

How agile are companies in Austria?

November 2023



Content

Introduction	4
Summary	6
1. What do companies in Austria understand by agility in 2023?	8
2. Challenges and trends on the way to agile transformation	20
3. Demographics	36
4. Methodology	37

Introduction



In an ever more dynamic business world, agility has proven to be a crucial factor for the success of companies. Since the pandemic at the latest, many people have been aware that the ability to react quickly to changes and develop innovative solutions is of central importance when it comes to remaining successful. This need has led to more organizations looking for agile approaches to transform their operating models.

PwC Austria and the Project Management Institute (PMI) Austria Chapter jointly surveyed various companies from a wide range of industries across Austria to research the current state of agility in the Austrian market.

This study builds on the publication that was published in 2021. We show what developments have taken place in recent years and what trends and challenges have arisen during implementation.

Most managements proudly talk about the fact that companies use agility and that this sometimes leads to great advantages for successful project implementation. Nevertheless, in reality it is often used purely as a buzzword in order to sound modern, without clearly questioning how the introduction can actually be used sustainably and across various business dimensions.



Introduction

The results of our study are as diverse as the world of agility itself. And yet some clear trends can be identified from the evaluation. Agility is now not only used in digitalization projects, but is also being accepted more broadly across the project landscape.

We would like to thank all participants who took the time to take part in our survey and shared their honest perspectives with us. You can find out exciting insights into the current status of the Austrian market, the potential, the hurdles and how these can possibly be overcome in the evaluation below.

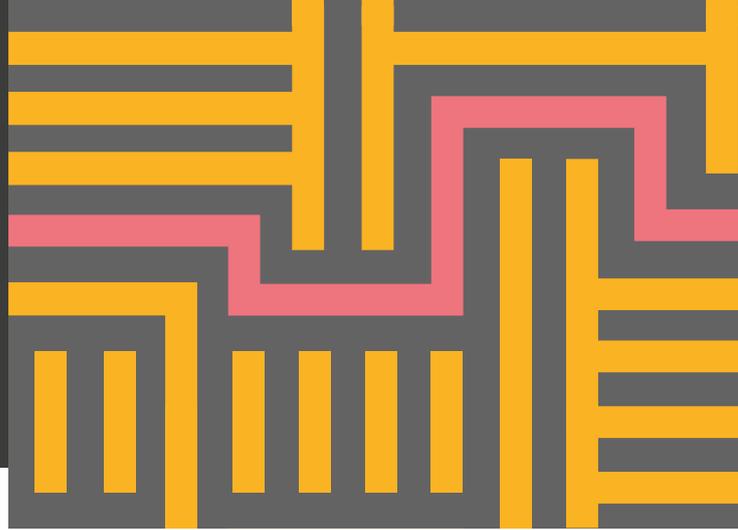


Philip Weihs
President of the PMI chapter
in Austria



Dieter Harreither
Partner at PwC Austria

Summary



Summary

Agility was originally conceived as a set of software development methodologies based on iterative and incremental ways of working, with requirements and solutions emerging through collaboration between self-organizing and cross-functional teams. Agility promotes adaptive planning, evolutionary development and delivery. It also enables a quick and flexible response to changes. Due to megatrends such as digitalization, sustainability and new work, it is becoming increasingly important for organizations to react flexibly to the requirements of our dynamic markets with the help of agile practices. Nowadays, this applies not only to software development, but to the entire company.

In 2023, PwC Austria and the PMI Austria Chapter have teamed up again to examine how agility is both applied and lived in companies in Austria and to shed light on the current agile development of Austrian companies. A main focus was on what the agile vision looks like today, what advantages and opportunities companies see and what obstacles arose during its introduction.

Significant results

1 Agility is seen as a holistic management approach to business transformation.	2 Agility is finding its way into areas outside of IT - including the executive suite.	3 A key obstacle to the wider adoption of agility is the lack of buy-in from key business areas such as HR, operations, etc.
4 Scaling agility is and will increasingly be a task for companies, but is happening slowly due to uncertainty.	5 Cross-functional communities for exchanging experiences and building trust are seen as an important ingredient in the recipe for the successful introduction of agility in companies.	6 The biggest obstacle to agile transformations remains resistance to change and the entrenchment of traditional corporate cultures.
7 Agile coaching and upskilling form the basis for agile transformations in Austrian companies.	8 Companies believe that agile will be an integrated and supporting methodology across broad business areas and corporate functions in the next few years.	9 Higher customer satisfaction, faster product launches (time to market) as well as employee satisfaction and engagement are the predominant drivers of agile transformations.

The most frequently mentioned keywords related to agility by participants in our survey

cultural transformation

change

innovation

team

leadership change

value

iteration

incremental

customer focus

customer satisfaction

self-organisation

scrum

speed

1

What do companies in Austria understand by agility in 2023?



Agility is the key to successful business transformation in a world of constant change. It forms the bridge between organizational culture change and the efficient delivery of customer benefits in dynamic markets.

Luka Petek
Agile Lead
PwC Austria

Today,

the majority of Austrian companies define agility as a way of thinking and a holistic management approach that enables business transformations in dynamic markets and puts customers at the center of value creation activities.

As in 2021, in 2023 this way of thinking will be perceived as a sustainable lever for organizational change and innovation.

70% of the companies surveyed



define agility as a **culture/mindset, governance & management approach** or **lever for innovation**

15% of the companies surveyed



see it primarily as a **software development approach**

more than **10%** of the companies surveyed



see agility as the **lever for transformation**, almost twice as many of the companies surveyed two years ago



“

Agility not only enables companies to react quickly and efficiently to the changing requirements of customers and markets. In a time of digital transformations and new work cultures, it also serves as a groundbreaking management and transformation approach for a sustainable strategic orientation for the future.



1

What do companies in Austria understand by agility in 2023?

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Being agile and being able to respond quickly to changes not only affects IT but extends to an entire organization.

Tobias Kirchebner
PwC Austria

What are the areas of application of agility: 2021 vs. 2023?

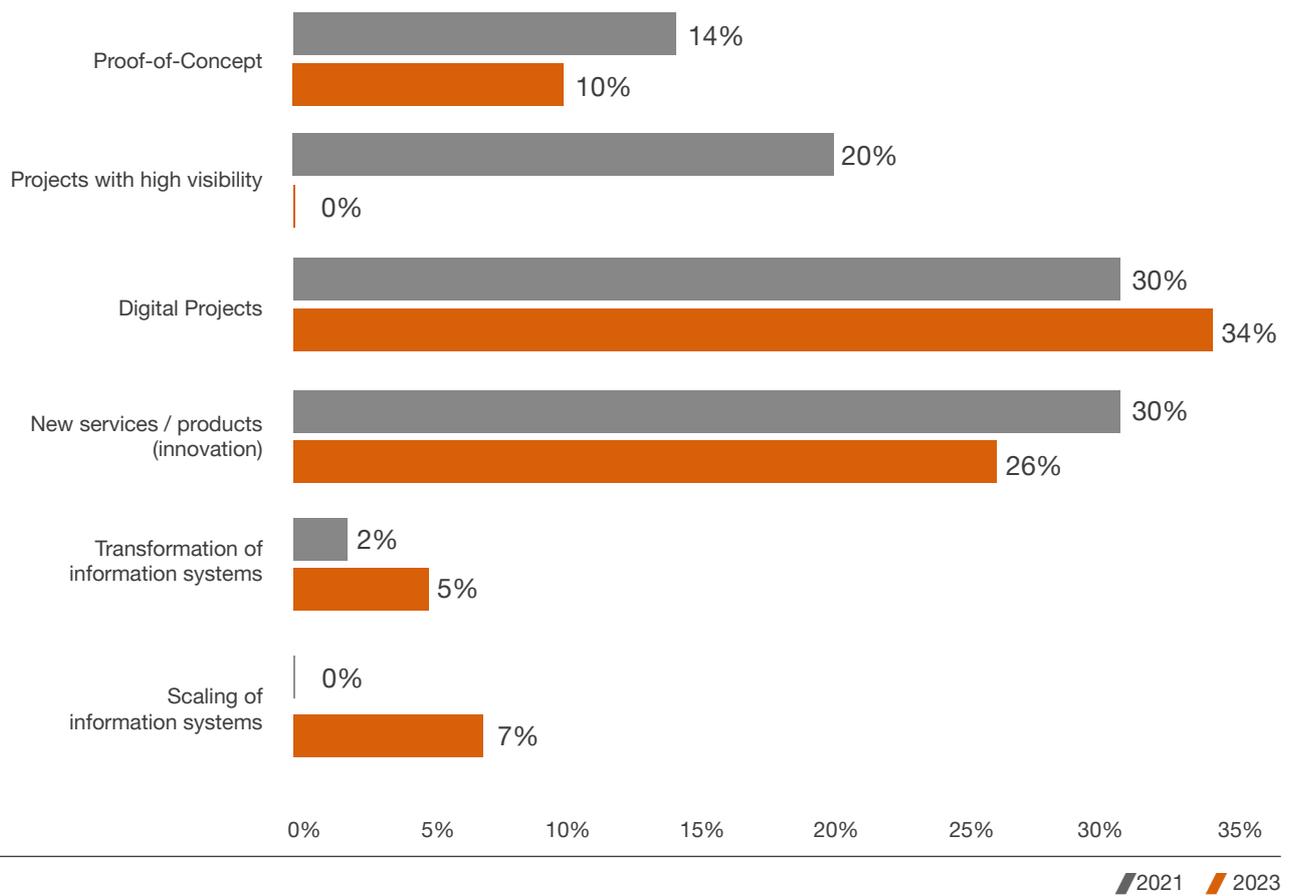
Digital projects and the creation of new services and products are the main applications for agility.

Agility is being used significantly more, particularly for transformation efforts in terms of scaling and governance, than it was two years ago.





What are the areas of application of agility: 2021 vs. 2023?



1

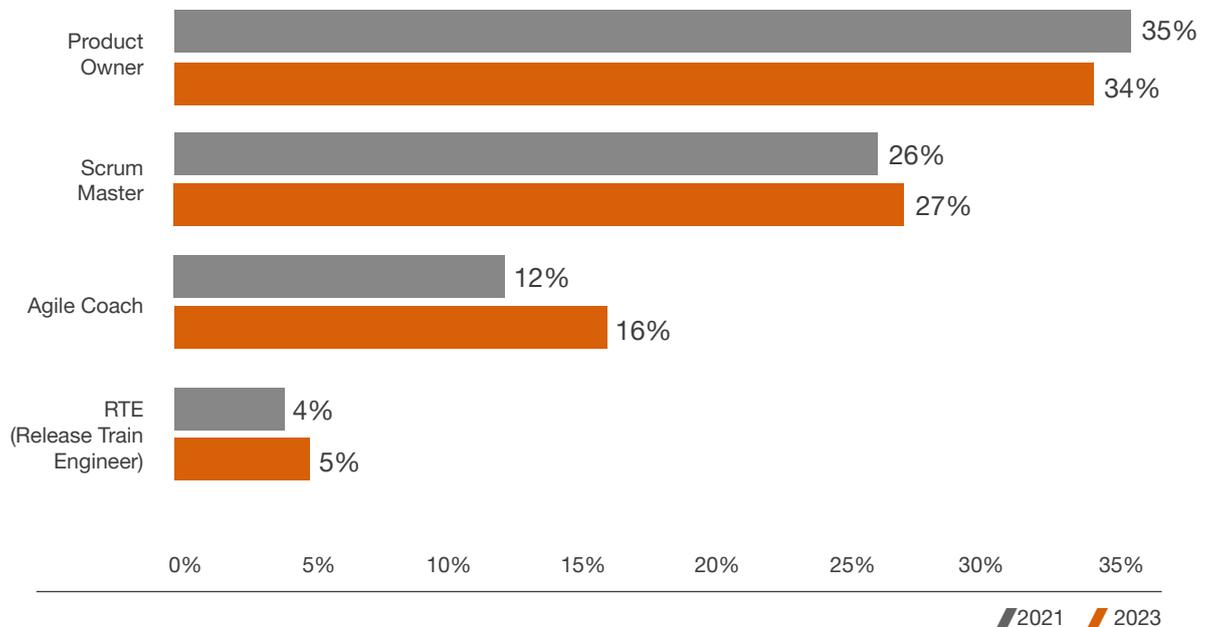
What do companies in Austria understand by agility in 2023?

Agile roles

in organizations have not changed significantly from 2021 to 2023. Scrum-specific roles such as Scrum Master and Product Owner will continue to be the most important roles in Austrian companies in 2023.

At the same time, the role of agile coaches has become more important over the past two years. The still low importance of the release train engineer role, for example, clearly shows that the scaling of agility in Austria is still in its infancy.

Which of the following roles exist in your company?



“

When one thinks about agility in the companies, its mainly associated with the roles like Scrum Master, Product Owner and Agile Coach.



1

What do companies in Austria understand by agility in 2023?

“

It does not matter how slowly you go as long as you do not stop.

Konfuzius

What is the actual usage development of agility year-on-year in 2021 vs. 2023?

The evaluation in 2023 shows, compared to 2021, that the number of experiments in the agile environment has been significantly reduced and the focus is on implementation. The most common integrations were implemented in the area of IT and projects outside of IT. Outside of IT, however, acceptance of agility is apparently less widespread than even two years ago.

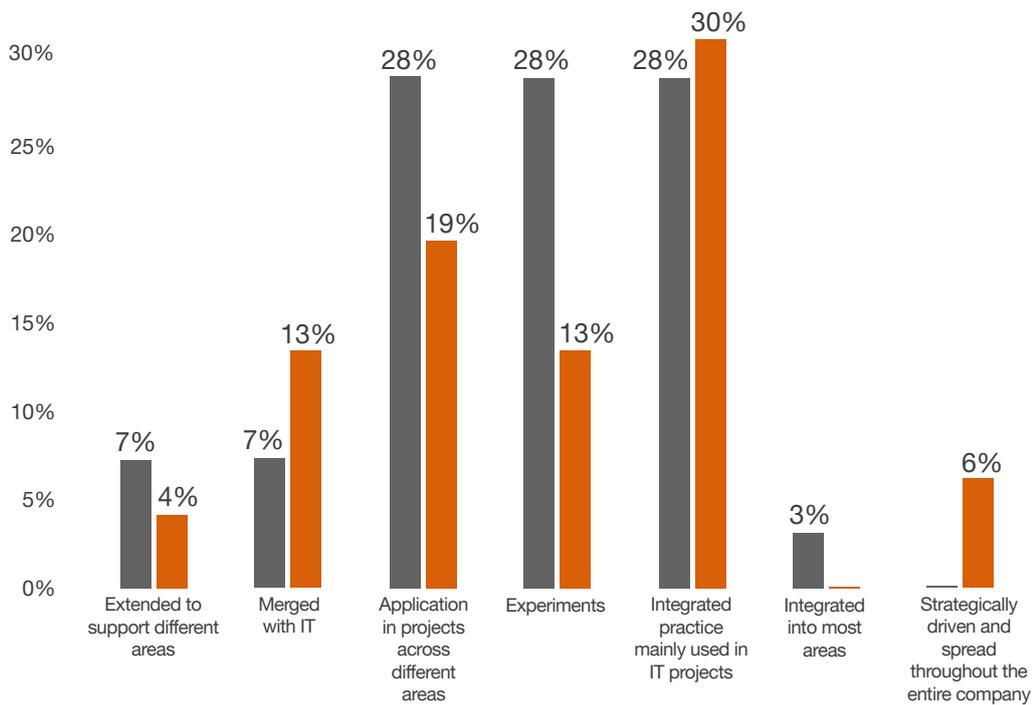
At the same time, however, the first companies are using agility as a strategic tool and driving integration across the organization.

An increase from 0 to 6% of strategically driven (agile) projects within the organization is a non-negligible result in the agile maturity level. Especially in comparison to 2021, when none of the companies surveyed had strategically integrated agility throughout the entire company and agile working methods predominantly took place in the area of experiments and IT projects.





How high is the acceptance of agility in your company?



2021 2023



1

What do companies in Austria understand by agility in 2023?



Only those who quantify and measure change have a clear understanding of progress and know their point of view.

Ursula Wirsching
PMI Austria

How far do you think agility will spread in the next 2-3 years?

In 2023, the three areas with the highest level of agile maturity are:

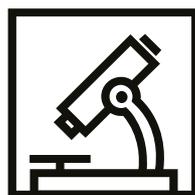
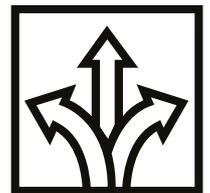


30%

IT Projects

19%

Non-IT Projects



8%

Experiments



With regard

to further development, the expectation is that in the next 2-3 years agility will finally take the step out of the IT function. At the same time, the need for experiments to show the added value of agility is no longer seen. Austrian companies today see the greatest potential for agile methods in the following three areas:

22%

Agility as an adopted method in a wide variety of non-IT projects.

19%

Agility as a supporting method in various business areas.

19%

Agility integrated into most business functions.



Despite the sometimes sobering results in areas outside of IT over the last few years, Austrian companies see great future potential in the agile development of the various corporate areas - both in the cross-company project landscape and in most corporate functions.

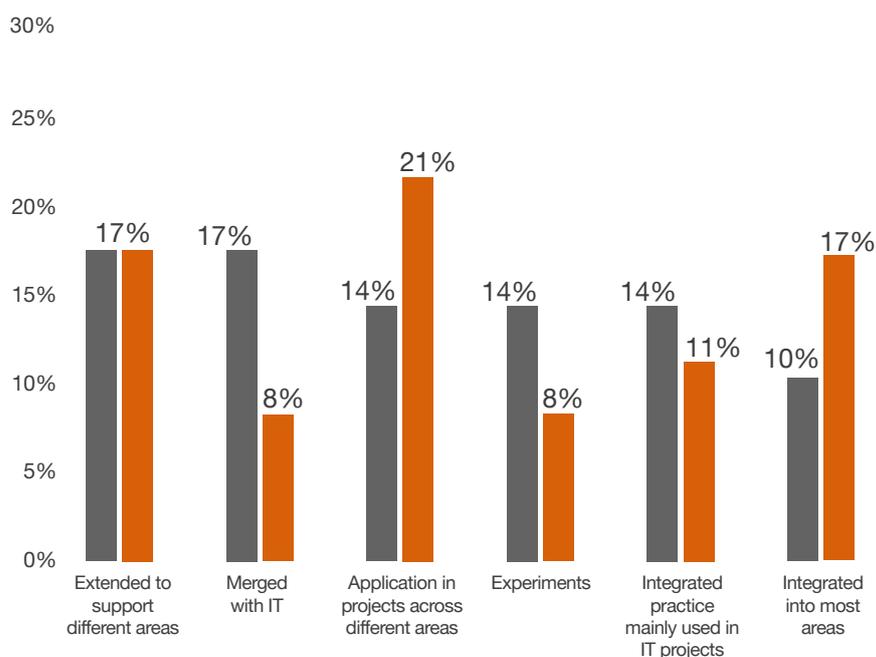
1

What do companies in Austria understand by agility in 2023?

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In order to correctly position and prioritize agility, you should first measure what level the company is at and in which direction it would like to develop itself. A good starting point for this is through an Agile Maturity Assessment.

What level of adoption would you expect in two to three years?



2021 2023



What is important to companies in agile transformations and why?

A roadmap for agile transformation in 2023 also contains the following three priorities as in 2021:



An increase in the importance of business processes also suggests that in 2023 companies will increasingly focus on management issues and organizational structures. In addition to training and technical tools, the importance of processes for embedding agility in the company is recognized. The importance of governance is still high, but it is clearly losing importance compared to the other elements.

2

Challenges and trends on the way to an agile transformation



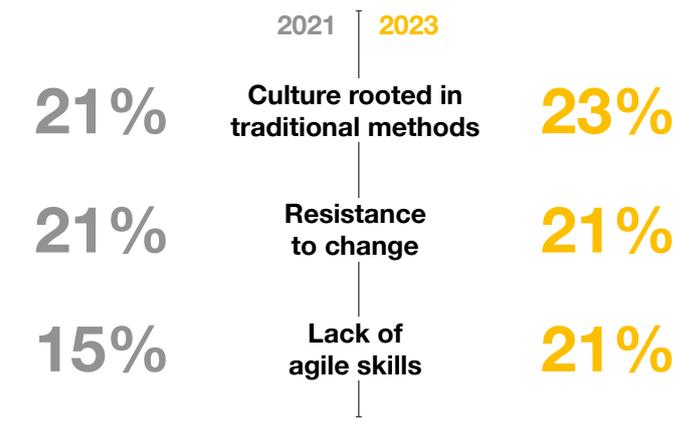
An agile leader transforms affected employees into committed co-creators and actively drives changes in the company.

Luka Petek
Agile Lead
PwC Austria

What obstacles have you encountered when implementing Agile?

The biggest hurdles in 2023 will still be the general resistance to change, less related to agility as such, but to the change in the company itself. This resistance is closely linked to the anchoring of a traditional corporate culture and traditional ways of working.

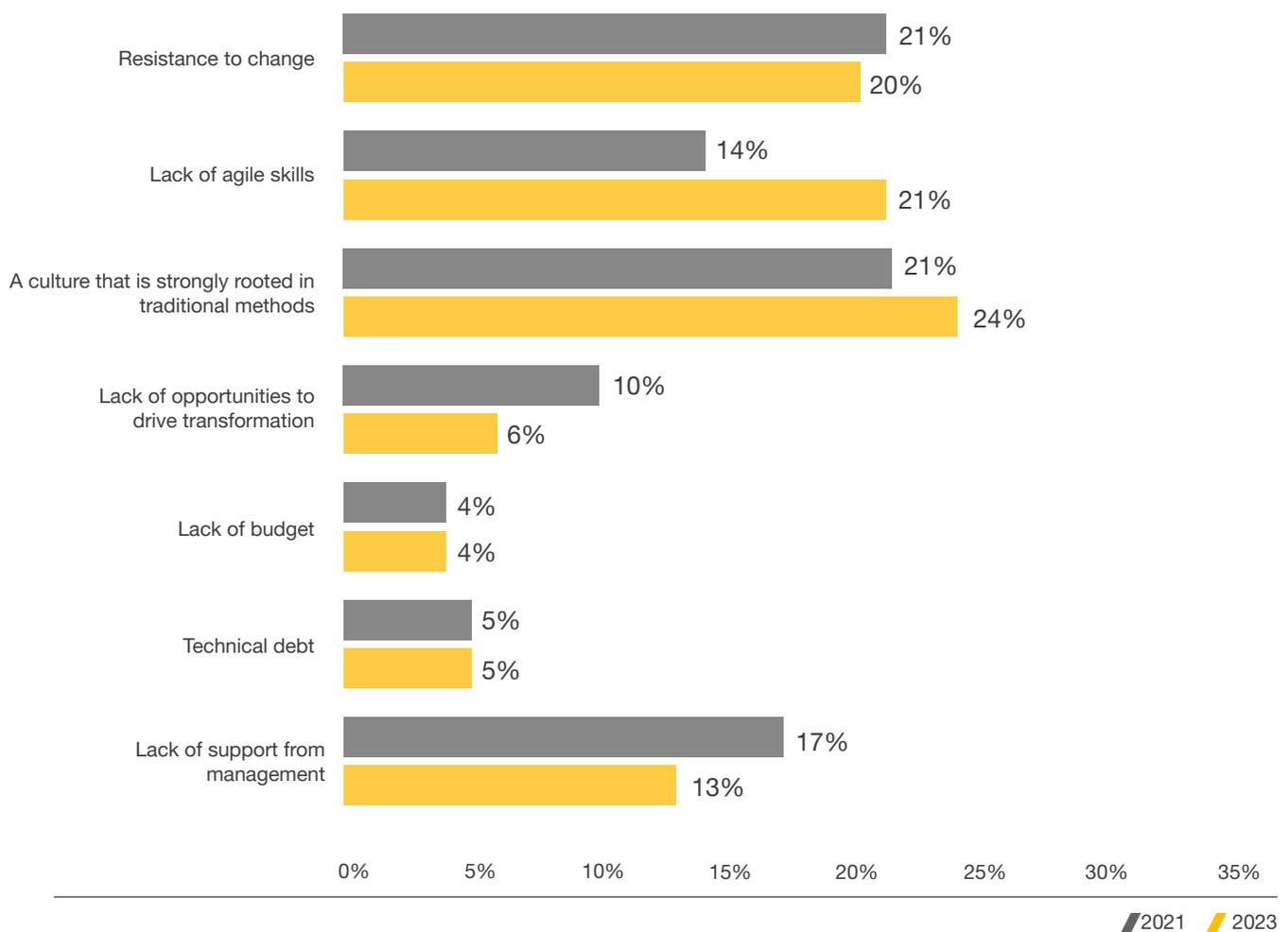
In the past two years, many companies have succeeded in obtaining buy-in from important sponsors and in anchoring the agile idea in management. However, some companies still do not have enough agile skills to successfully and sustainably introduce agility into the company. This may be because the focus on agile training has decreased.





It is also striking that topics that are often mentioned colloquially – such as a lack of budget, a lack of tools or a non-existent plan – played little to no role for the people surveyed.

What hurdles did you encounter when introducing agility?



2

Challenges and trends on the way to an agile transformation

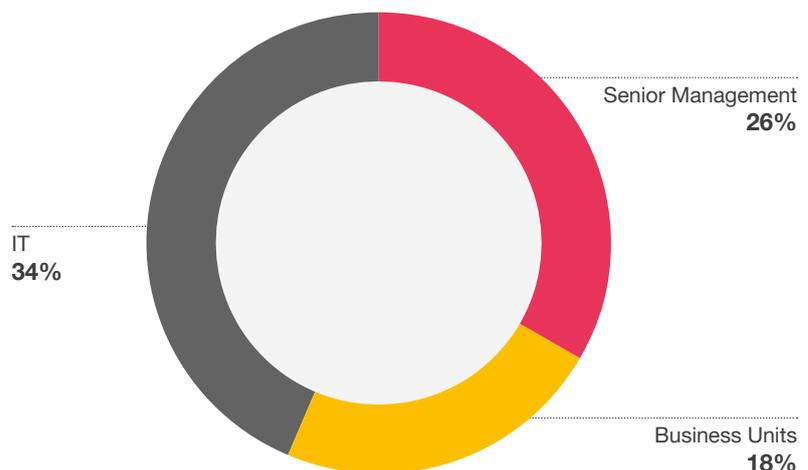


In 2023, the IT function and senior management will continue to be the key drivers of agility in the company.

Who are the current sponsors and which three are the most important for the transformation?

While both roles were roughly equally important in 2021, the central role of the IT function has increased significantly in the last two years. A critical backlog can be seen here in operational areas such as purchasing, production, sales or HR, which may also be responsible for the fact that broader scaling of agility is only occurring very slowly in Austrian companies.

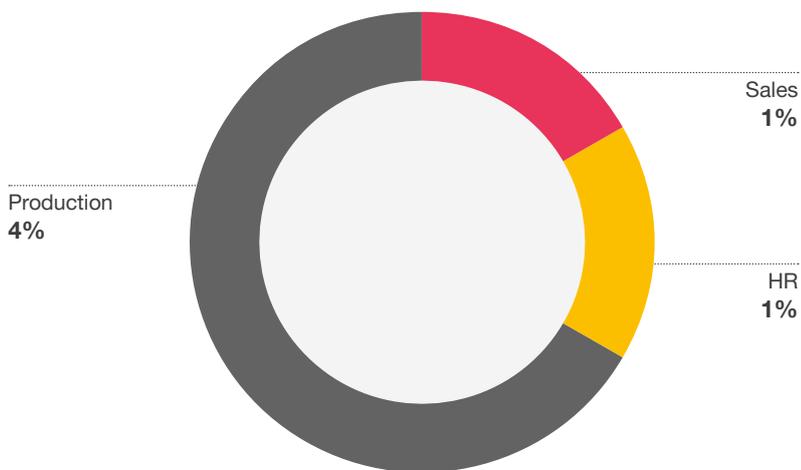
Top 3 sponsors for transformation



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Challenge: how can you win sponsors for an agile transformation outside of IT and management? Especially in the area of HR, there is enormous potential for agility to act as a driver/enabler of the workforce transformation.

Top 3 lagging factors for transformation



2

Challenges and trends on the way to an agile transformation

How are the benefits and success of agility measured?

The way in which the success of an agile transformation is measured has hardly changed over the observation period. The central element of agility, customer satisfaction, which remains to be the most important measurement for the success of agility. However, its importance as a KPI has decreased significantly. This is directly followed by the rapid acceptance of products or services by customers. Ultimately, a significant factor why companies choose agility is the development of collaborative work and communities.

In addition, these measurement factors also go hand in hand with the expectations about the benefits of an agile transformation that are expected from management levels. Our participants stated that there are essentially 3 specific expectations that have not changed significantly compared to 2021:



increased value creation for the customers who ultimately use the product or service



shortened time to market and

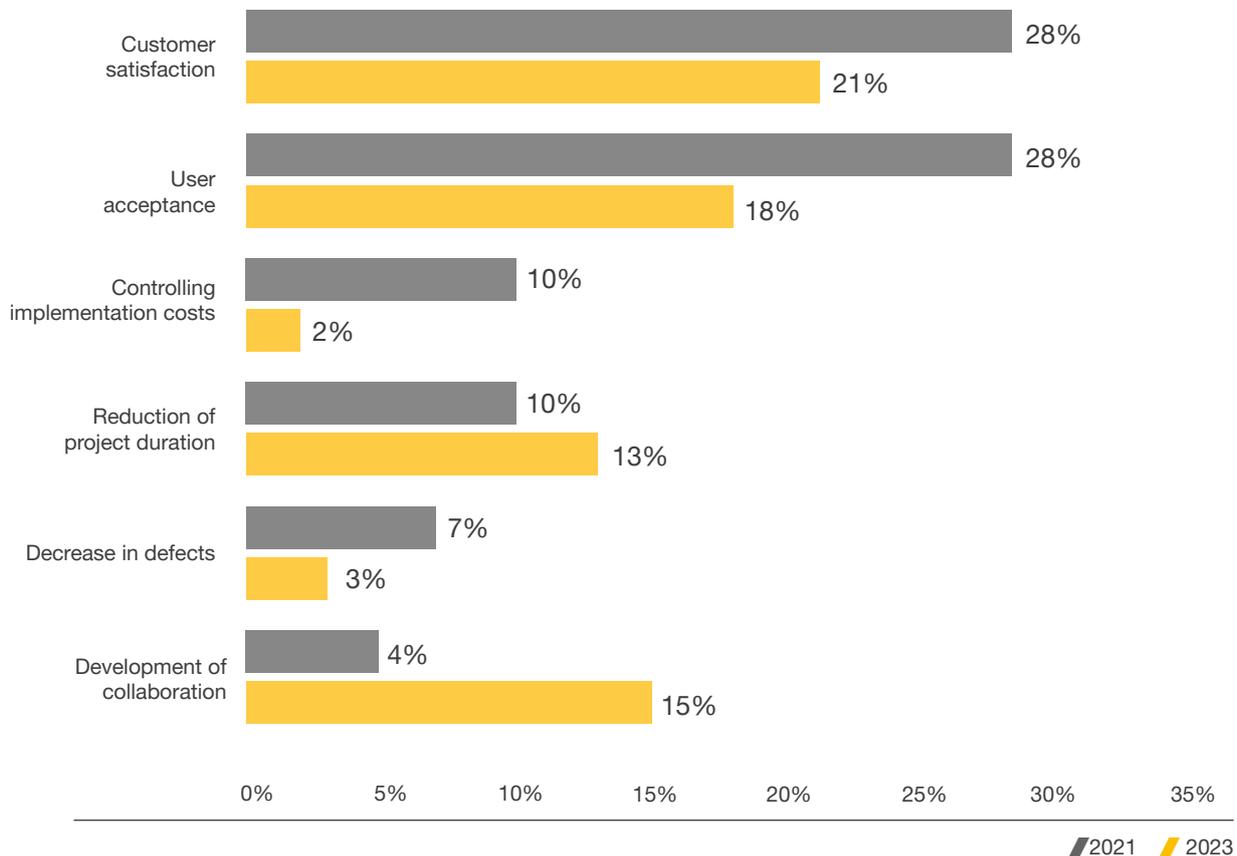


increased project success rate

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The central element of agility, customer satisfaction, is still the most important measurement for the success of agility. However, its importance as a KPI has decreased significantly.

How are the benefits and success of agility measured?



2

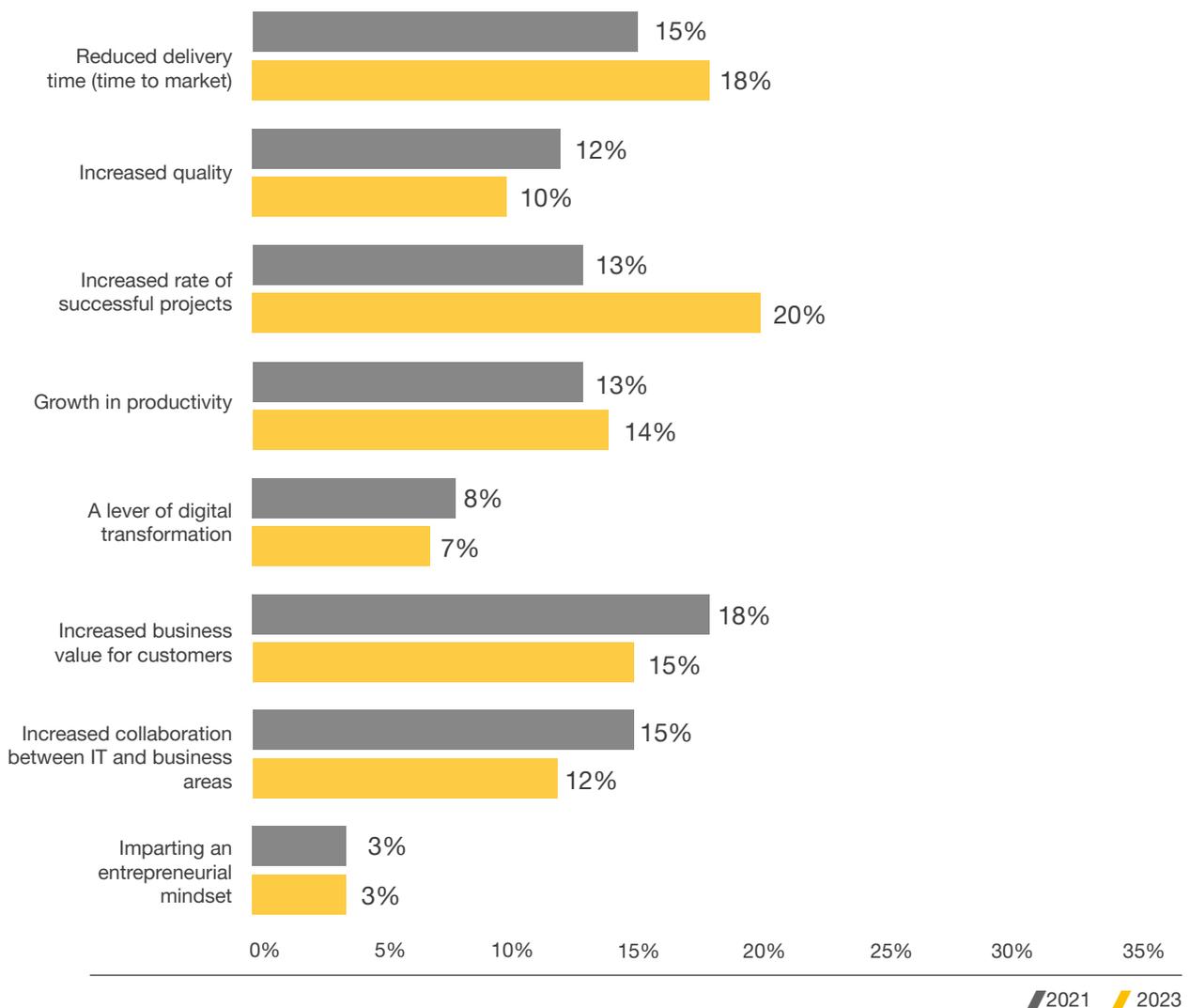
Challenges and trends on the way to an agile transformation

The expectations for agility are still very high and diverse.

The primary aim of agility are successful projects, faster lead times to the customer (time to market) and increased business value.

Increasing customer benefit and improving collaboration with the IT department, which were still the focus two years ago, have become less important.

What expectations does management have regarding the implementation of agility?





Agile Transformation Team, PwC Austria

2

Challenges and trends on the way to an agile transformation



Already in 2021, more and more companies wanted to integrate agility into all levels of their organization.

How many projects are done in agile?

The evaluation of the current study provides the following results on the agile maturity level in 2023:



While half of those surveyed handled less than a quarter of their projects in an agile manner in 2021, a third of all projects are now already agile.



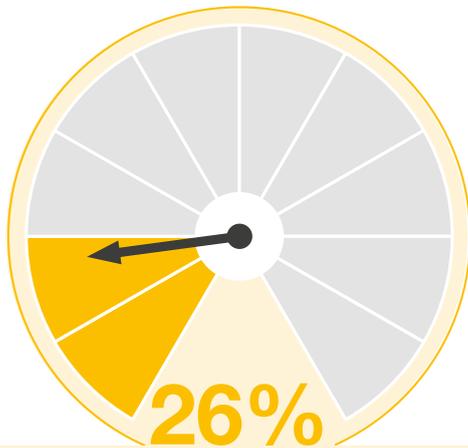
The number of companies that almost exclusively work with agile methodologies doubled in 2023.

In 2021, almost half of all companies surveyed said they only occasionally worked in inter-cultural teams; in 2023, three quarters were part of inter-cultural teams. The number of respondents who often work in cross-functional teams has also almost doubled in the last two years.

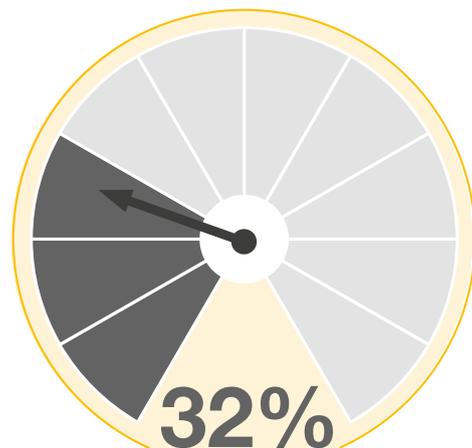
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There will be a significant increase in cross-functional teams in 2023.

How often do your teams work in cross-functional structures?



Occasionally (2021: 45%)



Often (2021: 17%)

2

Challenges and trends on the way to an agile transformation



Many companies use agile practices in small teams and reach their limits when it comes to expanding them to multiple areas and larger teams – in short, scaling.

What are the main barriers to scaling agile practices?

The top 3 hurdles in scaling agile ways of working are

-
- the planning effort and dependency management when multiple teams work together,
 - the integration and interplay of classic and agile projects towards release planning and
 - the development and sharing of knowledge.
-

The biggest difficulties in scaling agility lie in planning and managing dependencies between different projects and integrating waterfall and agile projects. The larger teams become, the greater the challenge of creating a culture of knowledge dissemination, which primarily works when it is embedded in the company's DNA and lived from above.

Compared to 2021, it is clear that the planning effort has increased significantly in recent years, also due to increasing project complexity.



What promotes the application of agility the most?

2021 vs. 2023:

Compared to the previous year, the need for training and coaching has increased again significantly. They are by far highlighted as the most important factors for the acceptance of agility in the company. At the same time, the need for tools that support collaboration is central to successful agile work. The added value of cross functional communities, on the other hand, is estimated to be lower than in 2021.

It can also be seen from the main obstacles to scaling agile practices that increasing planning effort due to higher complexity is a trigger for the increased need for coaching and the use of collaborative tools.

On the topic of cross-functional communities, the majority of people surveyed responded that their teams not only work cross-functionally, but also cross-culturally, which in turn underlines the importance of communities for scaling agile practices.

Top 3 – Takeaways 2023

23% Training und Coaching

22% Collaborative Tools

17% Cross-functional communities for exchanging experiences – all in the direction of collaboration

Top 3 – Takeaways 2021

19% Cross-functional Communities

19% Development of the role of managers and the organizational structure

17% Training and coaching

2

Challenges and trends on the way to an agile transformation



The evaluation shows a significant increase in terms of quality improvement.

What are your experiences related to the introduction of agility?

The top 3 Benefits of introducing agility in 2023 do not differ significantly from previous years:

19% Developing new models of collaboration
(2021: 18%)

16% Time savings (time to market) lead to improved service delivery (2021: 9%)

16% Employee satisfaction and engagement
(2021: 18%)



The evaluation shows a significant increase in terms of quality improvement through shorter time to market for new products and higher service levels through the implementation of agile working methods while at the same time improving working models and quality of life in the workplace.

The 3 biggest obstacles remained almost unchanged in 2023 and show that significant changes in company roles and processes can still lead to problems and resistance:

26% Difficulties in coordination
(2021: 25%)

22% Lack of organizational change management
(2021: 22%)

20% A fundamental change in the role of manager
(2021: 24%)



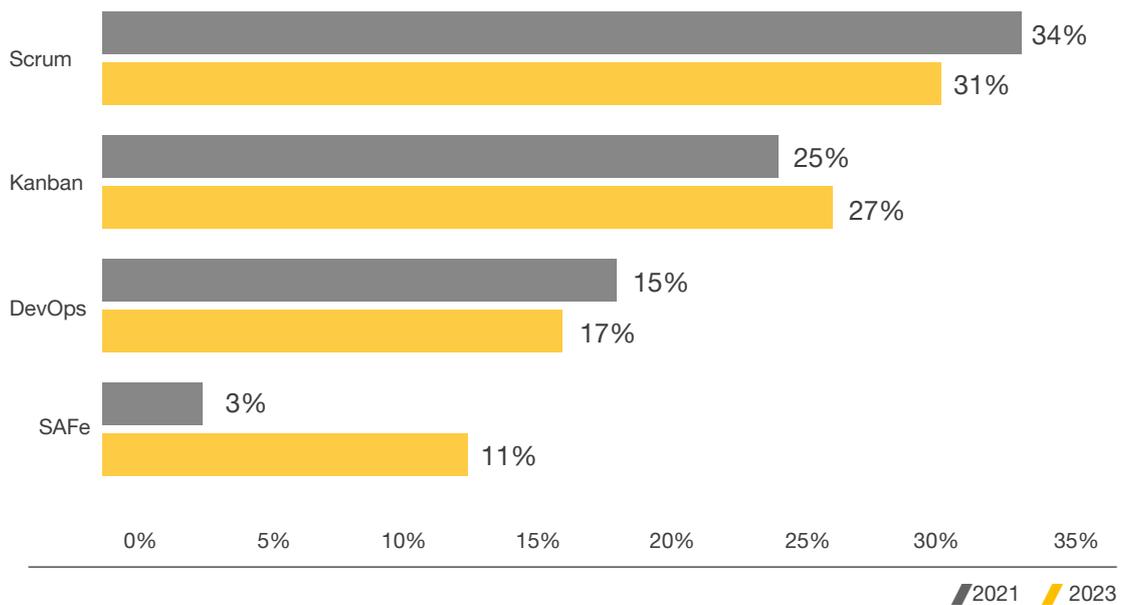
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Scrum and Kanban are still by far the most important agile practices in the companies surveyed.

Which frameworks are in use?

In the meantime, the scaling of agile practices has also arrived here. SAFe appears to be the framework that is most likely to gain acceptance, while Large Scale Scrum (LeSS) remains unknown.

Which agile methods are already used in your company?



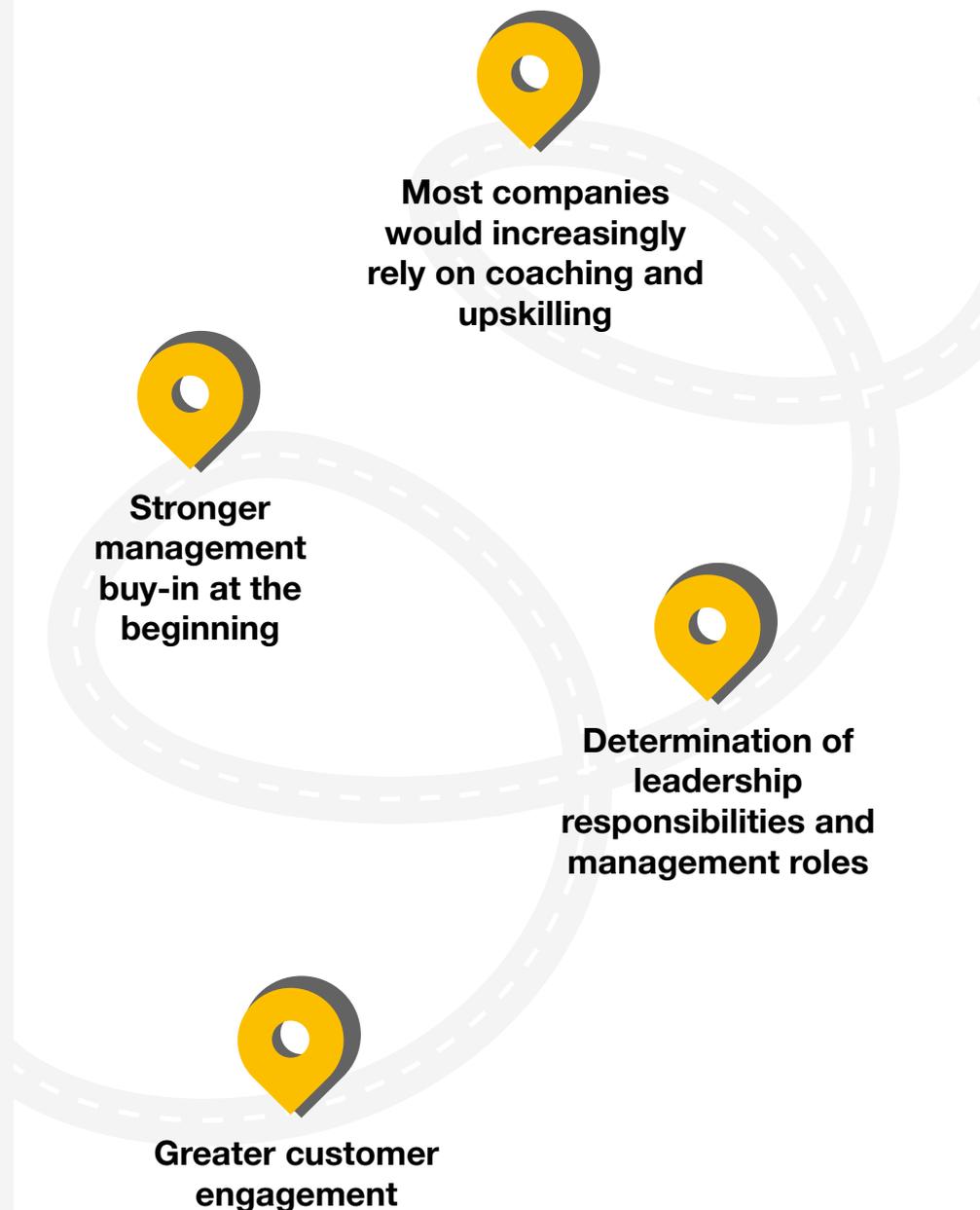
2

Challenges and trends on the way to an agile transformation



Companies reported that the following learnings will be prioritized in their agile transformation journey going forward:

If you had to reboot, what would you start with?





The PMI Austria Agile Team: Philip Weihs and Ursula Wirsching

About PMI

The PMI Austria Chapter sees itself as the bridge to PMI®, the globally leading organization for project managers and change makers. PMI® offers globally recognized project management (PM) standards and certifications, as well as numerous tools, publications, methods, e-learning, events and the world's largest PM online platform [projectmanagement.com](https://www.projectmanagement.com).

In Austria, the PMI Austria Chapter ensures networking and knowledge transfer in the PMCommunity. The PMI Austria Chapter offers information and events on the subject of project management and ensures the exchange of experiences among its members.



Meet part of the team:

Joice Augustine, Tobias Kirchbner, Christoph Weichselbaum, Vira Matviienko, Janos Bendeguz Konya, Luka Petek

About PwC

PwC sees its mission in building trust in society and solving important problems. More than 348,000 employees in 158 countries contribute to this with high-quality, industry-specific services in the areas of auditing, tax and legal advice as well as management consulting.

At five locations, with over 1,400 experts and around 60 partners, PwC Austria provides these services to a wide range of clients, from local and medium-sized companies to large multinational corporations operating from Austria. An industry-oriented consulting approach creates values, trust and sustainability.

The PwC Agile Transformation team with its cross-functional cooperation model is your contact for all questions about business agility, agile transformations, coaching and maturity assessment.

3

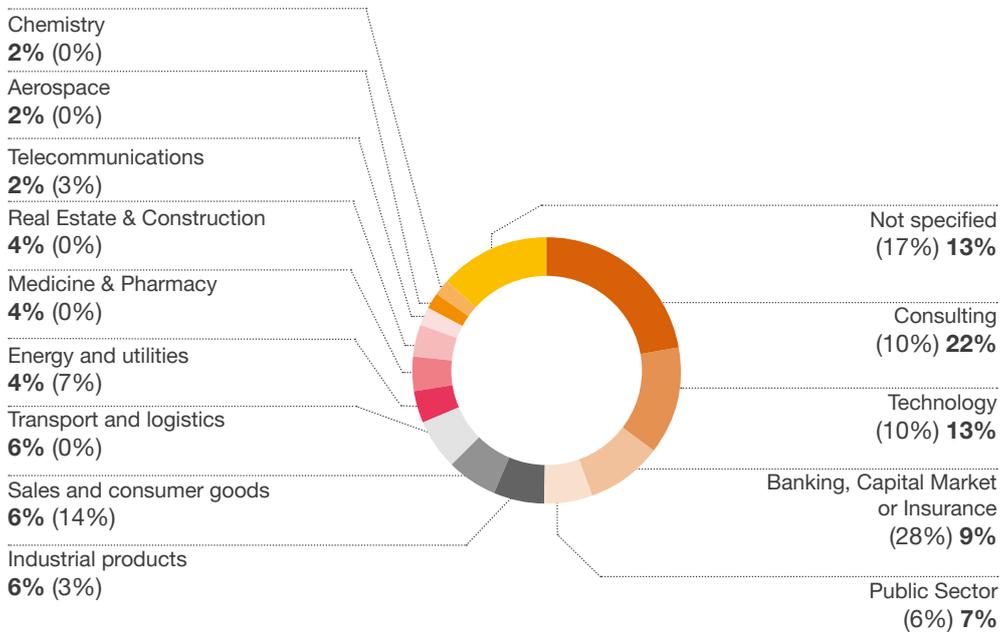
Profiles of interviewees



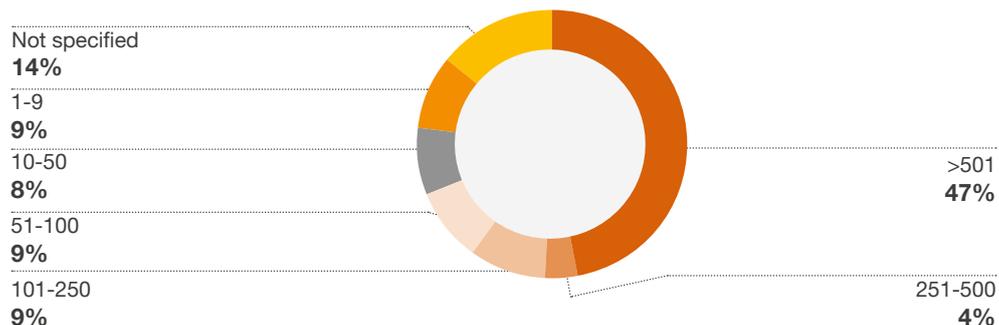
By comparing the profiles surveyed across industries, it is possible to see an increasing awareness of agility in various industries. Where agility was predominantly used by banks and insurance companies in 2021, in 2023 an increasingly diverse use of agility in industry can now be seen. However, the size of the companies surveyed only differs marginally in comparison.

Industries of the companies surveyed

(Number in brackets: from study from 2021)



Size of the company/organization surveyed in FTE (full-time equivalent)

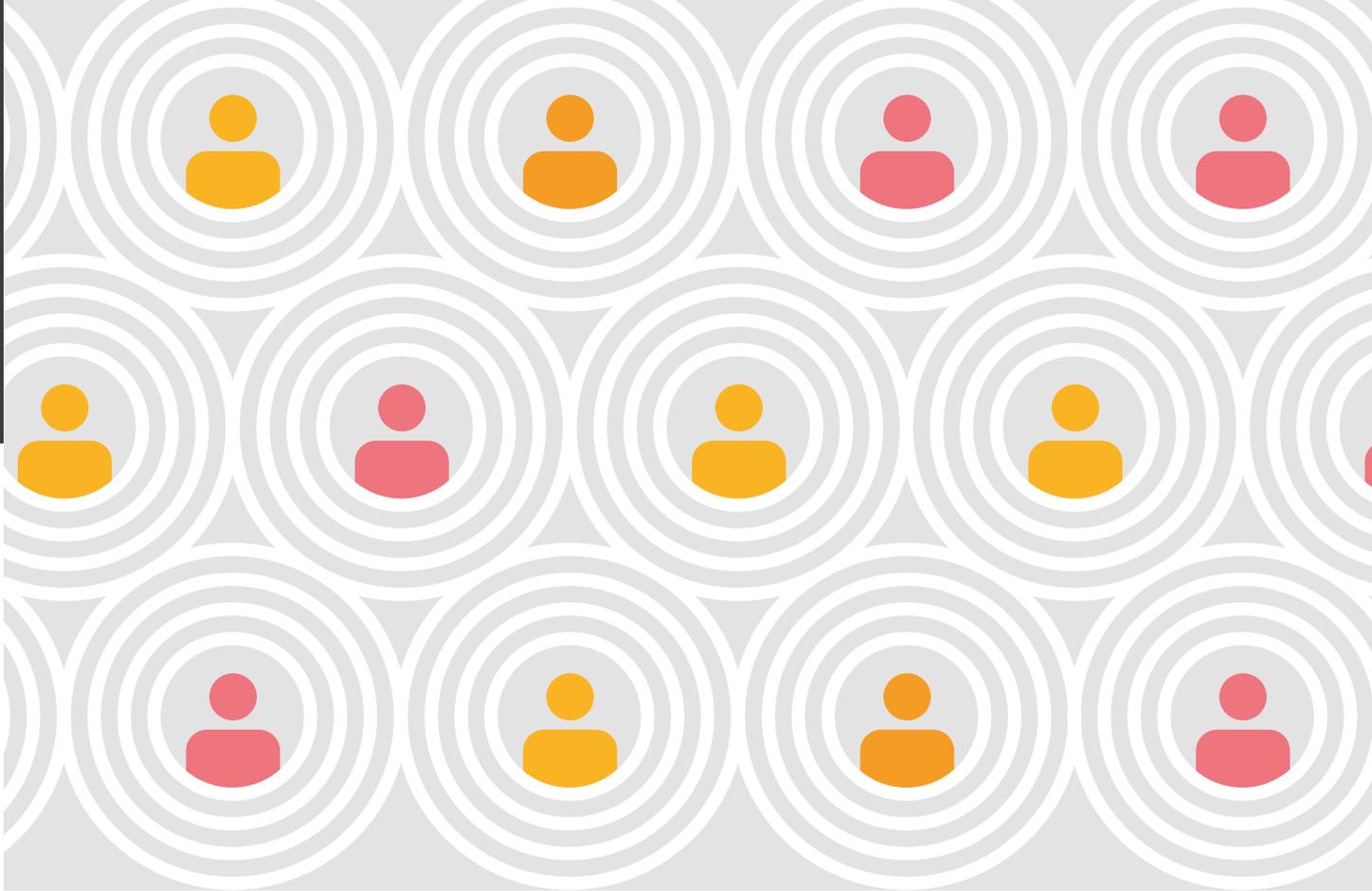


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Methodology

- For the second time after 2021, PMI Austria Chapter and PwC Austria conducted a survey on the status of agility in the Austrian market.
- The survey was open from June to August 2023 and included 27 questions covering four areas of interest related to Agile:
 1. Level of adoption in organizations
 2. Interpretation and knowledge of Agile
 3. Methods related to implementation
 4. Evaluation of the results and lessons learned
- The questionnaire contained questions with one answer option, multiple choice questions, and questions that could be answered with free text.
- The survey was voluntary, anonymous, open to the entire public and provided feedback from >50 participants.
- The overall results of the study were presented on November 21, 2023 at PwC Austria in Vienna.





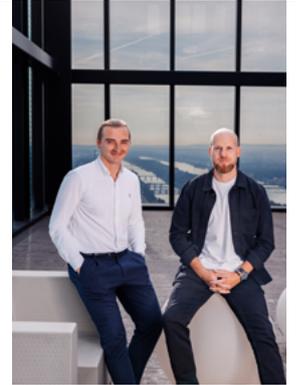
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Agile Maturity Quick Assessment

Agility is the consistent continuation of agile methods from the project level to the entire organization and each individual manager. Agile methods support faster and more efficient implementation of market and customer requirements, as well as the development of a flexible business model and a committed and satisfied workforce.



We evaluate the agility of companies according to these four categories:



Strategy & business model: How agile is your corporate strategy and the vision of your management?



High-performing teams: How agile is your team and how well is its performance?



Processes and tools: How well versed are you in agile processes and tools to get the most out of your work?



Technology & architecture: Is your corporate architecture state-of-the-art and are you making optimal use of your tools?

This study shows to what extent agility is anchored in Austrian multicultural companies and, in comparison, in other European countries. The topics of the study are: the degree of dissemination, obstacles to the introduction or facilitation of dissemination, knowledge of agility within the organization, and the agile methods used.

With our maturity analysis, we work with you to evaluate the effectiveness of your agile projects and organizations along a variety of dimensions and sub-dimensions and identify optimization potential for lean organizations. The results can be implemented immediately and are incorporated into the further development of your agile organization.





If you have any questions about agility, please contact our **PwC Agile Service Offering Team** at any time.



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