

# Business agility: Riding the waves of change

Achieving the right outcomes takes  
balance and continuous improvement

**CGI**



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# Balance is key to success in a world of change and opportunity

Change brings both opportunities and challenges for business and government.

Geopolitical risks, economic upheaval, social uncertainties, technological acceleration and environmental demands are confronting all organizations on all continents.

Impacts vary by geography and industry. For example, according to the [2022 CGI Voice of Our Clients](#), European executives rank the impact of climate change and deglobalization twice as high as their North American counterparts. When comparing industries, 71% of energy and utilities executives rank climate

change impacts as high, compared to 49% across all industries.

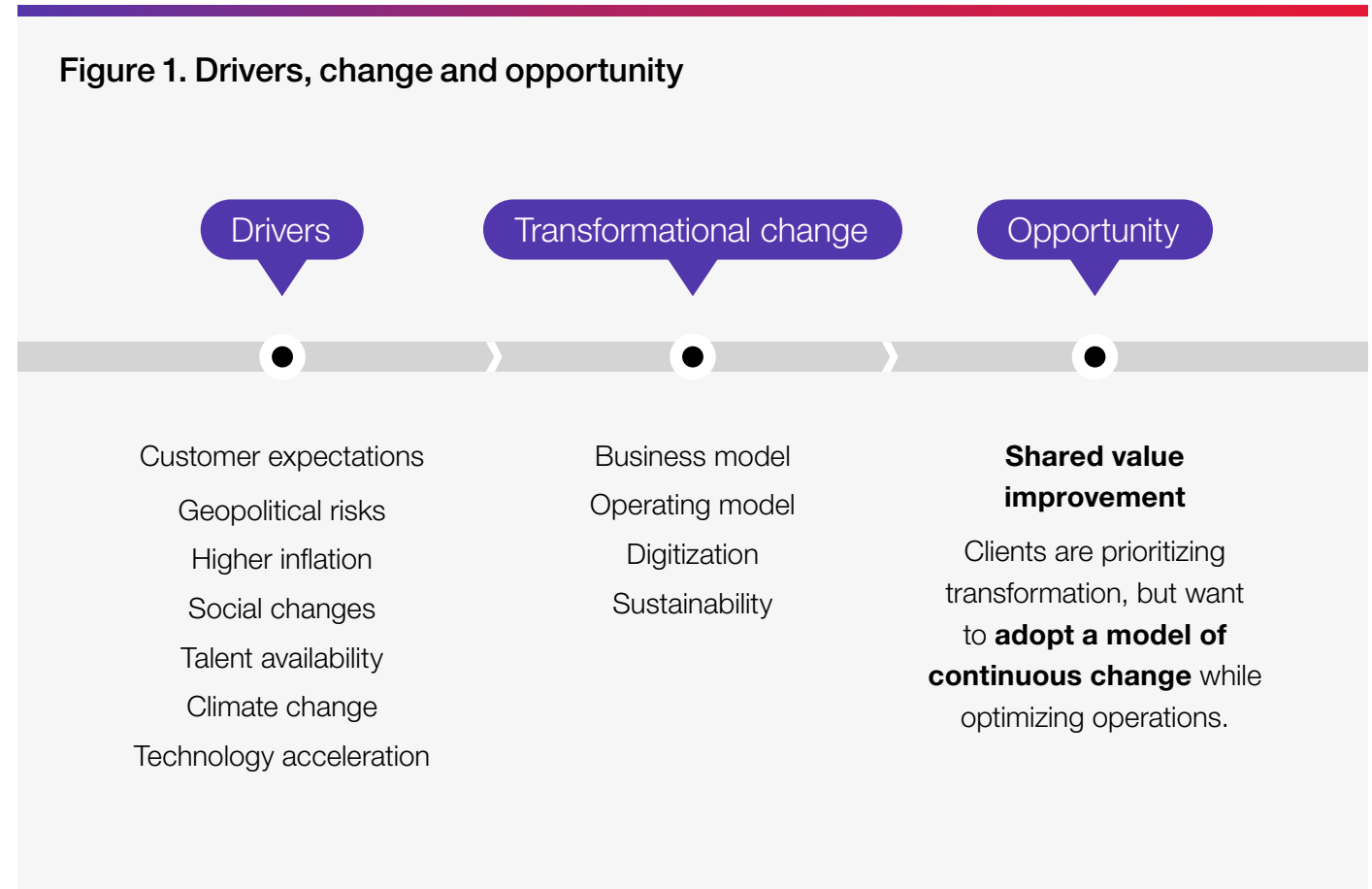
These macro trends are driving transformational change—from digitization to reimagining value chains as well as business and operating models—to become more agile, resilient and sustainable (Figure 1).

In fact, from the 1,695 executives we spoke with for the CGI Voice of Our Clients, 91% say they have a digital strategy in place at some level.

**But how many of these efforts are successful? Only 25% say they are producing expected results from their digital strategies.**

We refer to these organizations as **digital leaders**.

Figure 1. Drivers, change and opportunity





At the same time, 21% say their business model is highly agile to address digitization. We refer to these organizations as **business agility leaders**. Among these, 40% are producing results from their digital strategies.

The vast majority of organizations must continue to work to become more digital and agile to meet customer and citizen expectations. Digital leaders and business agility leaders also must continue to advance.

The best performers recognize that, when choosing opportunities, they must understand the connections and strike the right balance in their choices and decisions. This means allocating the right resources and investments to maximize shared value.

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**Business agility leaders sense and respond to change at speed and scale to accelerate value creation.**

In this paper, we explore the attributes of both digital leaders and business agility leaders and share ways to continuously seize the right opportunities. This paper is designed for organizations that need to accelerate their results as well as for high performers that need to maintain their leadership positions.

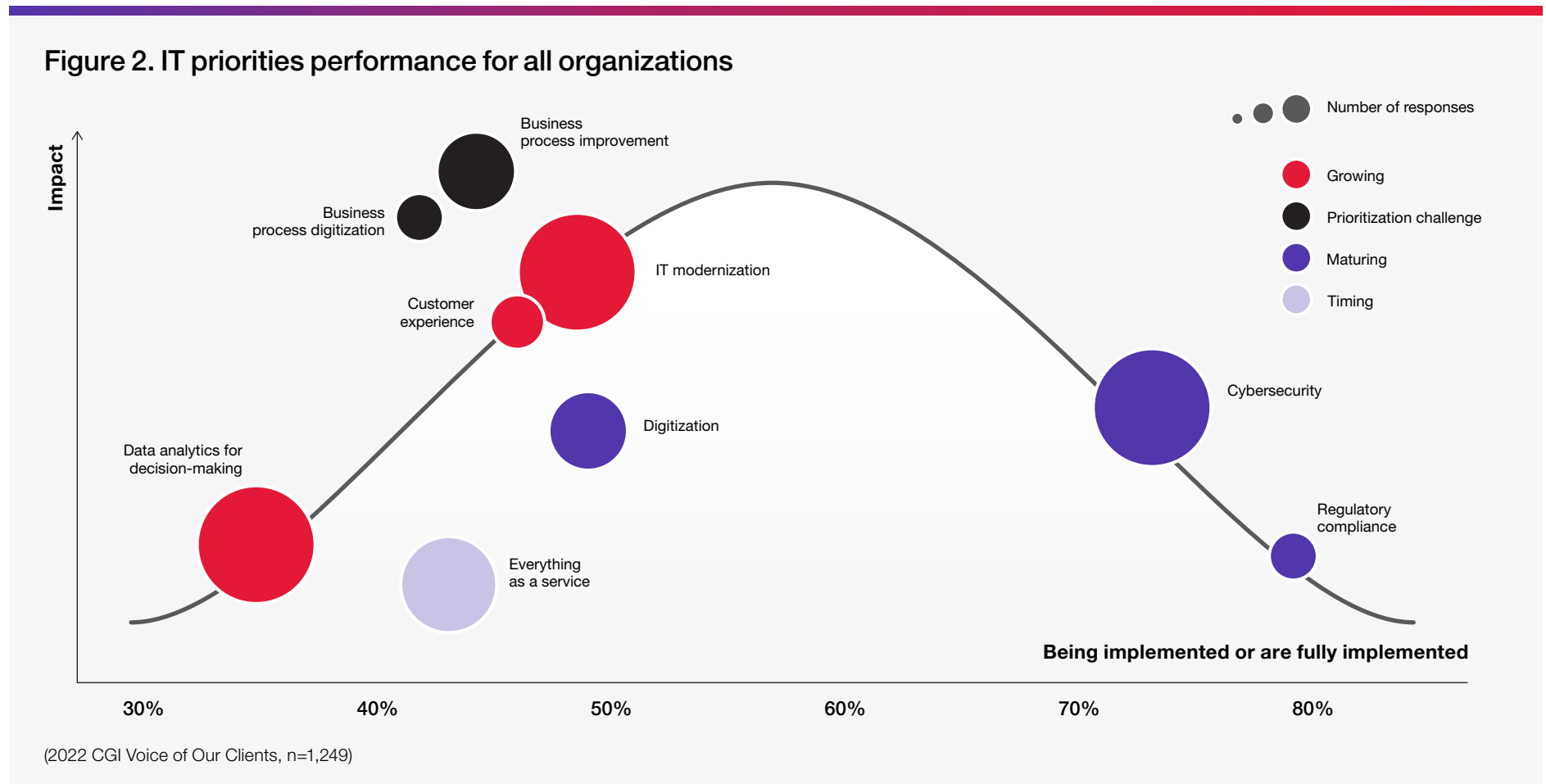
# Slow progress on transformation results

Although technology continues to be a key driver of change, it also is a major enabler in navigating this change.

For example, organizations continue to digitize their business and operations, adopt data-driven business models and modernize their IT environment.

Figure 2 plots the percentage of organizations that are implementing or have fully implemented their IT priorities (horizontal axis) against the impact of each priority (vertical axis).

The circle colors represent different stages of maturity and impact ([see next page for stage description](#)).



As shown in Figure 2 on the previous page, and in Figure 5 on page 6, circle colors represent stages of maturity and impact in implementing IT priorities.

### Red stage

#### Growing

Climbing the impact curve are the IT priorities of IT modernization, customer experience and using data analytics for decision-making. Organizations are progressing with modernization and becoming customer- and citizen-focused, but are still slow in becoming data-driven.

### Purple stage

#### Maturing

Increasing digitization, cybersecurity and regulatory compliance have low to medium impact, possibly due to their huge implementation progress. Having been prioritized over the years, these IT priorities are now seen as prerequisites.

### Black stage

#### Prioritization challenge

Business process digitization and improvement have the highest impact. However, progress is relatively slow, despite progress with digitization and modernization. This signals an approach where technology is bolted on (accessorized) rather than being central to the transformation strategy. It could also signal organizations' lack of focus, investment or willingness to fundamentally reimagine or change their operating model.

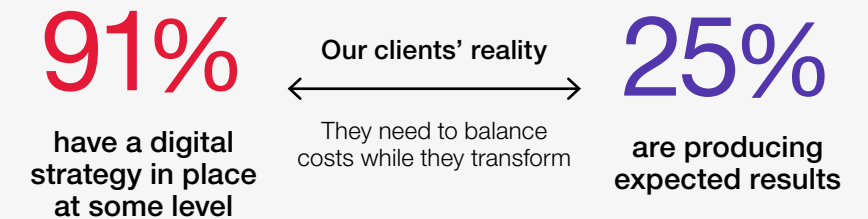
### Light purple stage

#### Timing

Organizations report that implementation is in progress on “everything as a service,” but do not rank it as high in impact as other IT priorities. This could signal a timing issue regarding its prioritization.

While [Figure 2](#) shows the change efforts of organizations, [Figure 3](#) shows their digital transformation performance: 91% of organizations have a digital strategy in place, but only 25% are producing expected results.

**Figure 3. Gap between having a digital strategy and producing expected results**



**This signals a gap between commitment (strategy), actions (initiatives and implementations) and effectiveness (results).**

# Business agility and digital leadership go hand-in-hand

We look across two criteria to identify the attributes of organizations that are producing expected results:

**1. Digital leadership:**

The 25% who are digital leaders.

**2. Business agility leadership:**

The 21% who have highly agile business models.

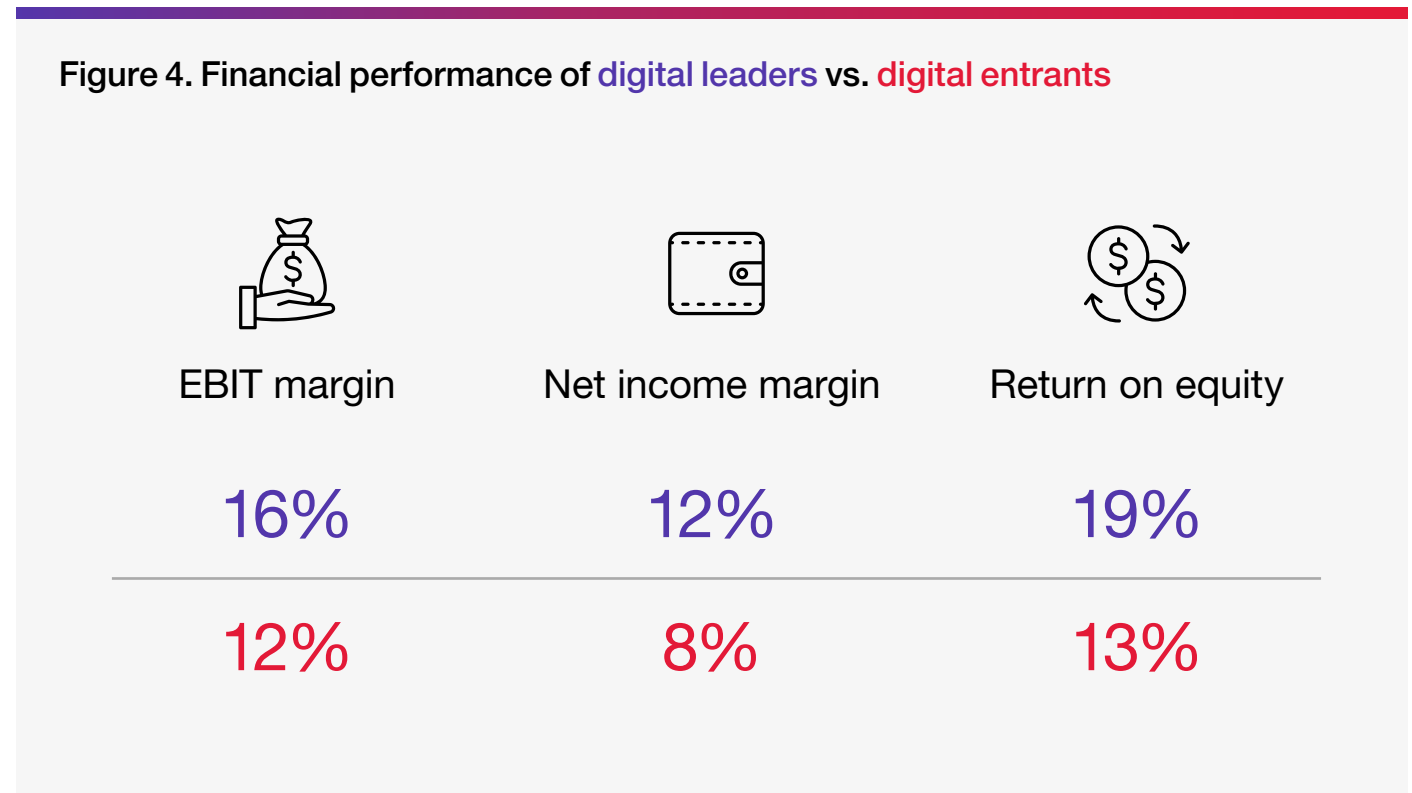
## Accelerating outcomes

### Digital leaders

In examining the insights from the digital leaders, we find that:

- They have highly agile business models, are more focused on sustainability and achieve closer alignment between business and IT.
- They modernize more applications, migrate more applications to the cloud, and see legacy systems as less of a challenge.
- They run secure IT environments and implement more automation.
- They perform better financially, see Figure 4. [Read more about the attributes of digital leaders.](#)

Figure 4. Financial performance of digital leaders vs. digital entrants



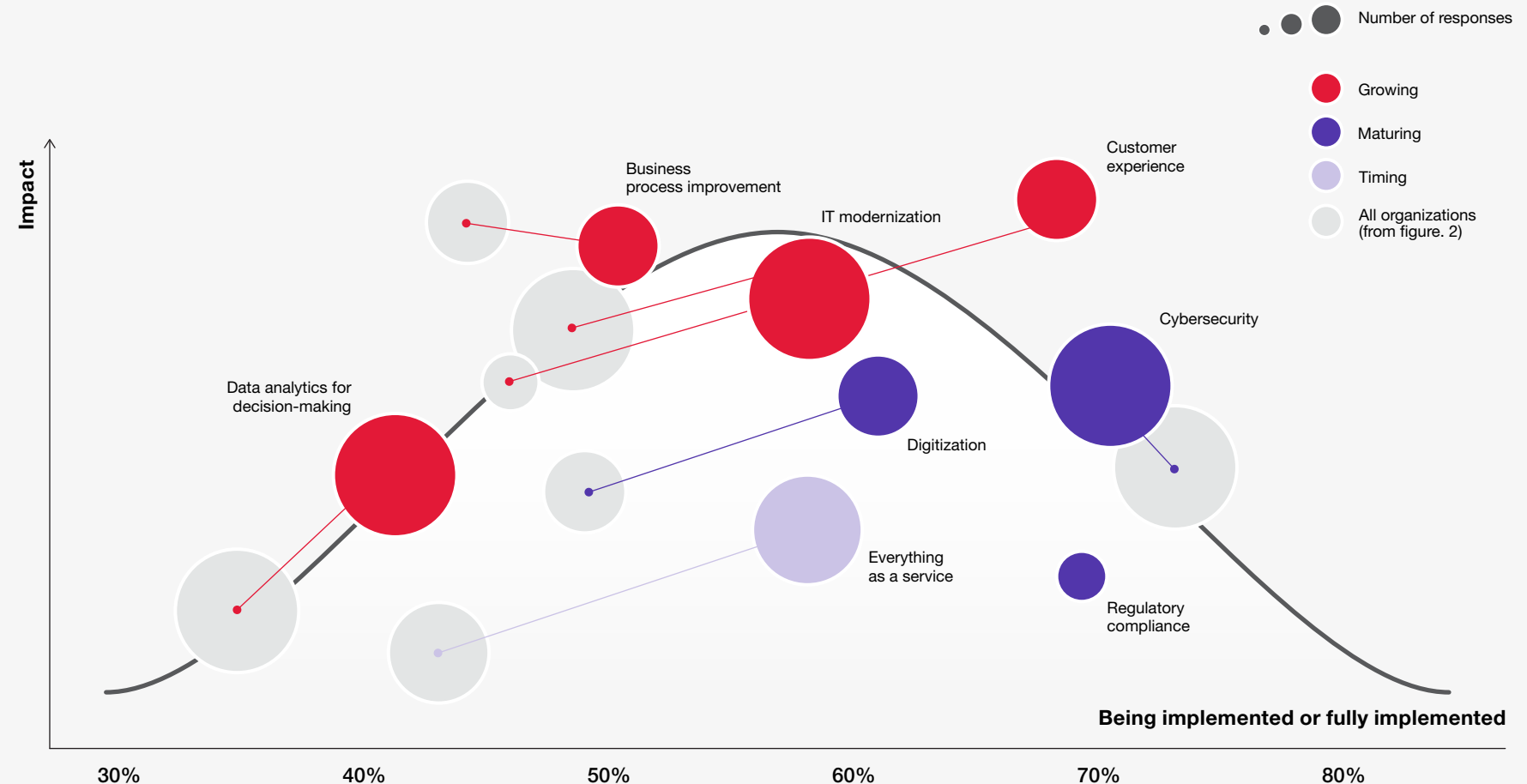
## Business agility leaders

We also compared the performance of business agility leaders with their IT priorities (Figure 5) against the all other organizations (as shown in Figure 2). Business agility leaders demonstrate far more progress across the board.

Some significant differences in business agility leaders' approach include:

- They prioritize customer and citizen experience and are making tremendous progress.
- They are faster at modernizing their IT applications and infrastructure.
- They are further ahead in implementing advanced analytics and using data.
- They demonstrate a more “service-oriented mentality” when it comes to procuring technology.
- They invest more in operating model improvements.

Figure 5. Business agility leaders demonstrate greater progress in IT performance than others

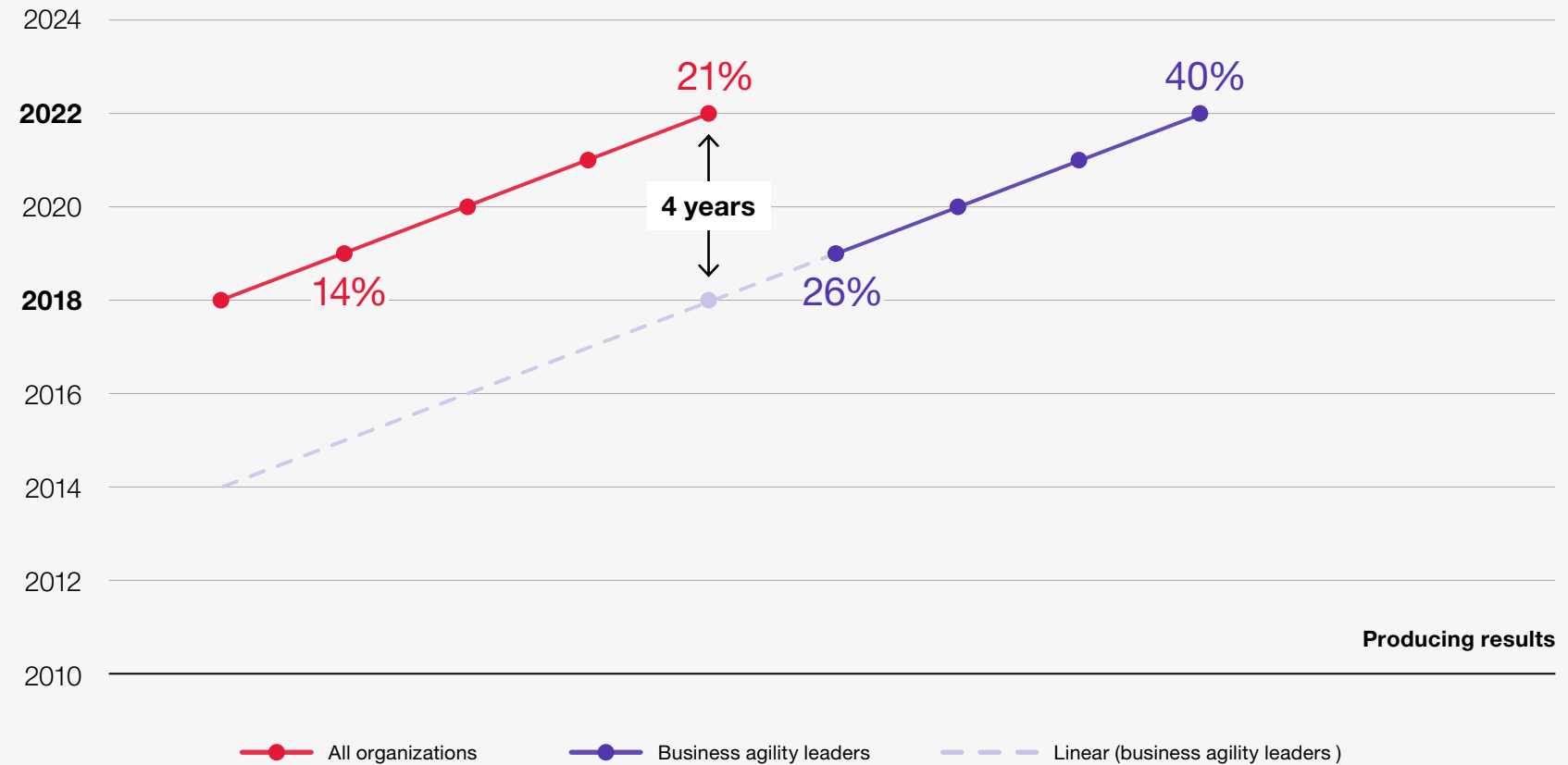


(2022 CGI Voice of Our Clients, n=351)



Business agility leaders also enable consistent outcomes. For example, they are four years ahead in producing results from their digital strategies compared to others (Figure 6). They gain important time-to-market advantages because of this significant lead.

**Figure 6. Four-year gap between business agility leaders and all organizations in producing results from digital strategies**

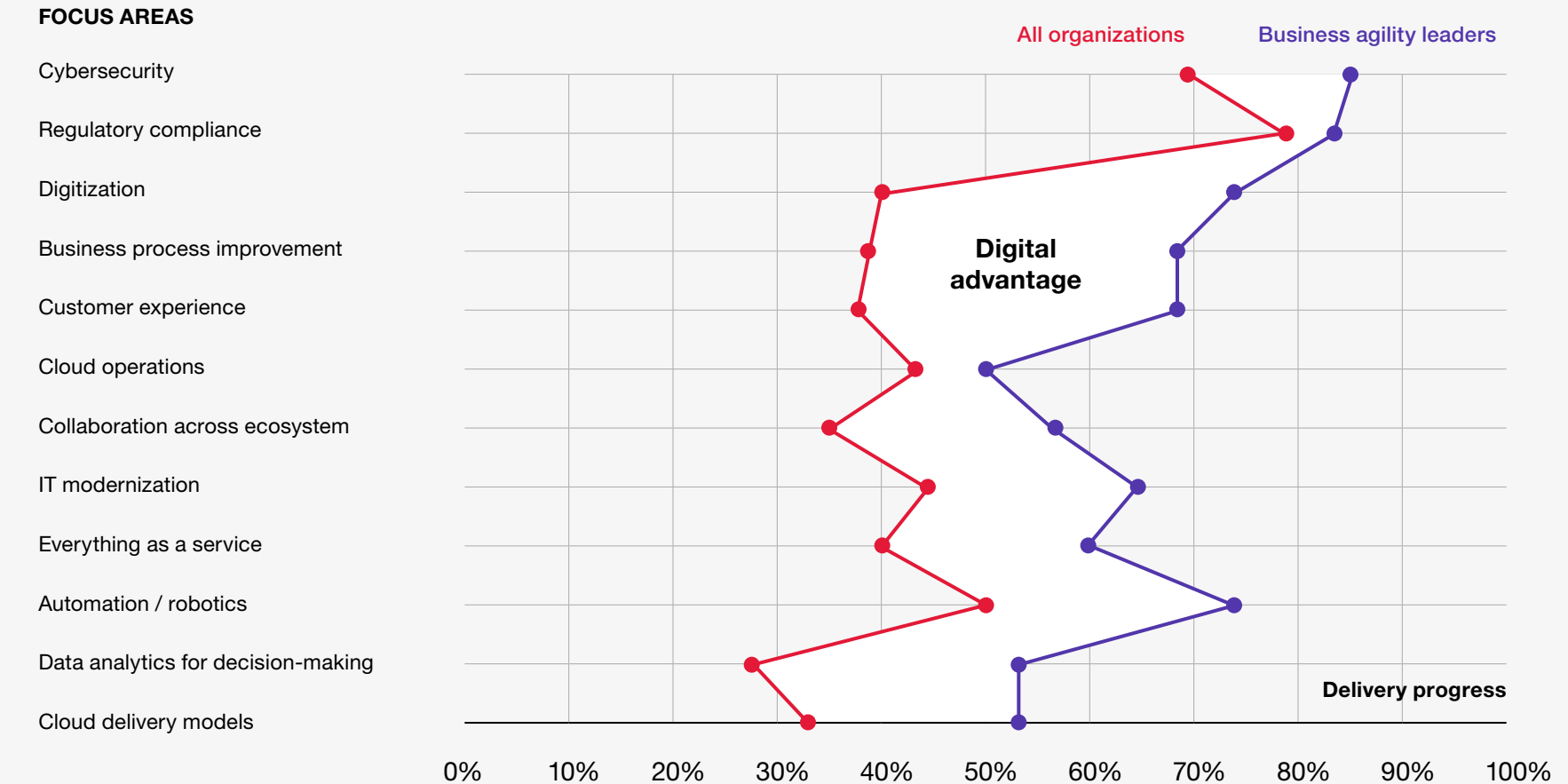


(2022 CGI Voice of Our Clients, n=1,600)

Additionally, business agility leaders demonstrate more delivery progress across their priorities (Figure 7) than all organizations.

Business agility and digital leadership create a reinforcing loop. The more agile the operating model, the faster the digital transformation results. The faster the transformation, the more agile the operating model.

**Figure 7. Advantage in delivery progress by business agility leaders over all organizations**



2022 CGI Voice of Our Clients, n=1,600



# Pivot to increase agility, alignment and balance

Organizations typically take a linear approach to change—developing their strategy, changing their operating model and executing initiatives within their enterprise. Meeting dynamic market needs, however, drives adoption of more agile execution approaches. Market pressures, the need for growth and an expanding risk landscape also require more **agile strategies** (e.g., scenario planning, chaos engineering) and **operating models**.

A linear approach no longer will suffice. Instead, organizations need to pivot to a sense and respond operating model that connects the dots across three dimensions—**strategy, execution and operations**—to improve strategic alignment and increase

the probability of realizing value and becoming an agile and digital business.

**A model of continuous change helps organizations achieve the balance required to accelerate their transformations while optimizing their operations.**

Balance is continual, and is achieved by always taking a holistic approach to enterprise decisions—across the value chain. Today this can only be achieved if the information is digitized and connected.

# Choosing the right strategic partner

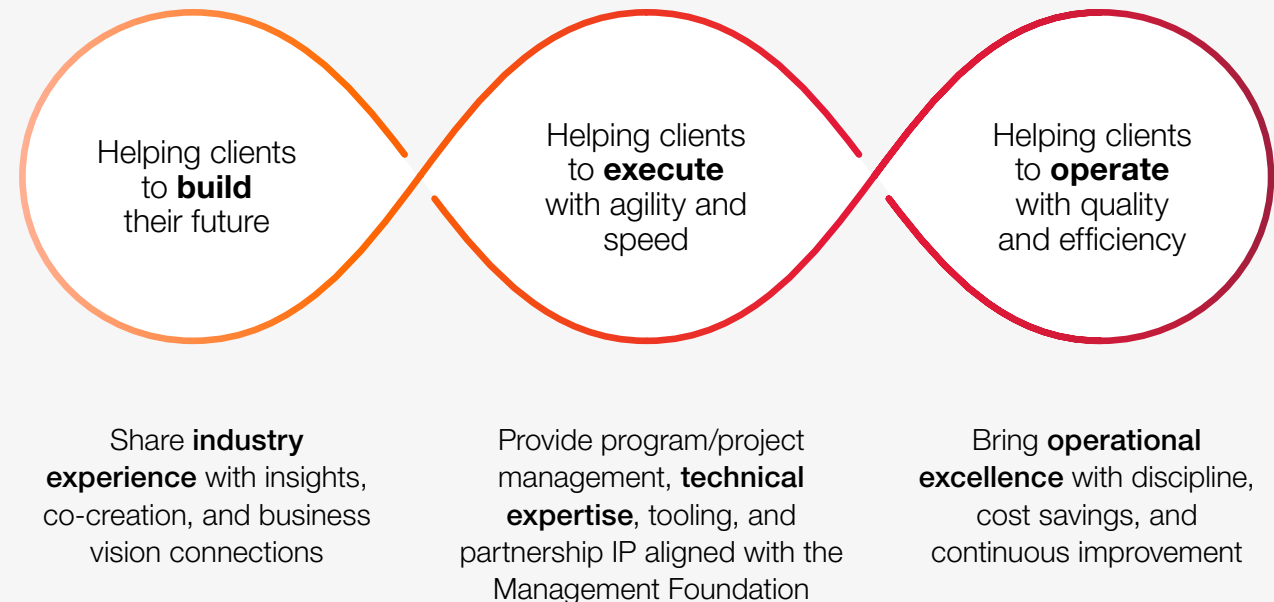
Being an agile and digital leader requires the right strategic partners to help you along the way, reliably and consistently.

Our clients have great understanding of their business operations, where they want to take their organizations and what needs to be done. However, often there is little time to articulate their ambition and plans to ensure strategic alignment. We can help you build your go-forward strategy.

This includes:

- Facilitating the process of defining an ambition, operating model and roadmap
- Accelerating this process through best practices and accelerators
- Bringing industry and technology knowledge to augment your own ideas
- Acting in a collaborative, transparent and practical way
- Helping build your internal capability along the journey

Learn how our [continuous change approach](#) can help your organization achieve the right outcomes with greater agility and balance.





# Insights you can act on

Founded in 1976, CGI is among the largest IT and business consulting services firms in the world.

We are insights-driven and outcomes-based to help accelerate returns on your investments. Across hundreds of locations worldwide, we provide comprehensive, scalable and sustainable IT and business consulting services that are informed globally and delivered locally.

For more information, visit [cgi.com](https://www.cgi.com)

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