

Have Agile work practices become more important for banks during the COVID-19 pandemic?

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Introduction

The COVID-19 pandemic has clearly demonstrated the importance of technology for maintaining productivity and collaboration across a remote workforce (e.g., video conferencing use, cloud-based tools). However, new ways of working, such as Agile work practices, have also played an important role during this period. As first identified in a 2020 [report](#) we developed with Murex, the collaborative nature of Agile work practices has been embraced by remote teams, helping to maintain connectivity for delivering IT projects and business as usual activities.

Due to benefits Agile work practices provide, and an increasing focus from regulators on the importance of technology to support recovery efforts related to the pandemic, we expect the adoption of Agile work practices to increase in importance.

To be successful, organizations must now identify the benefits and lessons learned from adopting Agile work practices during the last 12 months, especially as they look at day-to-day solutions for more permanent hybrid working arrangements or innovative ways to deliver large-scale transformation. Agile work practices should be seen as another important tool, providing the workforce with necessary skills, connectivity and control over their time to remain productive and engaged.

What are Agile work practices, why have banks adopted them and what opportunities do they present now?

Agile work practices set out an alternative way to deliver IT projects, moving away from a traditional “waterfall approach” (a linear process of design, test, build activities), toward quicker, iterative, development cycles (known as “sprints”). This meant IT projects could be broken into smaller parts, allowing for feedback and changes to be made more quickly, in turn increasing the quality of the end result.

The original Agile concept for IT projects has since been adopted by organisations, such as banks, and subsequently adapted to a wider range of change and business-as-usual activities known as “Agile work practices”. Adopting Agile work practices has helped banks achieve a range of benefits, such as delivering incremental updates to business applications more quickly or more dynamic allocation of resources based on changing operational needs. For example, some banks have used Agile work practices for client-onboarding to incorporate new features and requirements for KYC processes more quickly (this use has increased during the COVID-19 pandemic due to the changes needed to onboard clients digitally).

The importance of new ways of working such as Agile work practices was recently acknowledged by the European Commission in their 2020 [Digital Finance Strategy for Europe](#). The strategy emphasised that the adoption of new technologies in financial services such as cloud, DLT and AI increasingly require an Agile approach because their development is by nature more open and collaborative (e.g., new technology adoption, such as AI, is increasingly encompassing a wider range of internal staff roles, and third parties, to develop and implement).

Our 2020 [report](#) with Murex on Agile work practices, developed as the COVID-19 pandemic began to unfold, highlighted that the disruption faced by banks required them to be increasingly flexible to change (e.g., quickly deploying new remote working tools across the workforce) and able to quantify and mitigate any impacts on productivity.

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The value of Agile work practices in navigating ongoing disruption and uncertainty

Six months since the publication of our 2020 [report](#) with Murex, we have again engaged senior members of AFME's Technology and Operations Committee to assess how the adoption of Agile work practices has been helpful to overcome ongoing challenges in the current operating environment. Our members observed that Agile work practices have had a positive impact on banks' day-to-day and ability to cope with the disruption, and are likely to increase in importance throughout 2021.

Instead of being dedicated to delivering specific projects, Agile work practices are now being incorporated into the day-to-day running of teams. Pre-pandemic, teams would usually organize weekly meetings to discuss individual and common priorities or increase team-building. It is not uncommon today for teams to have daily Agile "stand-ups." These short, time-boxed status checks offer benefits to dispersed teams, as they can synchronize work more regularly, allow priorities to be reassessed, and connect staff to increase team-building.

Agile tools such as "virtual white-boarding," "user stories" or "customer journeys" have also been used to maintain staff productivity and engagement, by shifting the focus of work toward the main key stakeholders of a project (e.g., looking at delivery from the perspective of a future user or client). This has been effective to make work more meaningful in a period of significant uncertainty.

Agile work practices also provided banks with greater flexibility and control over resource allocation by implementing tools that measure productivity. For example, common Agile tools such as 'burndown charts,' "velocity charts," "escaped defects," and "cycles times" have provided dispersed teams with reporting tools used to measure progress more accurately.

This was an advantage during the COVID-19 pandemic for banks with mature Agile teams—they were more prepared to provide insights on productivity gains or losses and ultimately had greater flexibility, control and transparency over resource allocation. Banks with mature Agile work practices were able to quickly shift resource allocation, on a cross-border basis, to address short term priorities while maintaining focus on strategic multiyear programs, such as the London Inter-Bank Offered Rate (LIBOR) transition or the Fundamental Review of the Trading Book (FRTB).

Agile work practices have also played an important role in attracting talent and enabling continuous workforce upskilling. For example, Agile work practices have enabled increased staff development by driving cross-functional teams (e.g., combining the skills and knowledge of multiple roles into a single team). This has resulted in a positive impact on company culture by breaking silos and increasing collaboration during a time where face-to-face interaction has dramatically reduced.

What does this mean for Agile work practices in 2021 and beyond?

Agile work practices are now increasingly being incorporated into the culture and day-to-day of teams. Adopting new ways of working, such as Agile, will therefore continue to be an important area of focus for banks.

We believe the adoption of new ways of working, such as Agile work practices, will become increasingly important for all financial market participants, including regulators, as we continue into 2021 and beyond. Their adoption at scale will in turn act as a catalyst for the EU's [Digital Finance Strategy](#) and its ambition to increase collaboration and new technology adoption within financial services.

It is now crucial that Agile work practices, benefits and lessons learned are identified, as banks look toward more permanent hybrid working arrangements and innovative ways to deliver large-scale transformation. Agile work practices should be seen as another important tool to drive efficiency and productivity, providing staff with necessary skills, connectivity and control over their time.

AFME initiatives

- AFME Report: [Adopting Agile Work Practices at Scale in European Capital Markets](#)
- AFME Webinar conference panel: [Adopting Agile Work Practices at Scale within European Wholesale Markets](#)

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