

BEYOND AGILE:

Designing Smarter Operating Models for Financial Institutions



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Introduction

Over the past decade, agile ways of working have taken root across the financial sector as firms adapt to the demands of digital disruption. Banking and insurance have seen some of the most extensive transformation efforts. Across Poland and Europe, major players have launched ambitious Agile at Scale initiatives to accelerate innovation and enhance organisational responsiveness. These moves reflect a broader industry shift towards greater agility, customer-centricity, and resilience in an increasingly dynamic market environment.

These transformations brought meaningful gains across the financial sector - many organisations report faster product cycles, improved cross-functional collaboration, and measurable increases in productivity. Yet after initial successes, **many executives find themselves asking: what's next?** As agile practices become embedded at the team level, lingering structural and cultural barriers often limit their impact at scale.

A survey of over 110 enterprises found that **nearly 90% of organisations that succeeded with initial agile implementation** in areas where technology and business intersect **struggled to extend those** practices to more process-driven environments, such as branches, or to traditional corporate functions.¹ In practice, ceremonies like daily stand-ups or renaming units as “squads” and “tribes” rarely dismantle entrenched silos, shift decision rights, or enable genuine end-to-end empowerment. The result? **Many transformations plateau** – delivering incremental improvement but falling short of truly reimagining how work gets done.

The challenge isn't with agile itself. The principles remain sound. Rather, it's the **legacy structures and management models that surround agile teams** - hierarchies, fragmented decision-making, and traditional governance - that often hold organisations back. To fully unlock the potential of agility - faster, distributed decisions; empowered, accountable teams; continuous adaptation - **a more foundational shift in how the organisation is structured and led may be required.**

¹ <https://hbr.org/2021/03/for-an-agile-transformation-choose-the-right-people>




Exploring What's Next: Lessons from Advanced Models Like Holacracy

To break through this plateau, some transformation teams experiment with more adaptive operating models - launching targeted test-and-learn pilots to explore new approaches to structure, governance, and decision-making. These experiments aim to unblock progress and re-energise transformation momentum by extending the impact of agility beyond team-level practices. One such approach is **Holacracy** - an operating system that redistributes authority and enables organisations to evolve dynamically through role-based structures and self-managed teams.

In a Holacracy, the traditional management hierarchy is replaced by a system of distributed authority, where power flows through clearly defined roles rather than job titles. Individuals may hold multiple roles across different self-organising teams, or “circles,” each with specific purposes, accountabilities, and decision rights. These circles collaborate to deliver outcomes, with governance meetings used to regularly refine roles, resolve tensions, and adapt the structure based on evolving needs.

For banks seeking to move agile to the next level, Holacracy seems to offer a set of practical tools. Role-based decision-making clarifies ownership and reduces bottlenecks. Nested circles help integrate business and tech more seamlessly around shared goals. Transparent governance rituals enhance clarity and responsiveness. In highly dynamic areas like digital banking or regulatory compliance, these mechanisms can support quicker adaptation and more empowered teams.

That said, Holacracy, like any model, isn't a silver bullet. Zappos, its most well-known adopter, **ultimately scaled back its implementation**. The company found that the model's rigidity created confusion for employees and hindered decision-making in certain areas. It also struggled with applying the governance processes consistently at scale, leading to a re-evaluation of how much structure was truly needed. The lesson: don't copy the system, copy the value. Elements of Holacracy - like flexible role structures, decentralised governance, and structured tension resolution - **can be powerful if adapted with care**. Used selectively, they can reinforce agile.



A Smarter Path Forward: Lessons from the Front Line

Many of our clients take a different path - avoiding rigid frameworks and instead applying proven practices selectively. By incorporating role-based decision-making, decentralised authority, and adaptive governance in the right places, organisations improve clarity and responsiveness without unnecessary complexity. Tailored to the institution's context, these elements extend agility already in place, supporting greater flexibility and resilience in day-to-day operations.

In our experience, sustained change only comes from thoughtful, business-led adaptation - rather than adopting off-the-shelf frameworks or chasing the next reorganisation. The most effective organisations anchor their transformation in clear business priorities, selectively applying what works to their specific context. Four principles consistently stand out:

- **Be selective about frameworks:** Avoid replicating rigid, one-size-fits-all models that risk replacing one form of bureaucracy with another. In our experience, the most successful institutions design for simplicity, tangible business value, and ease of execution - choosing tools and structures that help people move faster, not slower.
- ^ **Double down on what works:** Effective transformation doesn't mean implementing every ritual or role on offer. Focus on the elements that accelerate decisions, build accountability, and reinforce ownership - such as clarifying role boundaries, defining empowered product ownership, or streamlining governance forums.
- ≡ **Adapt to internal diversity:** Front office, control functions, and IT each operate under different constraints and rhythms. The best operating models flex to accommodate these differences - combining consistent principles with tailored applications that reflect the needs and mandates of each part of the business.

- **Keep outcomes front and centre:** Agility should drive results, not distract from them. Sustained delivery requires strong executive sponsorship, shared priorities, and unambiguous accountability for impact - paired with mechanisms to track, review, and course-correct regularly.

We've supported banks, insurers, and capital markets players in revitalising their transformations and building stronger delivery engines. At one leading European wealth manager, agile had taken root in pockets - but scaling it revealed deeper structural frictions. We helped recalibrate the model by aligning tribes and squads to real value streams, streamlining reporting lines, and introducing just enough governance to sharpen decision-making. By linking agile feedback loops with strategic planning, the organisation reconnected delivery to business priorities - accelerating execution and boosting clarity across global teams.

This approach reflects our broader method: combining structural design with hands-on enablement - realigning teams to business value, simplifying governance, clarifying decision rights, and reinforcing leadership's role in sustaining momentum. In practice, this has meant stripping away agile overhead, rebalancing squads around real product portfolios, and sharpening strategic focus. The result? Cross-functional teams that move faster, collaborate more effectively, and stay anchored to outcomes.



What Matters Most: Thoughtful Design, Not Dogma

The lesson learned is that what matters most is not which complete framework you adopt, but which value-driving elements you choose, how you combine them, and how well you adapt them to your specific context. Successful transformations are those grounded in strategy, tailored to organisational realities, and focused on outcomes.

The story of Zappos shows that experimentation and iteration are essential when exploring new models. While the company eventually rolled back parts of its Holacracy implementation, the experience delivered valuable insights - highlighting the importance of adapting new frameworks to fit culture and complexity. We've helped multiple clients take this learning further, identifying and implementing a tailored "extension pack" of practices that build on agile foundations with selected elements from other models like Holacracy.

In a time of rising complexity and competition, adaptive structure is a critical advantage. If you're interested in how this could apply within your context, it's worth considering which elements of modern frameworks are most relevant to your organisation's needs and maturity. We would love to hear your story and exchange experiences.

About the author




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About us

ADAPTOVATE are dedicated to helping businesses advance their organisational effectiveness, helping complex organisations adapt to changing conditions, collaborate across disciplines and invent new futures. We help align strategy to execution, realise operational efficiencies, design business models to enable collaboration, and accelerate solution design and delivery.

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