

# Unleashing the full potential of Agility and Product orientation





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# A Introduction

The global business landscape remains in a state of constant evolution. Many organisations are critically questioning or reinventing their business models in order to adapt to constantly changing market requirements, disruptive technologies, and changing expectations of both employees and customers. In this dynamic context, enterprise agility has solidified its position as a critical enabler of innovation, resilience, and sustainable growth across industries. As part of this transformation, organisations are increasingly moving towards product orientation or refining their existing product-based models, which serves as a fundamental engine for enabling agility and value creation. The 2024/25 Agile Study builds on insights from last year's exploration of agile adoption, offering a deeper look into how industries are embracing agility – not merely as a methodology but as a transformative philosophy that reshapes structures, cultures, leadership mindsets and the application of technology in the flow of value creation.

Last year's study highlighted the progress and challenges in agile transformations, particularly the evolving roles of leadership and cultural adaptation. This year's findings reinforce these themes, with a renewed focus on the perception gap between top management and employees regarding leadership's commitment to agile practices. While many leaders believe they exemplify agile values, employees often see gaps in managers' actions and communication. This underscores the urgent need for leadership to bridge that divide through clearer articulation of their commitment and tangible actions that inspire trust and alignment.

## Key Results Summary:

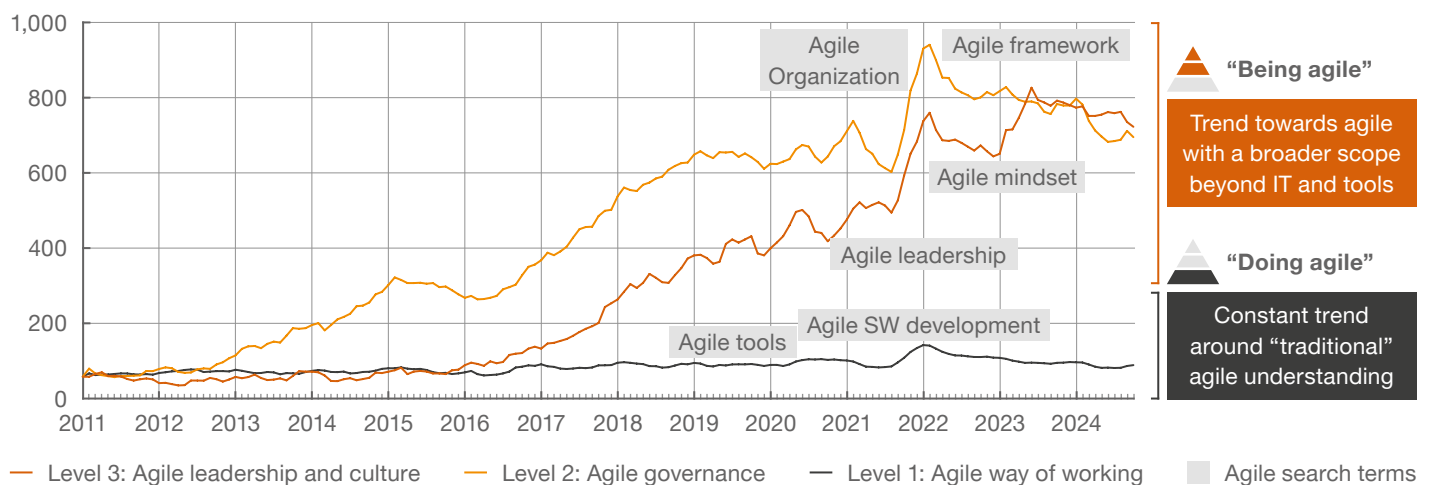
- **Status of Agile Transformation:** The percentage of organisations that have completed agile transformations has risen notably compared to last year, from 6% to 20%. However, only 30% of companies have achieved the deeper cultural shift required to truly “being agile”. Digital-native industries like Telecommunications and Technology lead in maturity, leveraging their inherent adaptability and innovation. Meanwhile, traditional sectors like Manufacturing and Retail are experiencing increasing adoption of product orientation, and with that agile practices, with four out of five retail companies undergoing active transformation. Agile has emerged as a “hot topic” in Manufacturing, showing the most significant growth compared to last year's study, as evidenced by the increasing adoption of product orientation and cross-functional teams.
- **Goals of Agile:** Agile transformation aims at both quantitative and qualitative goals, with companies primarily focusing on measurable outcomes such as cost efficiency, product quality, and time-to-market – especially in times of economic uncertainty. Achieving true value creation in a product-oriented, integrated business-IT organisation requires a strategy-to-value approach, ensuring alignment from leadership to development teams. However, despite the widespread adoption of agile practices, only 37% of companies actively track and measure their success, highlighting a major gap in realising its full potential.
- **Agile Leadership:** Challenges persist, particularly in leadership's ability to “lead by example”. A significant perception gap remains, with 74% of top leaders claiming commitment to agile compared to just 39% of employees. Closing this gap requires leadership to set clear transformation goals coupled with guidance and support for lower levels, actively track progress, and model the agile behaviours they seek to instil.
- **Agile Governance:** Agile governance is improving, with only 7% of companies reporting no progress. However, only 30% of fully transformed organisations report success. Key challenges include aligning teams with value streams, flexible portfolio management, budgeting, and balancing autonomy with accountability to ensure scalable, value-driven practices.
- **Agile Ways of Working:** Agile transformations face tech and operational challenges, with a third of companies lacking agile tools (e.g. Trello, Azure, Jira) at scale and 16% of near-complete transformations still tool-less. Small companies struggle with limited resources and expertise, while larger ones face scaling issues and team silos. Universal challenges – resource constraints, collaboration barriers, and prioritisation – highlight the need for robust tools, automation, and scalable tech foundations to enable agile success.





**Fig. 1 Agile Trend Index**

**Our Agile Trend Index confirms an increased interest in agile as a holistic concept at all Agile TOM levels:**  
Google search interest on agile related search terms, indexed to 2011 (=100) with a 5-month moving average



Google trend analysis from 01/2011 until 10/2024 with a worldwide scope calculated based on a five-month moving average for selected search items per level.

Source: Google, PwC Strategy& analysis.

The Agile Trend Index confirms sustained high interest in agility as a holistic operating model. While the pandemic years (2021–22) marked a peak in agile interest, this year shows consistent engagement across all levels of agile transformation. Leadership has now surpassed governance as the focal point, reflecting an understanding that successful agile transformations depend heavily on visible, committed leadership.



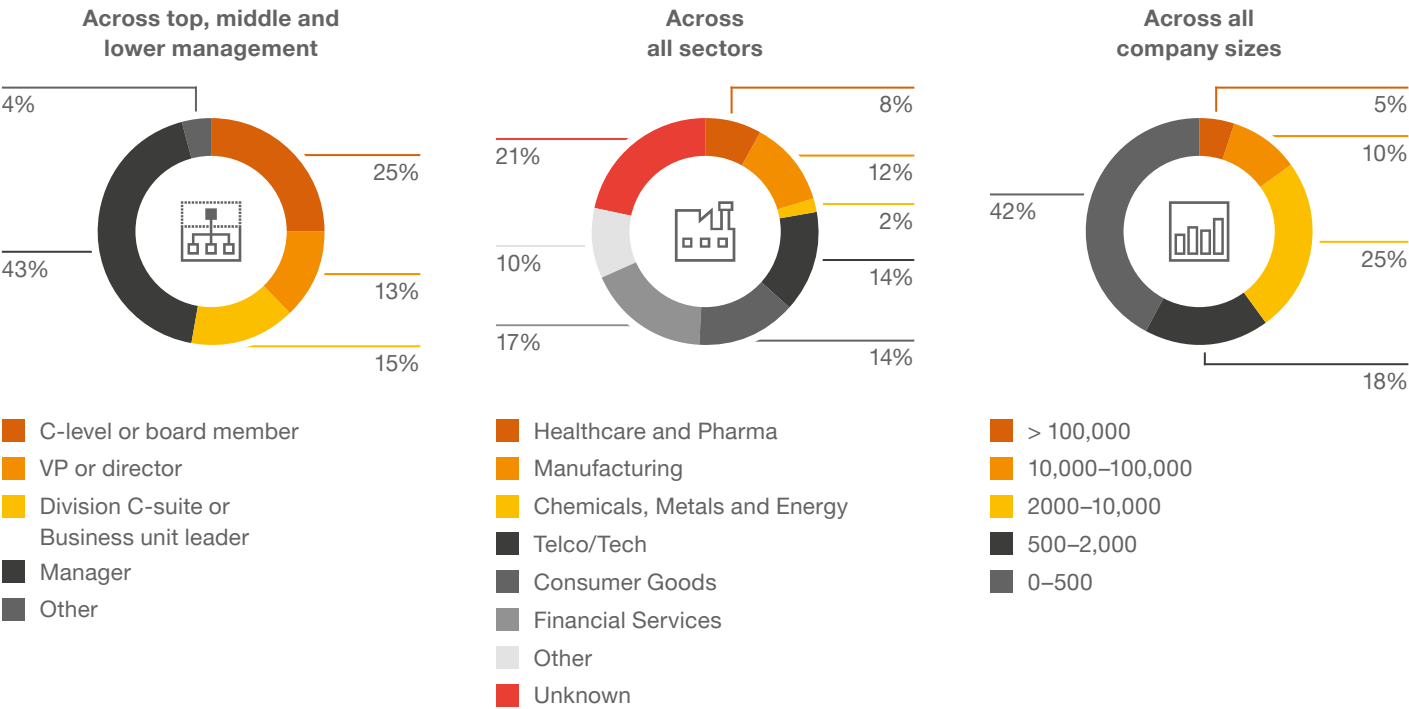
## The Agile Study 2024/25 at a glance

The 2024/2025 Agile Study gathered insights from over 200 respondents across Germany, Switzerland, and Austria. This year, 38% of participants held senior roles at the C-suite or VP levels, providing a top-down view of agile transformation progress and challenges within their organisations. To ensure a holistic perspective, the study spans over six primary industry sectors, including Manufacturing, Financial Services, and

Telecommunications, reflecting a diverse range of agile maturity levels and practices.

Participating organisations vary widely in scale, ranging from companies with fewer than 500 employees to those with more than 100,000. Such diversity enables a comparison of agile adoption trends across both smaller companies, where agile transformation tends to be more nimble and larger organisations, which often face complexity in scaling agile practices.

Fig. 2 The study at a glance



## B Status of agile transformation and agile TOM

This year's findings show incremental progress in agile transformation completion rates; however, only 30% of companies report having fully achieved "being agile" – integrating agile principles at all levels of the organisation.

**Recap:** The share of companies which have completed their agile transformation increased from 6% in the previous year to 20% in the current survey.

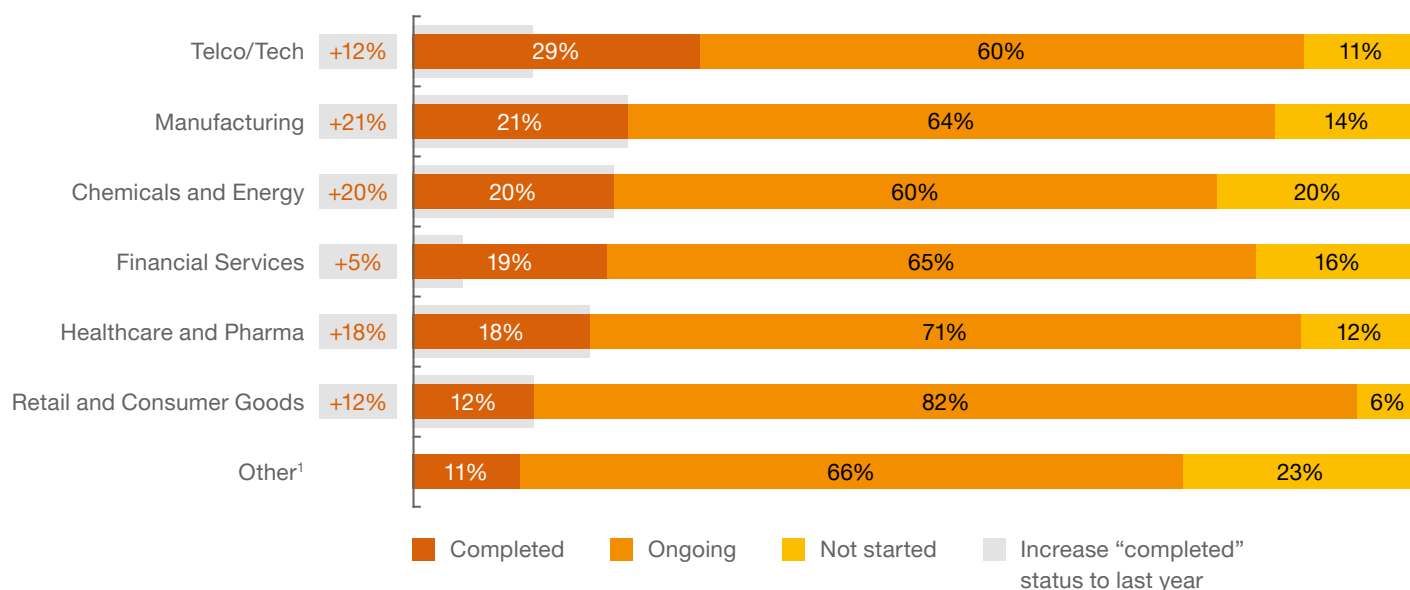
Industries known for being relatively IT and digital-centric in their value creation (e.g., no heavy machinery in place) are ahead in agile maturity, reflecting their adaptability to agile methodologies and their ability to leverage them in product development cycles. Notably, Manufacturing has shown

increased interest in agile practices as companies adopt product-oriented and cross-functional teams to keep pace with market demands.

By contrast, regulatory-heavy sectors, including Financial Services and Healthcare, face more barriers to full agile adoption. These sectors often require rigorous compliance, which can slow down agile transformation efforts. Interestingly, the Retail and Consumer Goods sectors now report 80% of companies actively transforming, signalling a shift toward agile practices to better address changing consumer preferences and enhance the customer experience. The varying maturity levels across industries show that while agile principles are universally beneficial, the path to transformation often requires industry-specific adjustments to align with unique sector demands.

**Fig. 3 Agile transformation status by industry**

### Transformation Status

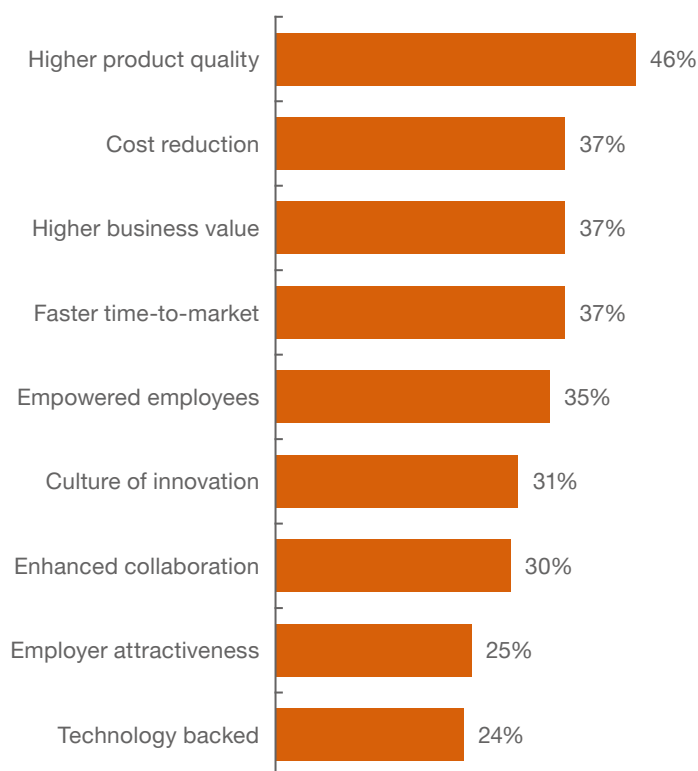


<sup>1</sup> Public Sector and Professional Services.

Source: PwC Strategy& analysis.

## C Goals of agile

**Fig. 4 Goals of adapting agile**



Source: PwC Strategy& analysis.

Organisations pursue both quantitative and qualitative goals, while primarily focusing on quantitative outcomes – an aspect confirmed by our study. These quantitative goals are measured through key business metrics such as product quality, cost reduction, and accelerated time-to-market. In times of economic uncertainty and inflation, cost efficiency becomes even more critical, further emphasising the importance of measurable agility.

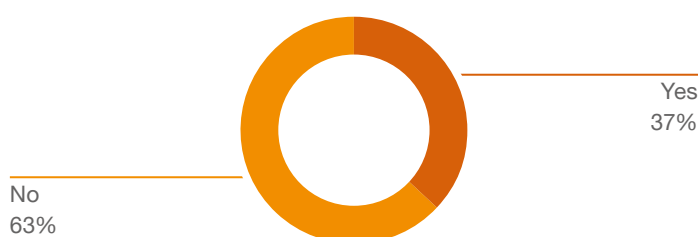
To achieve true value orientation in a product-centric, integrated business-IT organisation, companies need a “strategy to value” approach. This requires aligning the entire organisation – from top management to development teams – under a unified strategy, ensuring that priorities are set correctly and that all efforts contribute to tangible business value.

Once a company is value-oriented, the next challenge is effectively measuring this value. The impact of specific business value drivers varies across products and business units, making it essential to define them individually. Organisations must determine whether they focus solely on immediate profit-and-loss impact or also quantify less tangible but strategically significant contributions.

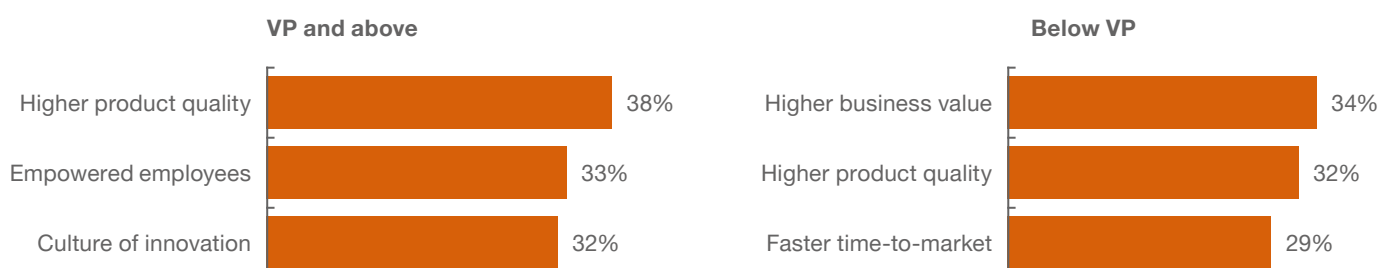
While Agile Transformation may be becoming more widespread, it is crucial to distinguish between quantitative and qualitative metrics when evaluating success. While quantitative metrics provide direct business impact, qualitative metrics assess adoption and maturity – how well the TOM is implemented and embedded within the organisation. These include factors such as role effectiveness, process efficiency, and cultural integration, often measured through indicators like employee empowerment and collaboration.

Notably, despite the strong emphasis on agile transformation, only 37% of companies actively track and measure their success, highlighting a significant opportunity for improvement.

**Fig. 5 Tracking of agile transformation success**



**Fig. 6 Goals of adapting agile by management level**



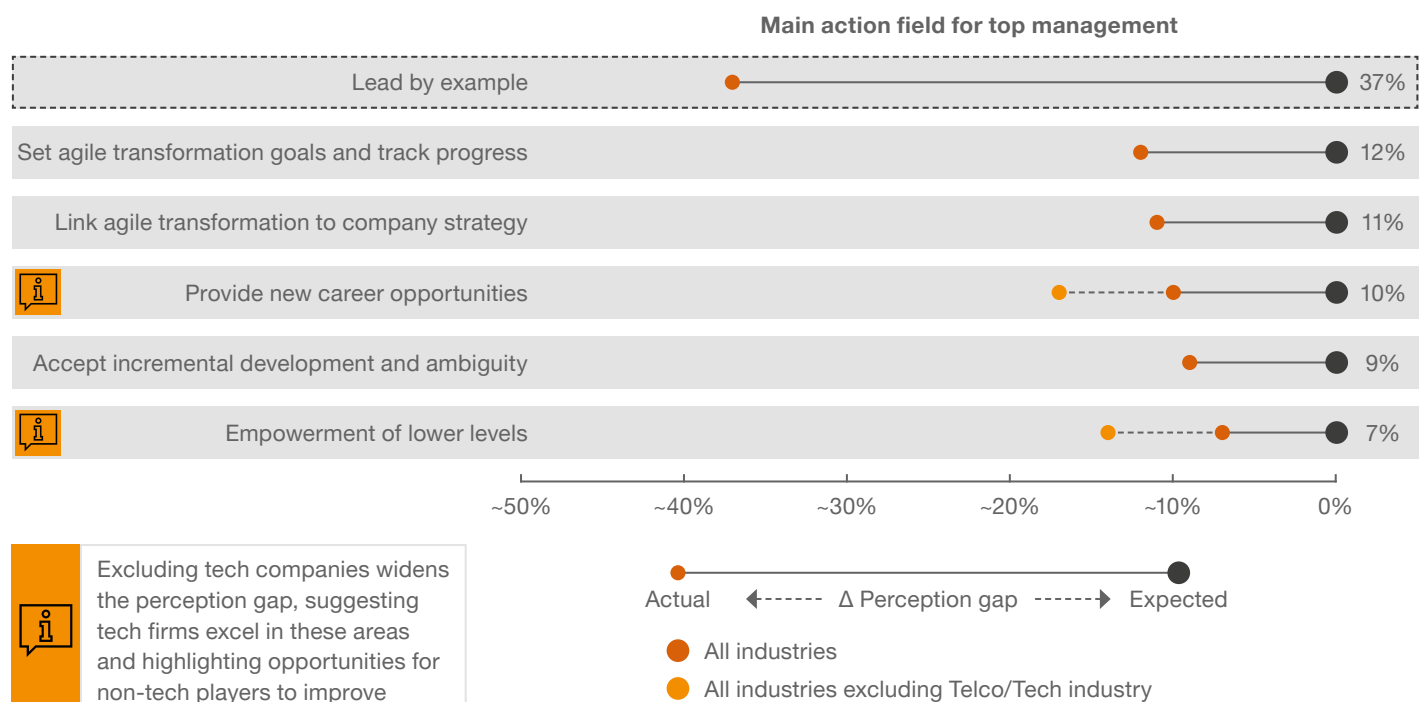
## D Agile leadership and culture challenges

Leadership and culture play pivotal roles in successful agile transformations. Despite high levels of reported commitment from top management, only 39% of employees perceive this commitment, closely mirroring results from the previous year's study. For companies that have completed their agile transformations, the reported benefits are notable, with a 30% greater adaptability to market changes compared to a mere 15% among those in early transformation stages. However, this ongoing disparity suggests that while leaders may endorse agile methodologies in principle, the message is not consistently reflected in actions and companies' governance processes, such as portfolio and budget management, and not fully understood across all organisational levels. This underscores the necessity for agile initiatives also to receive clear guidance and sustained support from top management. Looking into this in more detail, we identified "lead by example" as a main action field

for top management. This field has the largest perception gap in our analysis, with a 37% difference between the expectations of top management and perceived actual results.

In non-tech sectors, "Providing new career opportunities" has become the second most critical area of focus, with a 17% perception gap, suggesting that these industries may benefit from adapting career pathways to agile practices. Technology companies are significantly ahead in this area, highlighting a potential growth point for other sectors. Overall, creating a culture that supports agile principles is essential. Companies must ensure that agile transformation is accompanied by organisational change initiatives that address leadership behaviour, decision-making, and communication styles, facilitating an environment where agile can thrive sustainably.

**Fig. 7 Agile Leadership and Culture Perception Gap**



Source: PwC Strategy& analysis.

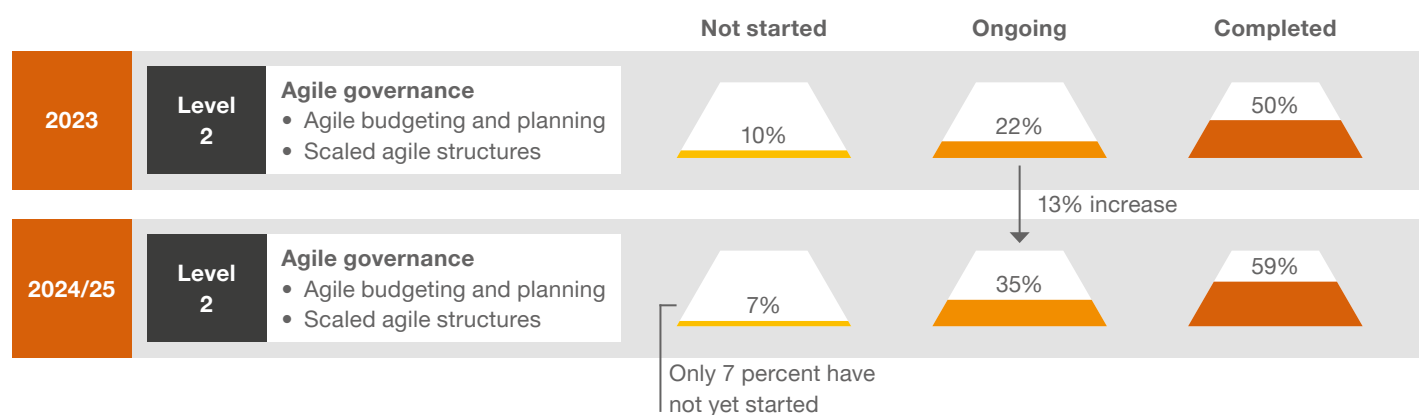


## E Agile governance

Agile governance has shown signs of improvement, with only 7% of companies reporting no progress in implementing governance practices, a decrease from last year. Companies are now prioritising agile governance through structures that emphasise business value, incorporate team-level KPIs, and establish mechanisms for performance tracking. Despite these advancements, only 30% of companies that have completed their agile transformation report full success in agile governance implementation.

Two-thirds of participants identified the alignment of agile teams, value streams, and business lines as crucial to their organisations for achieving strategic goals and delivering value efficiently. Effective governance structures play an essential role in facilitating this alignment by providing clear direction and prioritisation, facilitating consistent and value-based decision-making across teams, as well as transparent metrics and accountability.

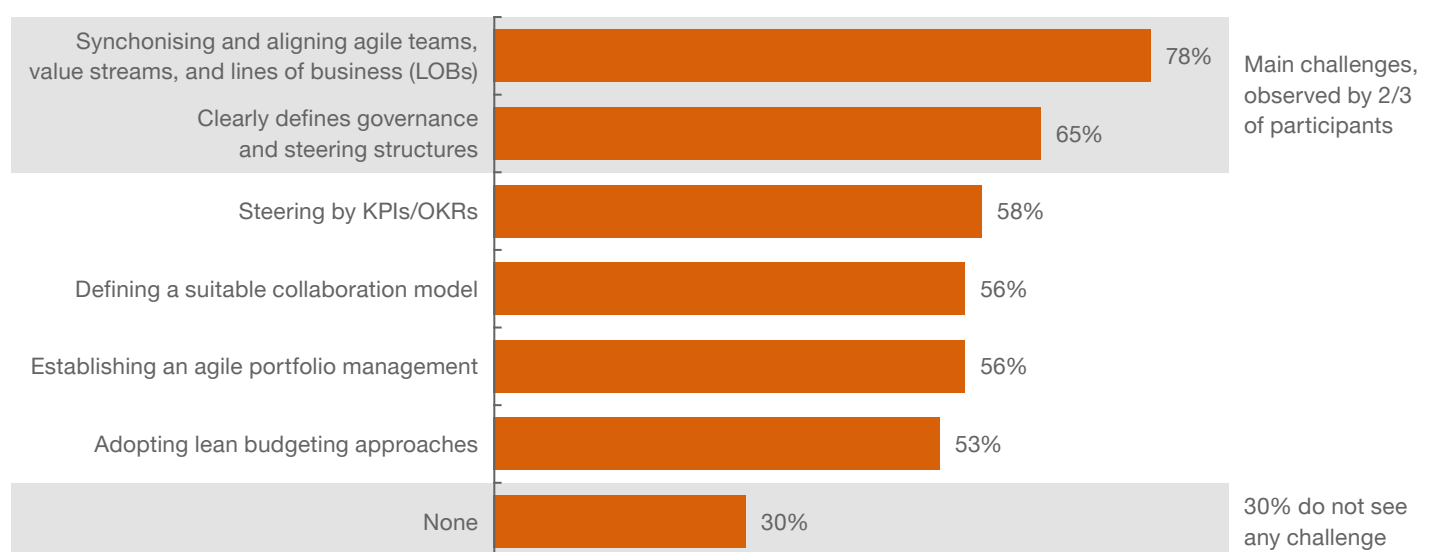
**Fig. 8 Agile TOM and transformation status – Agile governance**



Besides aligning agile teams, common challenges include integrating agile budgeting practices that allow flexibility while maintaining accountability, as well as defining clear governance frameworks to support both team autonomy

and organisational objectives. Therefore, as organisations mature in their agile journey, creating adaptable governance structures remains crucial to supporting scalable, sustainable agile practices.

**Fig. 9 Governmental challenges of agile transformation**



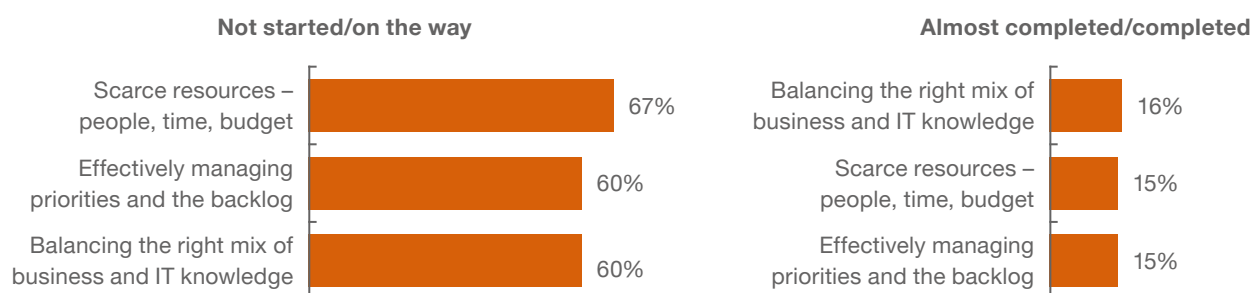
# F Agile ways of working and tech foundation challenges

The operational foundation of agile practices requires robust technology and tools to support effective implementation. However, a third of companies still lack agile tools, and 16% of those nearing transformation completion report no tools in place. Challenges differ by company size: organisations with fewer than 2,000 employees often struggle with limited resources, balancing technical and business expertise, and managing backlogs. Larger organisations face obstacles in scaling agile practices, breaking down team silos, and securing the necessary resources for agile expansion.

These shared challenges highlight the need for agile tools and a technology foundation that can support continuous integration, automation, and cross-functional collaboration. Investing in these areas, particularly through modernised delivery pipelines and scalable cloud platforms, can help organisations overcome operational barriers and fully leverage the potential of agile methodologies across all levels.

Regardless of the transformation stage, the top three challenges – resource constraints, collaboration barriers, and prioritisation – are universal.

**Fig. 10 Tech foundation challenges of agile transformation**



## G Outlook: recommended next level playing fields

Looking into the future of agile transformation, much will depend on organisations successfully adopting dynamic practices such as agile budgeting, lean portfolio management, and the use of AI in agile delivery processes.

Agile budgeting will enable companies to deviate from rigid annual cycles and will thus facilitate the continuous (re) adjustment of financial resources to changing strategic priorities. With lean portfolio management, organisations can improve their adaptability and ensure that initiatives and investments are consistently focused on delivering maximum customer value through optimised workflows. At the same time, AI is revolutionising agile delivery by automating repetitive tasks, optimising prioritisation and providing predictive insights for decision making, creating tremendous opportunities for future-thinking organisations.

Overall, these advances will enable companies to remain competitive, drive innovation, and thrive in a rapidly changing business world.



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