

Organization Practice

How agile can power frontline excellence

An agile transformation can release the full potential of frontline staff, leading to more-satisfied, happier employees, lower costs, and better overall performance.

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Agile ways of working can deliver benefits far beyond IT, the function where they originated: faster and more customer-centric decisions, happier customers, better use of talent, less wasted effort, and empowered and engaged employees. Framed differently, an agile frontline can drastically improve customer experience by creating more seamless customer journeys with reduced handovers and making the frontline¹ more resilient in downturns and faster in upturns, as we have seen during the COVID-19 pandemic.

Most organizations embarking on an agile journey start with the business functions that seem most likely to embrace an agile operating model. For example, many banking or telecommunications organizations that have introduced agile began with the IT or technology function, followed by product or business development and marketing.

From an organizational standpoint, however, the majority of the workforce is situated not in these central functions but in the back office or in branches or call centers. Most agile transformations are a means to improve customer experience. Therefore, including frontline employees who have a direct and daily influence on the customer is a key to success.² Speeding up digitization is a second reason to go agile in the frontline. Because frontline employees are the human interface between the customer and the company, they are crucial in increasing customer use of digital functionality and creating a seamless experience across all channels. A third and equally important reason to take agile to the frontline is to make better use of employees' skills and increase impact per full-time equivalent.

One leading bank has shown that a frontline agile transformation can result in doubled sales volumes, tripled high-value customer interactions, and an immediate 10 to 20 percent reduction in branches, facilitated by increased digital adoption. This bank also found that the shift to a more agile sales force helped it adapt to the challenges posed by the pandemic. Employees who had been trained in

agile and were accustomed to self-authorization and serving clients across channels adapted more easily to working independently from home and connecting to customers online and via video and phone calls.

How, then, can companies bring the benefits of agility to all frontline employees, and what does agile in the frontline look like? In this article, we identify the five elements that underpin frontline agility. Companies should not underestimate the importance of frontline excellence; they are only as good as their last employee-customer interaction.

What does an agile operating model in the frontline look like?

Any frontline agile transformation is guided by a set of comprehensive and consistent design choices about strategy, structure, people, processes, and technology, all aligned around the aspiration to create an improved customer experience (exhibit).³ In addition, a frontline agile transformation is iterative and grows through testing, learning, and refinement; not everything can be planned.

Strategy: Provide the big picture for salespeople

The strategic choices that companies make often don't filter down to the hearts and minds of frontline workers. But what if sales employees could exercise informed judgment, become entrepreneurs within the enterprise, and conduct short-term experiments and share ideas on what works? Magic can happen if frontline employees understand how their targets link to strategic objectives and how their work contributes to wider company success.

In agile sales organizations, the average frontline employee receives more information and is included in communications about the purpose of, and strategic choices for, the organization as a whole. Communication is more inclusive and interactive. These agile organizations foster dialogue (both top-down and bottom-up) and understand how sales functions can drive the

¹ We define the frontline to include all employees who directly engage with customers to maintain or extend the business relationship.

² For a discussion of the success factors for agility in business-to-business sales and marketing, see Boudewijn Driedonks and Ryan Paulowsky, "Two ingredients for successful B2B sales: Agility and stability," April 2020, McKinsey.com.

³ See Daniel Brosseau, Sherina Ebrahim, Christopher Handscomb, and Shail Thaker, "The journey to an agile organization," May 2019, McKinsey.com.

strategic agenda using customer feedback. They operate from the belief that empowered employees will make more and better emotional connections with customers, leading to greater engagement on both ends and a stronger, longer, and broader relationship as a result.

In addition, in agile sales organizations, the number of performance indicators is drastically reduced to a set of clear outcomes to focus energy on the things that matter most through the lens of the strategic aspiration. We have found that ten to 12 metrics seem to be the right number. In addition, the metrics and the outcomes they measure are self-assessed on a quarterly basis, including the latest insights and customer feedback.

Structure: Radically de-layer the organization and empower frontline teams

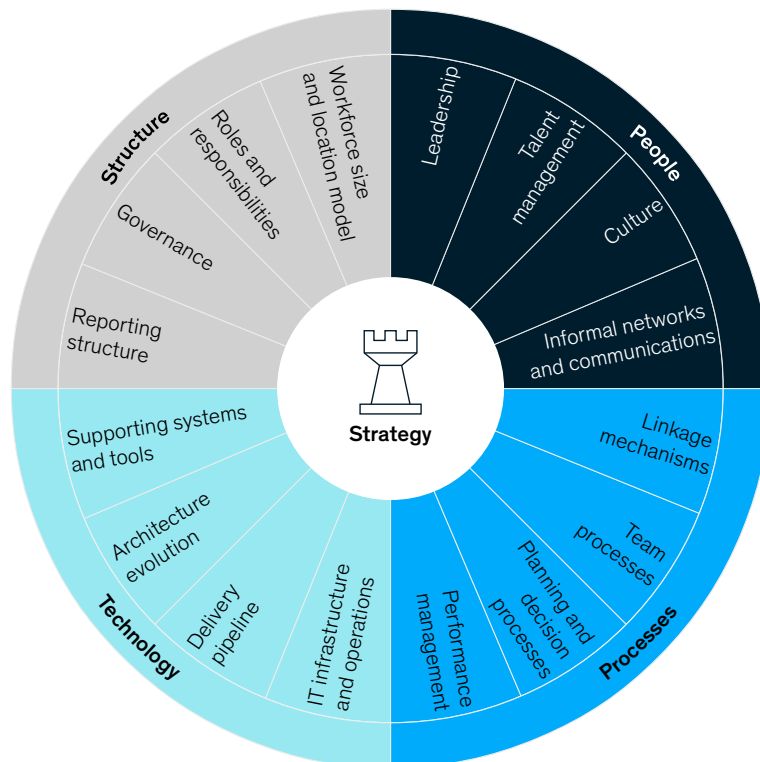
Agile reduces blockages, bottlenecks, and friction. Let's look at how this plays out at a bank; the lessons learned can apply to all consumer-service industries.

When banks digitize client journeys and customers become more comfortable using digital channels, traffic at branches tends to fall. As a result, the number of team members in a branch may become too small to justify a manager in each branch. In addition, internal sales processes and controls are digitized, so the number of management tasks declines.

Reduced transactional traffic at the branch and an increase in interactions requiring advice giving can lead not only to smaller teams but also to teams with more seniority. This opens the way to give employees more responsibility while eliminating the need for a branch manager. When shifting to more-empowered teams of sales advisers with a variety of expertise (by segment or product) and shared objectives, peer-to-peer coaching and learning can happen naturally and directly on the job. Moreover, a big reduction in managerial roles becomes possible if more empowering and agile ways of working are applied to sales.

Exhibit

Successful agile organizations implement key practices along the five dimensions of strategy, structure, people, processes, and technology.



For example, one Western European company eliminated two layers: the regional director and store manager roles. The lowest level of management became responsible for geographic circles of three to six stores. This was done not only to reduce the number of store managers and cut costs but also to create multidisciplinary teams that could rotate across stores. This approach allowed smaller stores in rural areas to tap into the kind of sophisticated client services that they had been lacking. In addition, these employees started to handle inbound email, outbound calling, and remote video services across branches, thus making more effective use of downtime.

Some of the cost reductions were reallocated to fund a greater number of more qualified client-facing staff members, leading to improved customer interaction, higher-quality advice, more sales, and happier customers. Consequently, the transformation did not come at the expense of client interactions but instead benefited them.

People: Make roles universal and broaden skills to reduce handovers and create a seamless customer experience

Moving from specialized to universalized roles can minimize fragmentation and handovers in the customer journey. In the case of banks, universalizing roles can lead to a more seamless customer experience because one sales employee can cover multiple products instead of handing over the interaction to another product specialist. In telecommunications, the equivalent situation would be a customer's ability to work with just one sales employee across a range of services—broadband, internet, and mobile phone.

The same goes for universalizing across touchpoints. For example, training bank employees to interact not only face-to-face but also via video, phone, or chat makes the customer experience more seamless and personal. On top of this, the universalizing of employee roles enables a simplification and reduction of job profiles and more flexibility and efficiency in scheduling, also making these workers more employable inside and outside of the company.

In our experience, universalizing roles in the frontline has proved much more feasible than anticipated, resulting in a better customer experience, more-engaged employees, and more opportunities to attract and retain talent.

When shifting to broader roles and greater responsibilities, leaders have a responsibility to invest in re-skilling and right-skilling their employees. This takes time and effort as well as money. Some organizations concentrate those investments on employees who are viewed as more likely to succeed at the company and stay longer. In fact, experience shows that right-skilling works best when combined with a selection process of this kind. Again, peer-to-peer coaching in teams on the job has proved both effective and efficient.

Executives should not ignore the cultural challenges that can emerge in a frontline agile transformation. To demonstrate ownership, take responsibility, and collaborate, employees need leaders who exhibit trust and transparency, provide clear direction, and make emotional connections with the workers. Conduct of this sort by top and middle management is especially important in areas where employees have been “raised as taskers,” which is often the case in a sales environment. Inspired leaders can create an environment in which employees dare to experiment, fail, learn, develop, and improve.⁴

Process: Shift from top-down targets to bottom-up ambitions

Agile ceremonies such as day-starts, retrospectives, and performance dialogues can enable an outcome-focused learning and improvement cycle. Visual tools such as sprint planning and portfolio walls can make learnings actionable, especially when these ceremonies are facilitated by specific agile-in-sales coaches. These agile sales ceremonies are usually shorter and less frequent than in a headquarters environment, because “time is money” applies even more in sales than in the rest of the organization.

In addition to implementing these approaches, one company moved to a bottom-up process of

⁴ Nikola Jurisic, Michael Lurie, Philippine Risch, and Olli Salo, “Doing vs being: Practical lessons on building an agile culture,” August 2020, McKinsey.com.

setting targets or ambitions. This allowed frontline teams to set their own ambition levels using predefined success metrics. The company found that this reversal—from top-down to bottom-up ambitions—led to increased employee ownership, entrepreneurship, and predictability, as well as improved financial results. Multidisciplinary teams of sales employees shaped their own quarterly ambitions and took accountability for meeting those ambitions. This bottom-up, ambition-setting process was supported by data and benchmarks. For example, the sales teams were equipped not only with their own performance data from previous quarters but also with the data of peers and with estimations of the maximum sales potential in their area.

This approach also links to culture and leadership. Leaders have to provide the space for autonomy and let go of some control mechanisms; in turn, employees have to show leadership, even though they may be more accustomed to being instructed or supervised.

The physical environment and the processes there can also encourage new behaviors. For example, in many recently reconfigured bank branches, counters have been removed to eliminate physical barriers between customer and banker and enable more human and natural interaction. Coffee corners are often installed to express hospitality and a welcoming atmosphere. Meeters and greeters, replacing automated number machines, efficiently direct customers where to go and match them with the most suitable adviser by asking only a few questions, reducing waiting times and creating a much more personal experience.⁵

Technology: Use the best available, whatever its origin

Organizations that have successfully introduced an agile transformation to the sales function understand that a seamless end-to-end experience applies not only to customers but also to frontline employees. The idea is to simplify a complex selling environment—for example, by reducing the number of computer screens a salesperson has to engage with to a maximum of five to ten—while also automating most processes. Examples of key digital enablers are online appointment handling, an employee app that integrates all internal processes (scheduling, sales data, and education tools), a user-friendly omnichannel interface, and smart analytics.

A data-driven optimization of the branch or store footprint, along with a robust predictive model on expected traffic and type of workforce needed on the frontlines, can significantly reduce waiting times and increase the time that employees spend with customers. Some telecommunications companies go even further by creating an in-store interactive experience.

Many digital and agile transformations focus less on frontline employees; some even ignore them altogether. But change shouldn't stop at headquarters if executives believe, as we do, that customer empowerment and engagement start with frontline employees. We encourage companies not to underestimate or underuse frontline employees but to unlock their potential by including them in agile transformations for the benefit of all.

⁵ Peter Finocchiaro, "AT&T drives foot traffic with location-based mobile rewards program," Retail Dive, retaildive.com.

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