

Are you ready for agile?

The full potential of implementing agile programmes in financial services

With 38% of UK CEOs implementing agile programmes within their organisations, this transformation approach has become a growth driver for UK business - fourth only to customer-focused, innovation- and platform-led transformations (KPMG 2017 CEO Outlook). And in an increasingly 'VUCA' (volatile, uncertain, complex, ambiguous) world, it is clear why many business leaders are looking at agile to steer them through this disruption.

Best suited to highly volatile projects, Agile is a flexible delivery approach that centres on four principles:



Individuals and interactions over processes and tools



Working software over comprehensive documentation



Customer collaboration over contract negotiations



Responding to change over following a plan

Increasingly used across customer-centric projects and within marketing, sales and IT, the more regulated industries – which are known for stringent governance, risk and compliance processes – have been slower to embrace agile. But this approach can flourish in a regulated world and we have seen many organisations - from start-ups and challenger banks to airlines and established technology firms - adopt agile while staying fully compliant.

Disrupting traditional transformation

Relatively new but vastly different to traditional, 'waterfall' transformation, agile has generated extensive debate. Critics – including regulated firms - associate this approach with a loss of control, and a lack of comprehensive documentation, structure and upfront planning. This contrasts starkly to the certainty of traditional project management in which a contract represents a promise to deliver agreed outcomes on an agreed day and at an agreed budget.

Advocates see agile as an empowering and efficient approach through which risk can be managed without the bureaucracy associated with traditional change. And those organisations that can accept some uncertainty and risk will be best placed to maximise the value of this approach as it flexes to accommodate change – making it an arguably less risky approach for a VUCA environment.

With 76% of CEOs planning to use agile over the next three years^(a), the race is on for financial services organisations to replace traditional frameworks with those that can withstand a faster and more exploratory pace of delivery – while staying compliant. An approach that centres on trust, customer focus and culture will be key to an organisation's ability to embrace agile.

Understanding agile in order to create an agile-ready culture

Accept unpredictability and a level of risk

A process that starts with risk planning, risk management and customer engagement are central to every stage of an agile project. With the flexibility to consistently evaluate and evolve if the business is ready to embrace this, agile transformation ensures the level of risk to which a business is exposed is managed throughout.

(a) Research amongst CEOs in Belgium and the Netherlands, 2017

Adopt a common purpose

Businesses must have a common purpose in order to embrace an agile approach. With the correlation between customer satisfaction and business performance higher than ever, this will, for many, focus on the customer and their experience.

Create simple rules

The drive to simplify processes through agile often conflicts with the complexity that many established or regulated businesses work with. Some pioneers of agile have replaced complex roles with simple guidelines – which, given its success in empowering staff, could well be introduced in financial services in the future.

While less paperwork will be produced through an agile approach - and potentially at a later stage than in a waterfall transformation - documentation is key to a project's success. Agile transformations stem from a documented user story with a description of the minimum viable product (MVP) that is to be delivered, from which these user stories can be traced into test cases for approval before moving into production.

Empower teams

Autonomy is key to ensuring an agile approach and allowing teams to react quickly to issues. Contrary to hierarchical structures within many organisations, autonomous teams have been well established to outperform traditional structures. Within financial services, we have seen companies allow 'scrum teams' to select product owners and recruit their own members.

Adopt lean governance structures

Governance is key to driving autonomy. Devolve product-related decisions to the scrum team and put in place the mechanisms for efficiently elevating broader decisions. The project board will maintain strategic direction by efficiently overseeing and challenging the project, without the distraction of heavyweight board papers.

Build a shared understanding of agile

Create an 'Agile Manifesto' so that assurance follows your logic. Train the project team to talk the language of agile so that it becomes inherent across the project and the wider organisation.

Enable entrepreneurial thinking

Move away from directive management and rigid hierarchies. In building an entrepreneurial environment in which it is safe to take measured risks and trial innovations, organisations will thrive through agile transformation and ultimately deliver value to customers - who in turn will feel that their voice is heard.

Ensuring the right approach

With 85% of CEOs^(b) anticipating many businesses will operate in a hybrid environment in the future, the case for traditional transformation can still be compelling. Whether a project has a clear delivery specification or the project manager has specific organisational experience or capabilities, developing a framework and having clear selection criteria will enable you to select the approach that will drive the best results.

(b) Research amongst CEOs in Belgium and the Netherlands, 2017

First steps to agile

The biggest challenge facing financial services organisations embarking on an agile journey is to adjust traditional governance frameworks into those that will suit this new environment. Lack of awareness can prompt leaders and project managers to take what they perceive as a 'safe' route to agile and create an environment in which the absence of a clear process results in delay or failure; or a 'agile' environment in which they slide back towards waterfall delivery to avoid forcing change upon disenfranchised stakeholders.

Independent Project Assurance: How we can help

KPMG's Independent Project Assurance experts have helped some of the leading names in banking and insurance successfully adopt agile across a range of projects. Scrum masters with a well-established track record in devising and executing project assurance assignments, the team draws on extensive financial services experience to provide independent, robust and constructive challenge with a constant focus on communication and timely delivery.

With a global network of agile practitioners, the team combines extensive first-hand sector-specific insight with extensive agile experience and has worked on some of the most pioneering change projects across a diversity of organisations.

For more information, or to receive further Agile Insights, please contact:



Rachel Saunders
IPA Lead
FS Technology Risk



Mark Wells
IPA Lead
FS Technology Risk

kpmg.com/uk



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