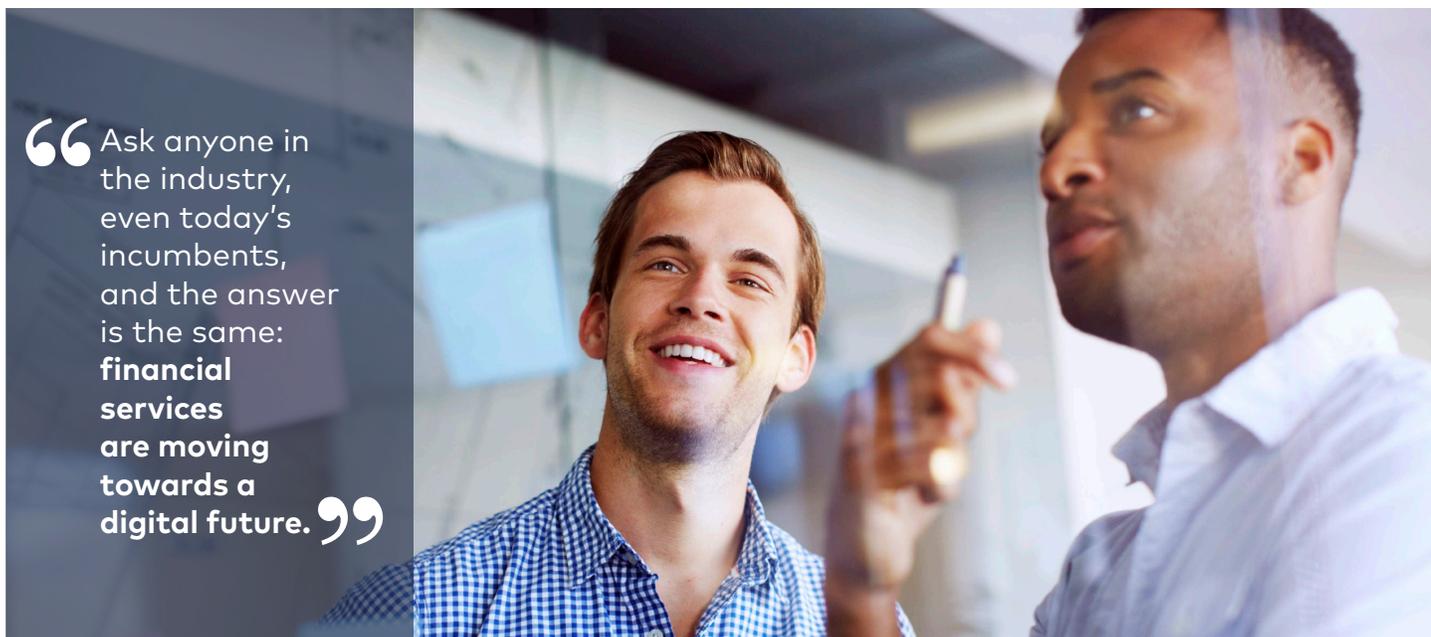


## Accelerating an Agile Transformation: Preparing Senior Financial Services Leaders for the Future



“Ask anyone in the industry, even today’s incumbents, and the answer is the same: **financial services are moving towards a digital future.**”

Dramatic technology changes and shifts in customer expectations have deeply impacted the financial services industry in recent years. A study of over 2,000 financial services executives found that “the industry faces an unprecedented series of threats: new, agile and hitherto largely unregulated players are emerging and are disintermediating the traditional incumbents.”<sup>1</sup> As one Forbes article states, “Ask anyone in the industry, even today’s incumbents, and the answer is the same: financial services are moving towards a digital future.”<sup>2</sup>

For one leading American multinational financial services corporation, that digital future has already become reality. Like many financial services firms, the company recently has come to the understanding that it is not truly just a financial services firm or an investment management house – it is really a technology company that serves financial needs.

In order to succeed in this technology-centric environment and compete with the innately agile, unregulated new financial technology firms that are rapidly emerging out of Silicon Valley, the organization recognizes the need to fundamentally change the way it approaches the business. It will need to become faster, more nimble, and readily responsive to changing customer preferences. This includes changing the way every member of the organization operates, partners with customers and innovates products and services.

### The Solution: Building Organizational Agility

The organization was not completely unfamiliar with the concept of agility. Over the past two years, the Research & Development department had completely transformed into a truly agile group. This included having self-organizing

teams, prioritized development projects, fast feedback loops from customers/end-users, and the freedom to try, fail and learn in order to promote speed, customer-centricity and rapid responsiveness.

However, senior leaders across the business ran into challenges as other lead teams, functions and departments had to interact with these newly-formed agile R&D teams that now operated differently and moved at a much faster pace than the rest of the business. These senior leaders saw the immense potential of becoming agile, and decided to transform the rest of the company into a truly agile organization in order to safeguard its industry-leading position. However, a major hurdle was the realization that this transformation could not happen overnight, and that leaders across the business would have to lead and operate in “two worlds” as the company transformed from the old way to the new agile way.

To become fully agile, the organization realized that they first had to define what “agile” meant to each leader in the organization, how each leader was going to “lead agile,” and what skills and capabilities teams would need in order to bring it to life. Working with BTS, the company embarked on doing this first with the top 400 leaders within the largest and fastest growing business unit in the company.

### Jump-Starting the Shift to Agile with a Business Simulation

Every moment was practical, contextual and tactical, getting down to the essence of what leaders have to do every day.

To kick off the agile transformation, BTS interviewed more than 40 leaders to help define what agile leadership looks like for the organization and establish some guiding principles that would direct the transformation, specifically focusing on how the top 400 leaders would lead in “two worlds”. After identifying these foundational principles, they created a “Leader Playbook”, pinpointing the behaviors, mindset and critical leader actions that would set “great” leaders apart from “not-so-great” leaders in bringing this agility to life.

The playbook and the concept of agile were unveiled and explained to the top 400 leaders at an annual end-of-year off-site event. Critical to bringing the concept of agile to life at this off-site was a customized business simulation.

Designed to help bridge the gap between where the organization is now and the future agile state, the simulation allowed leaders to recognize and build the business dexterity needed to operate in both worlds during the period of transition. Composed of a variety of scenarios, the simulation introduced the pivotal moments that would matter in the day-to-day life of these leaders given where they currently were in the transformation. Each scenario required participants to consider one or more critical leader actions and moves from the Leader Playbook. Every moment was practical, contextual and tactical, getting down to the essence of what leaders have to do every day.

As they worked through these moments, participants competed in teams against one another within the dynamic simulation environment. The winning metrics included Employee Empowerment, Business Agility and Culture of Learning, all which drove Customer Value. The team-based aspect of the simulation allowed leaders to discuss the learnings and get aligned around the likely leadership scenarios they would face and how they should respond. The simulation experience was co-facilitated by a BTS Global Partner and the

As a learning and development program, it achieved the highest score of any program run for the organization, with participant satisfaction at unprecedented levels.

organization's CFO – an intentional choice that highlighted how important this transformation was to the organization, since the CFO and his team, as controllers of capital allocation and budget approvals, were often viewed as the most "anti-agile" function in the company.

After the off-site, leaders continued the learning journey with an individual assessment. These assessments helped identify individual development areas as well as pervasive gaps for the organization as a whole. This information allowed follow-up capability development to be targeted towards problem areas and the most urgent needs, while also focusing on building the alignment, mindset and skills needed to successfully execute the agile transformation at all levels.

### The Next Steps

The initial scorecard results for this program showed its effectiveness in aligning leaders around the message of building strategic agility. As a learning and development program, it achieved the highest score of any program run for the organization, with participant satisfaction at unprecedented levels.

This program is just the tip of the iceberg for the organization, as it will continue a multi-year journey by rolling out the agile transformation throughout all departments and leader levels. The multi-tiered approach will next target the operating committee's top 60 leaders, before moving down to the top 600 and, eventually, 2,000 leaders.

### About BTS

BTS focuses on the people side of strategy, working with leaders at all levels to help them make better decisions, convert those decisions to actions and deliver results. At our core, we believe people learn best by doing. For 30 years, we've been designing fun, powerful experiences™ that have profound and lasting impact on people and their careers. We inspire new ways of thinking, build critical capabilities and unleash business success. It's strategy made personal.

For more information, please visit [www.bts.com](http://www.bts.com).

<sup>1</sup> "Digital disruption: Threats and opportunities for retail financial services," p 3. Deloitte Insights.

<sup>2</sup> Nunes, Paul and Larry Downes. "Big Bang Disruption: The End (and the Beginning) of Financial Services." June 17, 2014. <http://www.forbes.com/sites/bigbangdisruption/2014/06/17/big-bang-disruption-the-end-and-the-beginning-of-financial-services/#43fcadd02575>