



CIONET

DISCUSSION SUMMARY

**AGILE OR FRAGILE?
LEADING IN A POST
COVID WORLD**

This article was written by Roger Camrass, director of CIONET UK and a visiting professor of the University of Surrey, and is based on a UK panel discussion with Mark Foulsham, COO of Kensington Mortgage, Mike Gibbons , CIO of Aggregate Industries and Craig Walker, SVP, Salesforce.

On 11th March over 750 digital leaders came together at a CIONET global event to discuss Agile or Fragile in the context of a post COVID era. The plenary speakers included Pamela Maynard, CEO of Avanade; Sanjay Brahmawar, CEO of Software AG; Professor Peter Weill, Chair of MIT's CISR; and Tom Reichert, Technology Lead Partner at BCG.

The main take-aways of the plenary session were:

- Companies that appoint digital leaders to their boards have consistently outperformed their competitors as proven in a recent MIT study
- Being 'future ready' has never been more important in an environment that is subject to constant change
- Leadership is about taking personal risk and being customer obsessed as described in the book 'Feel the fear and do it anyway' by Susan Jeffers
- Functional silos need to be replaced by digital platforms to deliver speed and agility in a VUCA (Volatile, Uncertain, Complex and Ambiguous) world

What the panel had to say

The UK panel discussion following the plenary divided into three parts: how 'agile or fragile' affects the customer experience, what it means for the Board and executive committee; and how it affects the IT organisation.

1.The customer imperative

Over the last twelve months many large organisations have transitioned from a philosophy of 'operational excellence' to one of 'customer obsession'. This reflects the fundamental changes in customer behaviour induced by the global pandemic. It has also been inspired by the success of digital natives such as Amazon who have benefited dramatically from the rapid switch to 'online everything'.

Functional managers from successful companies have learnt to get closer to the customer to demonstrate value to the business. This has never been truer than in IT where Mike Gibbons frequently accompanies commercial executives to customer meetings. Great CIOs can provide solutions directly to customer problems.

2. Board level implications

According to Mark Foulsham, COVID has had a profound affect on the cadence of corporate governance. Instead of monthly board and executive meetings, Kensington Mortgage holds daily get-togethers to speed up decision making and adjust constantly to changing market conditions. Business Intelligence is a critical tool in such a fast-moving environment.

According to Craig Walker, understanding customer behaviour and related needs becomes a consuming passion for every successful executive. This implies monitoring every touch point in the customer journey, from acquisition through to life cycle management. It is all about 'Sensing and responding' to customer needs.

Perhaps the most important insight in today's fast moving economic cycle is that products themselves can be easily commoditised. It is 'product in service' that becomes the key aspect of competitive differentiation and value creation. Companies in areas as diverse as pharmaceuticals and construction are now tracking their products through the entire supply chain to optimise performance.

An interesting example is road maintenance. By implanting sensors into the asphalt surface of a busy highway, maintainers can detect early erosion and respond accordingly. This can reduce life cycle costs by up to 50%, yielding high returns for road operators and maintainers. It also has beneficial outcomes for road users.

3. How is IT responding

Agile has been a preferred way of operating for decades within the IT organisation, especially in application development. It was adopted to enable IT to respond rapidly to lines of business who required working systems to be delivered in weeks rather than months or years. It is based on the concept of 'starting small' and 'scaling-up' rapidly. Agile is now being adopted by all functions and is contributing to organisational design.

In addition to agility, data has become the key asset to enable organisations to monitor every aspect of the customer journey. Techniques such as IoT sensors can provide real time feedback on how products are performing in the field. Craig Walker

described how business intelligence teams are being placed 'front and centre' within large organisations to ensure that decisions can be supported by critical data.

What is of interest here is the expanding number of specialist companies who can help extract value from data at every point in the supply chain. Mike Gibbons spoke of the 'digital twin' that is the virtual representation of a physical supply chain. He mentioned how Building Information Management (BIM) can track construction projects from design, through build and into operations.

And what about fragile?

The move to agile working is a critical success factor in today's fast-moving environment. But the panellists recognised that this comes with a 'health warning'. Craig Walker described the complexity of Shell Downstream where he was corporate CIO. Such an environment consists of many moving parts, each of which needs to be carefully interconnected. Modern tools such as APIs can assist in improving flexibility, but the case for an over-arching enterprise architecture has never been stronger.

Charlie Forte, CIO of MoD, has added 'integration' to his core list of IT capabilities across the UK armed forces. He recognises that despite remaining agile, each division must be constantly interconnected to optimise an ever more diverse 'battlefield' that covers land, sea, air, space and cyber. He describes his philosophy as 'Ying and Yang' – loose/tight fitting architectures that enable agility but reduce fragility.

How to lead in a post-covid world?

The event provided valuable insight into modern day digital leadership that must cope with a rapidly changing external environment. Some of panel's recommendations include:

- Speeding up management cadence from weeks or months to hours or days to 'sense and respond' the changes taking place in the customer domain
- Exploiting modern analytic tools to maximise the value of internal and external data to optimise decisions in near real time
- Recognising that experimentation and risk taking is essential to stay ahead of the competition. It has become the mantra of successful leadership
- Being proactive as an IT executive in working with peers in the front line to solve customer problems and enhance the customer journey.



About CIONET

CIONET is the leading community of more than 10,000 digital leaders in 20+ countries across Europe, Asia, and the Americas. Through this global presence CIONET orchestrates peer-to-peer interactions focused on the most important business and technology issues of the day. CIONET members join over a thousand international and regional live and virtual events annually, ranging from roundtables, programs for peer-to-peer exchange of expertise, community networking events, to large international gatherings. Its members testify that CIONET is an impartial and value adding platform that helps them use the wisdom of the (IT) crowd, to acquire expertise, advance their professional development, analyse and solve IT issues, and accelerate beneficial outcomes within their organisation.

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