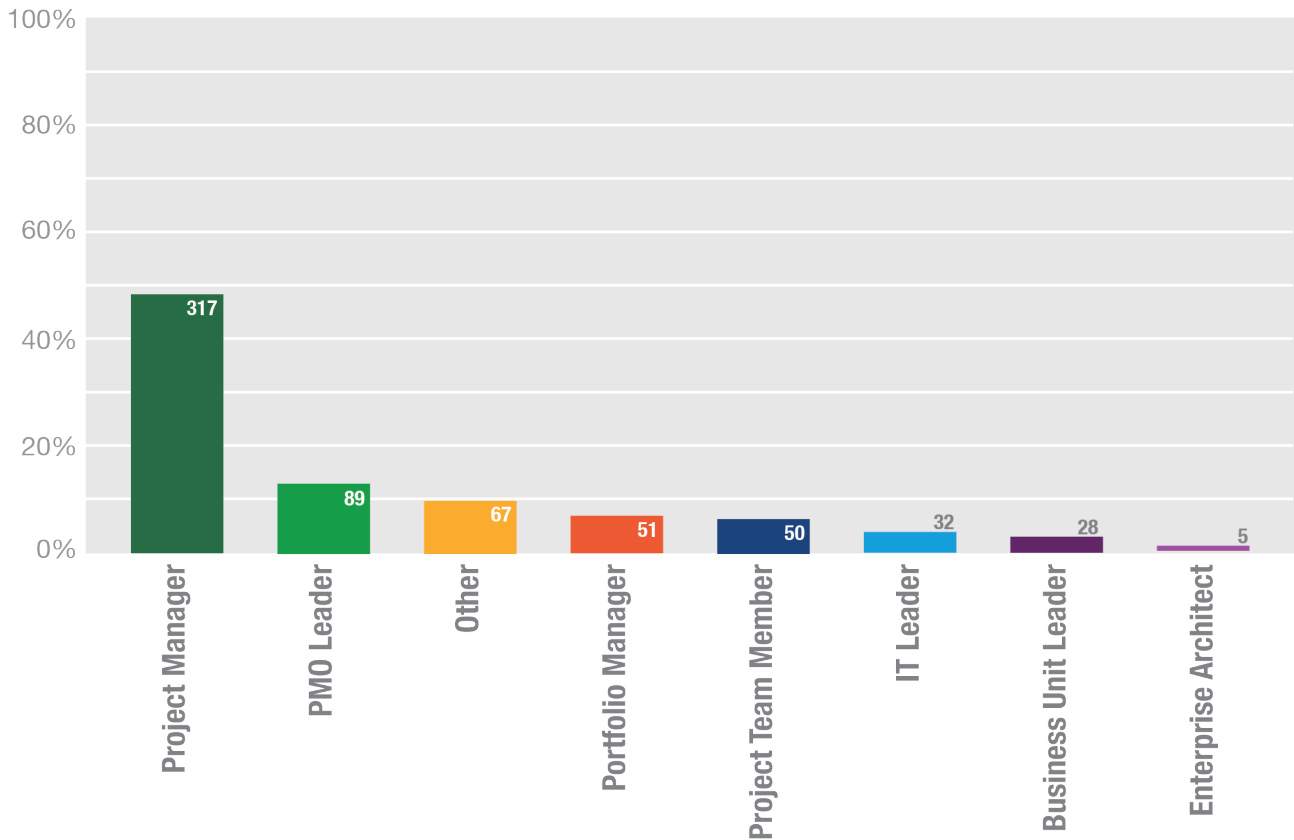


# The results

## The roles of survey respondents

When it comes to role, the mix remained largely the same year over year. In 2017, more than 50 percent of respondents identified themselves as project managers—comparable to 2016 survey data. However, our 2017 survey attracted a larger volume of responses from IT and business unit leaders. This year, these titles combined for nine percent of survey completions. This marks a shift from the year prior when these individuals were barely represented—proof that regardless of role or title, successful project execution is becoming everyone’s job.

Most interesting in 2017 data was the emergence of new roles including ‘Innovation Manager’ and ‘Voice of the Customer’—illustrating the shift in mindset toward the customer-first problem solving we’re seeing across organizations.





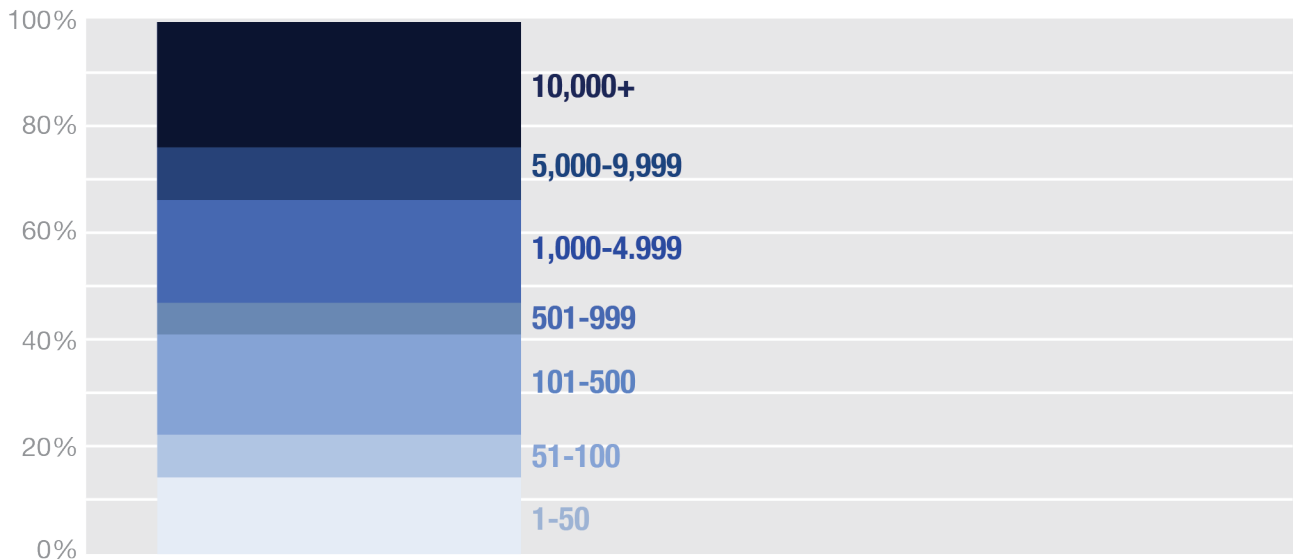


# The results

## Company size

Like role, organization size also remained largely consistent from 2016 to 2017. Both years, just under a quarter of respondents said they work at companies with 100 or fewer employees. And while the number of respondents from large enterprises dropped slightly, in both annual surveys, more than half of individuals who completed our survey hail from companies with 1,000 or more employees.

In 2016, responses from individuals employed by large enterprises accounted for 55 percent of responses. In 2017, they made up 50.1 percent of survey completions.



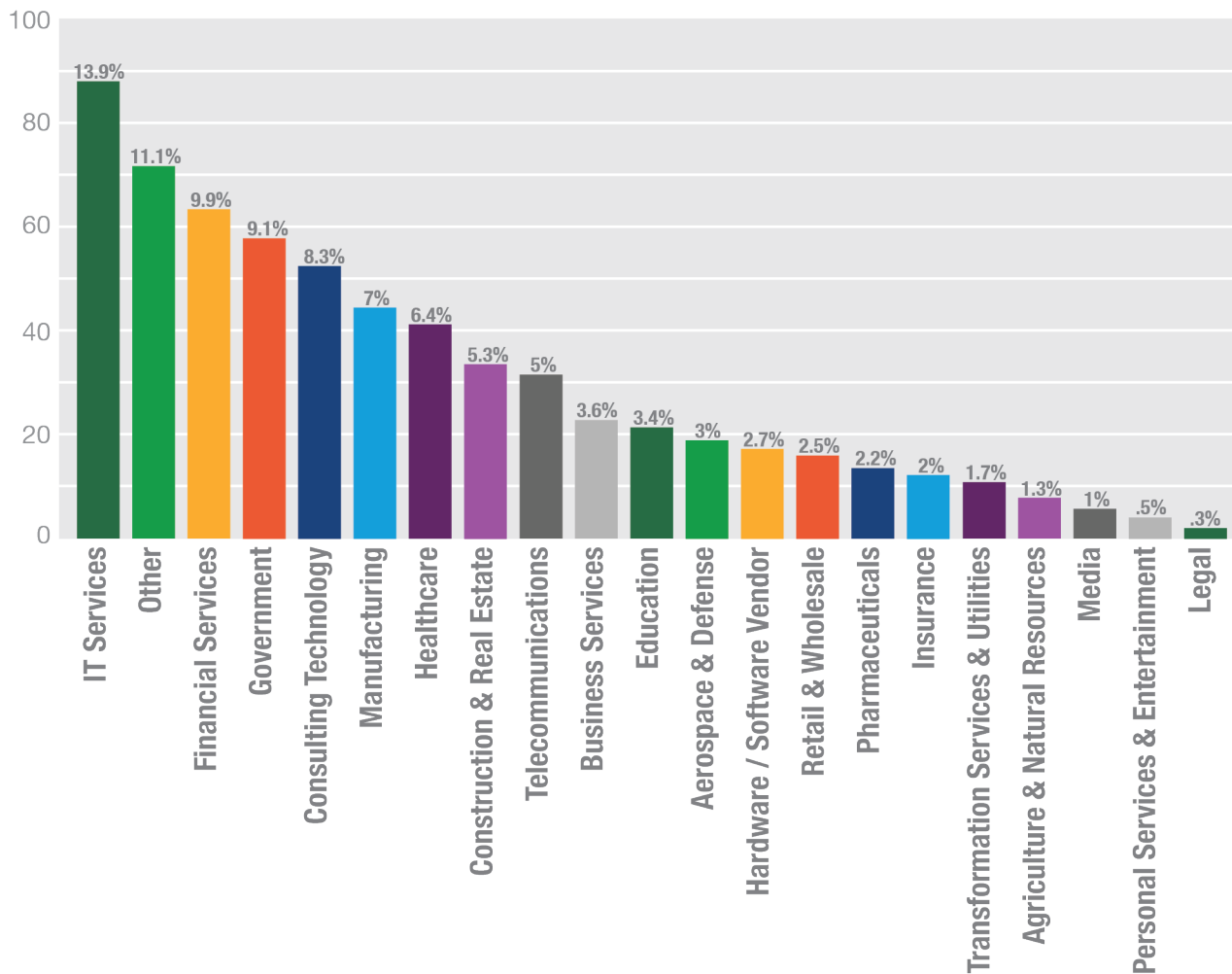
*Note on survey methodology: For both our 2016 and 2017 surveys, we relied on Gartner's approach to defining small, mid-size, and large enterprises. Gartner research defines business size by number of employees and annual revenue. Our survey focused on number of employees. In 2017, Gartner updated their definition to better identify the different IT requirements and challenges associated with business size. While we compared like-size organizations in year over year results, our 2017 survey was updated to reflect this change.*



# The results

## Industry

Unsurprisingly, more than a quarter of survey respondents report working in the technology industry. As a result, tech is the best represented industry in our survey. Among these respondents, 14 percent work in IT Services, eight percent are employed as consultants, and approximately three percent work as hardware/software solutions providers. Financial services and government respondents account for another 20 percent of individuals surveyed with 9.8 percent of respondents employed in financial services and nine percent working in government positions.





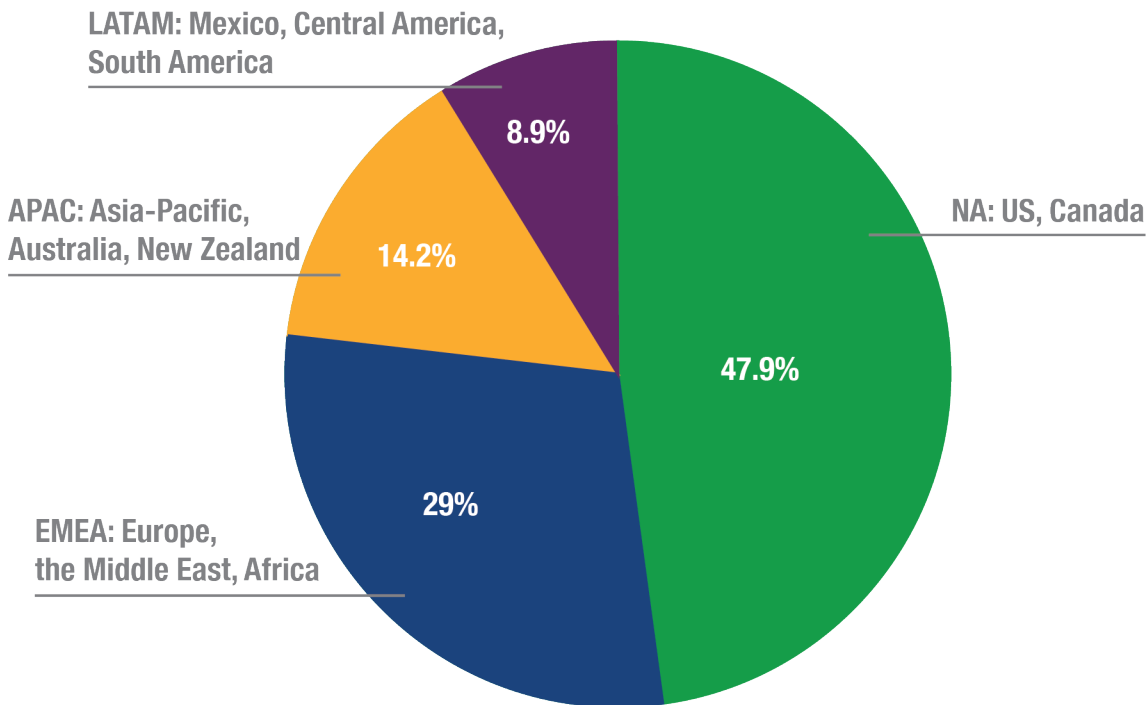
# The results

## Region

Executing with speed and agility is a global conundrum—a fact reflected in the increasingly diverse geographic mix of survey respondents and growing concern over economic and growth prospects. According to PwC’s 19th Annual Global CEO Survey<sup>2</sup>, more than two-thirds (66 percent) of CEOs see more threats to their business today than three years ago.

Survey findings support this. 2017 data revealed a nearly ten percent drop in participation from North America-based businesses: from 57 percent in 2016, to 48 percent one year later. In the same timeframe, responses from EMEA-based organizations increased by 26 percent and responses from LATAM-based businesses rose by 80 percent. In both 2016 and 2017, APAC-based organizations accounted for approximately 15 percent of responses.

Ours is a truly global business landscape. Technologically-empowered customers make buying decisions based on product relevance, user experience, and organizational values. For many, location is no longer a driving factor.



*Note on survey methodology: For survey purposes, North America reflects survey respondents from the United States and Canada. EMEA reflects responses from Europe, the Middle East, and Africa. The APAC region includes Asia-Pacific, Australia, and New Zealand, and LATAM is defined as encompassing Mexico, Central, and South America.*





## Conclusion

While competition, threats, and opportunities shift daily, only uncertainty remains constant. In pursuit of operational and strategic agility, enterprises across geographies and industries have blindly adopted Agile approaches. Methods that, rightly so, have revolutionized technology and business.

And yet, organizations that adopt Agile without studying and addressing existing barriers to operational and strategic agility discovered the hard truth.

Agile is not a panacea. It's not a silver bullet. Agile projects can and will fail just as spectacularly as projects managed with any other traditional method.

Execution methodology—Agile, Waterfall, or otherwise—is not a substitute for communication, planning, risk analysis, and project evaluation. Agile does not excuse project planning. In fact, it emphasizes continuous planning, making access to real-time data and insights more essential than before.

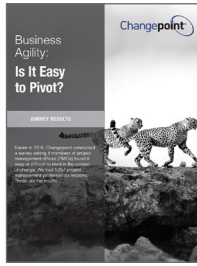
To build a nimble organization, think like a data scientist. Evaluate and assemble the proper tools, technologies, and skill sets. To execute with precision, shift your mindset. Embrace experimentation, learning and change. Adapt your methods and processes.

Agility is bigger than Agile. True organizational agility requires more than new terminology and funky job titles. Achieving better outcomes and taking advantage of the opportunities change brings requires an agile mindset. Fully embrace this mindset, this cultural shift. The payoff: True agility—organizational and strategic. Faster time to market. And fresh competitive advantage.

### Citations:

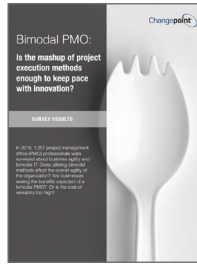
- <sup>1</sup> Harvard Business Review, Collaborative Overload (<https://hbr.org/2016/01/collaborative-overload>)
- <sup>2</sup> PwC's 19th Annual Global CEO Survey (<https://www.pwc.com/gx/en/ceo-survey/2016/landing-page/pwc-19th-annual-global-ceo-survey.pdf>)
- <sup>3</sup> McKinsey&Company, How to Create an Agile Organization (<https://www.mckinsey.com/business-functions/organization/our-insights/how-to-create-an-agile-organization>)

If you liked this, don't miss these:



### 2016 Business Agility Report

Is it easy to pivot in the context of change?



### 2016 Bimodal Business Agility Report

Is being bimodal enough to keep pace with innovation?



### The Essential Buyer's Guide: Project Portfolio Management

What to know before you buy a new PPM solution.



### Project Management in an Agile World

Fix the mess with the right integration of multimodal approaches.



## About Changepoint

Align execution with strategy, drive digital transformation, and enable new business growth with Changepoint, a leading provider of project portfolio management (Daptiv PPM), professional services automation (Changepoint PSA), and enterprise architecture (barometerIT) solutions. We've helped over 1,000 global customers transform chaos into order with work management solutions that help teams prioritize initiatives and get the job done. Whether you're managing a portfolio of projects, engagements, or applications, Changepoint solutions help you realize benefits faster. With the visibility and control that Changepoint provides, smarter decisions are easier to make, innovation is accelerated, and businesses are better poised to adapt to today's changing landscape. Visit: [www.changepoint.com](http://www.changepoint.com).

