SGS **D&i**

Putting Agile at the center of our Digital Transformation

June 2022

SGS is engaged in an ambitious Digital Transformation program to establish Agile at Scale operations, the Digital Hub. The initial focus has been to improve the customer experience by digitalizing our customer journeys. This is already bringing tangible benefits. Some of you may be wondering, "What is Agile at Scale and how is it being implemented inside SGS?"

The world has become increasingly interconnected. Most industries are now tech-enabled and established companies face competition from start-ups that are natively agile, enabling them to be innovative and customer-centric. This is leading large organizations, such as Netflix or USAA, to run digital transformation programs focusing on extending Agile development methods and culture into function areas such as product development, HR and marketing. This extended agility enables incumbent organizations to better manage changing priorities, and to become more customer-centric.
At SGS, we are starting our own ambitious Digital Transformation program by focusing on the digitalization of our customer's journey. To achieve this goal, we are replacing traditional linear design of our services – Waterfall – with an iterative approach that initially focuses on a functioning model and ways to improve it – Agile.

Agile beyond software development

Agile was launched in Spring 2000 by developers who wanted to accelerate the time to market for new software. In 2001, they set out their strategy in the 'Manifesto for Agile Software Development.'
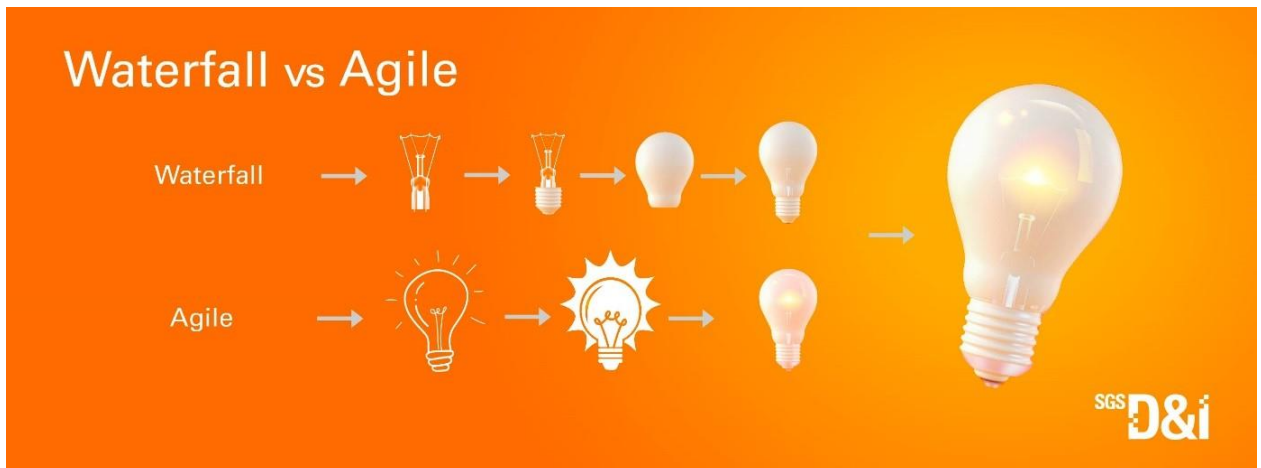
The results were impressive. In comparison to Waterfall, Agile projects are twice as likely to succeed and less than half as likely to fail.

The key benefits of Agile are:

• Ability to manage changing priorities
• Project visibility
• Business and IT alignment

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According to Gartner, 87% of organizations use Agile for at least some application development tasks. Furthermore, 63% have implemented an Enterprise Agile Framework, with the objective of organization transformation to allow enhanced design and implementation of services that better reflect the changing needs of customers.

Such Digital Transformation must be supported by a variety of methods and frameworks with different levels of depth and global commitment – for example, Scaled Agile Framework (SAFe®), Scrum of Scrums and the Spotify Model.

But what is the impact of such a transformation on management and work culture?

SCALING AND MANAGING AGILE

Agile at Scale management requires a significant change in an organization's culture and behavior. At the project level, Waterfall requires a plan and an acceptance that any corrections to it are a demonstration that the plan is wrong or incorrect. Agile is different. It assumes change is constant, and therefore corrections become desired because they offer an opportunity for competitive advantage.

Agile ways of working create challenges that enable and empower management, but they must be willing to reject old thought processes to achieve success. The traditional reliance on top-down initiatives – budget, deliverables and forecasts – just be jettisoned when it comes to project management and successful resolution of challenges. There is a temptation to scale Agile in this way, but it must be ignored as this will eventually lead to tensions. The ideal solution is to manage Agile in an Agile way – recognize the unknown, try first, and allow for errors and corrections.

An Agile leader begins by launching a first phase consisting of a few autonomous squads with a set time period. This will provide a cost/benefit ratio and allows them to test the adoption within a fixed and controlled scope.

IMPLEMENTING AGILE AT SCALE IN SGS

Agile teams are perfectly suited for innovation. They empower the application of creativity to improve business models, processes and services while putting the customer at the center to deliver true value for stakeholders. The SGS Innovation Factory was launched in Lisbon six months before the Digital Hub. It allowed the first concepts of Agile and autonomous squads to be properly tested.

The concept is now being rolled out to the Digital Hub with the following characteristics:

- Squads are hybrid, as they are a collaboration between IT, Business and Digital and Innovation (D&I)
- The Squads work on actual systems that are in production, not prototypes or minimum viable products (MVPs)
- Digital Hub is responsible for improving the customer journeys – a clear scope, where customer input and therefore Agility is paramount.

"*We have successfully supported our retail solutions operations by digitalizing the quality management of their supply chain by utilizing an Agile at Scale approach. Many of the goods they buy come from a large number of small manufacturers. We are now designing an effective digital solution to support the testing and inspection of these goods.*" Guillaume Pahud, Head of Digital Hub

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By starting our Digital Transformation with the Digital Hub, we can digitalize and improve actual services with Agile at Scale methods. We can better understand our customers' needs which allows us to better present results in a way that is relevant to them.

This is a bold move. We are completely redefining our interaction with suppliers and customers, changing our work culture and mindset.
This is also Agile in practice: step-by-step, feedback creating change in order to reach our ambition of being the world's most digitally advanced testing, inspection and certification (TIC) company.

Are you using SGS services, and do you have an idea for how to improve your experience? Write to us!

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