The Business Agility Report

8th Edition - 2025

Progress Under Pressure

BUSINESS AGILITY INSTITUTE

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BUSINESS AGILITY INSTITUTE

What is Business Agility?

Business agility is a set of organizational capabilities, behaviors, and ways of working that afford your business the freedom, flexibility, and resilience to achieve its purpose.

No matter what the future brings.

What is the Business Agility Report?

Since 2018, the Business Agility Report (grounded in the Business Agility Institute's Domains of Business Agility) has highlighted the trends, challenges, and successes made by organizations on a journey towards greater business agility.

Over 2,500 individuals and organizations have contributed their experiences and insights.

These insights provide organizations with cutting-edge knowledge to succeed on their business agility journey.

PREFACE: PROGRESS UNDER PRESSURE

The idea that organizations experience periods of stability between disruptive events has long since passed. In 2025, pressure is constant. We must accept that economic uncertainty, geopolitical shifts, rapid technological change, and ongoing restructures form the environment we work within.

In this context, business agility is no longer optional.

Business agility is not a transformation program or a delivery methodology. It is the set of organizational capabilities that determine whether a company can deliberately and clearly decide and adapt to deliver value. Especially when trade-offs are unavoidable. It shows up in how leaders allocate authority, how work flows across boundaries, and how organizations respond when conditions change faster than plans.

The 2025 Business Agility Report makes one thing clear: pressure exposes the cracks in the system.

When organizations lack clarity, misalignment compounds. Governance slows decisions. Silos harden. Leaders retreat into command and control. Under pressure, these weaknesses don't hide; they accelerate.

But when business agility is strong, organizations have the resilience to absorb that pressure. They prioritize more deliberately. They redesign workflow rather than add complexity. They can maintain customer focus and cultural resilience even as resources tighten.

This year's data reflects both realities. Across industries and regions, organizations are making difficult trade-offs.

Many are protecting delivery and customer value while deferring leadership and governance reform. While some of these choices are rational in the short term, the consequences are visible. Where empowerment erodes and decision rights narrow, progress slows.

Nowhere is this more evident than in the adoption of artificial intelligence. AI does not create an advantage on its own. It amplifies the organization in which it is embedded. In companies with strong business agility, AI accelerates learning, innovation, and value creation. In those without it, AI exposes structural friction, leadership gaps, and brittle decision systems at speed.

The lesson is not that business agility prevents disruption. It doesn't. The lesson is that business agility determines whether disruption becomes a liability or a lever.

As you read this report, you'll see consistent evidence of what enables progress under pressure and what undermines it. You'll see why leadership behavior, organizational design, and decision authority matter more than process adoption.

And you'll see why, in today's operating environment, business agility remains one of the clearest predictors of resilience, performance, and sustained value creation. The future will not reward the fastest organizations; only the most adaptable ones will.

Ahmed Sidky

— Ahmed Sidky
President, Business Agility Institute



Ahmed Sidky, Ph.D. is a seasoned international speaker, executive, thought leader, and published author. He is currently Head of Business Agility at Riot Games, where he builds the strategic capabilities and agile systems that advance Riot's aspiration to be —and stay— the world's most player-focused game company.

He is President of the International Consortium for Agile (ICAgile), co-founder of the Business Agility Institute, and co-author of "Becoming Agile in an Imperfect World,"

BUSINESS AGILITY INDEX

A YEAR OF TRADE-OFFS, TURBULENCE, AND TANGIBLE BENEFITS

Resilience in a Resistant World

Organizations striving for business agility faced strong headwinds in a year marked by global volatility, technological and AI disruption, and a growing movement towards authoritarian leadership. Yet despite these pressures, business agility has proven remarkably resilient. The 2025 global average holds at 5.4. Only slightly below last year's record 5.7 and still well above every prior year on record.

This resilience is not accidental. It reflects the effort taken to adapt, decide, and deliver in the face of complexity. Even as markets tighten and leaders face new political, regulatory, and societal constraints, the data shows that mature agile organizations continue to outperform their peers in customer satisfaction, productivity, and commercial outcomes.

Business agility reflects how modern organizations think, operate, and adapt — not a trend, but a strategic capability.



Global Average Business Agility Maturity Rating (out of 10)

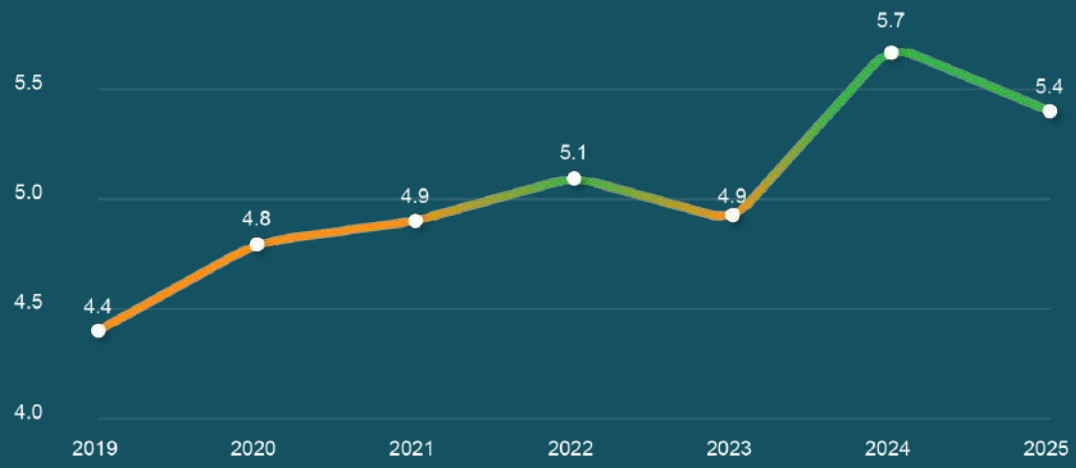
Looking Back: 2018–2025 at a Glance

While 2025's lower rating may seem concerning, the overall picture suggests that 2024's rebound was a post-pandemic correction, and 2025 more accurately reflects the effort taken to embed the capabilities needed to grow in a turbulent environment.

Organizations have increased their focus on delivery capabilities (such as *Unlocking Workflow Creatively*) while maintaining focus on strategic agility, collaboration, and sensing & responding proactively.

And the effort has been worth it. Organizations that measurably increased their business agility maturity over the last 12 months saw a 10.3% increase in revenue per employee (compared to a 5.1% increase for all organizations).

However, this shift has come at the expense of strengthening key operational and leadership capabilities such as *Balancing Governance and Risk*, *Funding Work Dynamically*, and *Empowering with Accountability*.



KEY FINDINGS

In 2025, insights shared by 258 individuals and 244 organizations paint a picture of organizations operating under intense external pressure while continuing to sustain or grow their business agility capabilities. Yet despite global headwinds — economic tightening, shifting geopolitical priorities, and technological innovation (and disruption) — business agility is seen to deliver measurable business value.

The data shows a clear trend between business agility maturity and improvements in customer satisfaction, employee engagement, and operational efficiency, alongside higher revenues and commercial outcomes.

INSIGHTS

1. **Organizations are Choosing Their Trade-Offs More Deliberately**
   Despite having broad goals, many participating organizations report having to make difficult trade-off decisions to focus on the capabilities that they believe will provide the greatest strategic and operational benefit. Many accepted slower governance reform and leadership development to protect their efforts towards increased customer centricity, delivery efficiency, and cultural resilience.

2. **Creative Workflow Design Emerges as a Competitive Advantage**
   Unleash Workflow Creatively was the only capability to improve in 2025, rising by 6%.
   Organizations report simplifying work structures, reducing handoffs, and embedding automation to balance efficiency with flexibility. The goal? To achieve better throughput despite greater constraints.

3. **Culture & Customer Focus Remain Resilient Under Pressure**
   Cultural and customer-centric capabilities again stand at the top of the index, anchored by the abilities to *Fiercely Champion the Customer* (6.3) and *Cultivate a Learning Organization* (5.9).
   Even amid restructuring and cost reductions, organizations that sustain transparency, learning, and psychological safety report stronger retention and customer loyalty.

4. **Agility Correlates Strongly with Performance and Resilience**
   High-maturity organizations report clear business benefits: higher customer satisfaction, greater operational efficiency, and more predictable financial performance. The data is clear, participating organizations that materially improved their business agility capabilities between 2024 and 2025 saw a 10.3% (average) increase in revenue per employee (compared to a much smaller 3.5% increase in organizations that reported decreasing levels of business agility).

In summary: 2025 demonstrates that the true test of business agility is not growth in favorable conditions but resilience in challenging times

Success Leaves Clues:

Key Predictive Indicators Of Business Agility

Organizations that report high business agility maturity, as well as the highest business benefits, tend to report higher ratings in three key areas — the top predictive indicators of business agility.



Balance Governance and Risk

Governance becomes a barrier when it grows faster than the risks it is designed to manage. Balancing governance and risk requires giving people the autonomy to serve customers effectively while maintaining safeguards that protect the organization from unnecessary exposure.



Empower With Accountability

Empowerment without accountability is laissez-faire. And accountability without empowerment is just command and control. Empowerment with accountability balances the two and creates truly high-performing organizations.



Fund Work Dynamically

Organizations need to be able to dynamically shift funds, without restriction, from areas of less value to areas of greater potential value.

UNDERSTANDING BUSINESS AGILITY

What is Business Agility?

Business agility is a set of organizational capabilities, behaviors, and ways of working that afford your business the freedom, flexibility, and resilience to achieve its purpose.

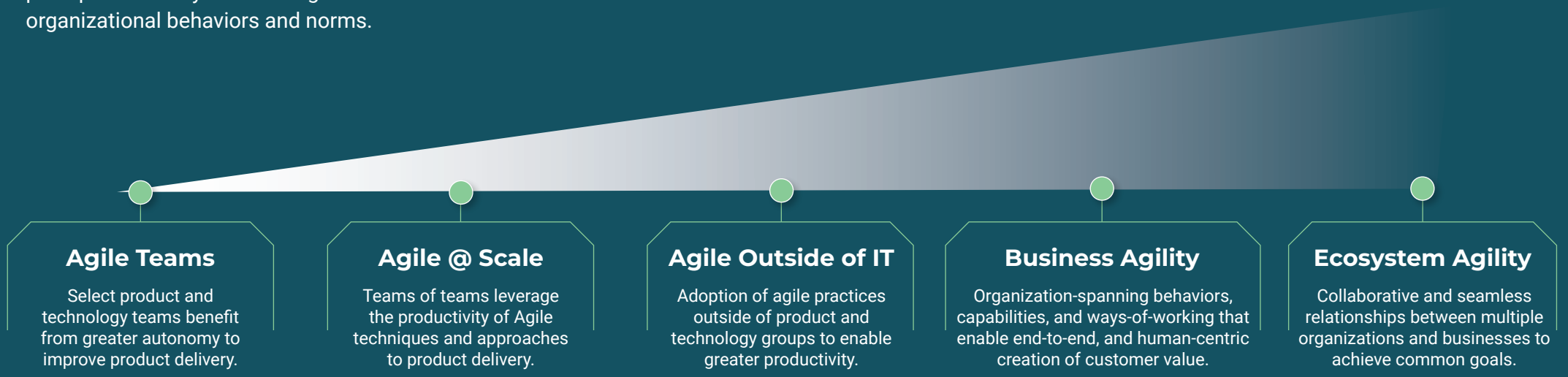
No matter what the future brings.

With this freedom, companies can instinctively seize emerging and unforeseen opportunities for their customers' benefit and bring focus to how work is conducted across the entire organization. It's not just processes and procedures. It's the principles and ways of thinking that lead to new organizational behaviors and norms.

The Principles of Business Agility

All Business Agility Institute research is built on 4 key principles that recognize the nuances and complexity in how organizations adopt and practice business agility.

1. **Business agility is a continuum, not a state.** It's an ongoing journey where the question is not whether you have it, but rather how much you have (and is it enough).
2. **Organizations express a range of business agility capabilities**, both strong and emerging, at the same time, in different areas of the business.
3. **There is no single path or framework to business agility.** You can establish business agility in thousands of different ways, using different approaches, practices, frameworks, and operating models.
4. **Business agility can only be expressed and measured through behaviors** — if you act with agility, you have agility.



While many organizations begin their journey towards business agility from an agile transformation of their product or technology function, business agility is much more than just agile outside IT. This report explores the global trends of these journeys.

To learn more about business agility and the Domains of Business Agility, visit: https://ba.Institute/domains.

DOMAINS & CAPABILITIES OF BUSINESS AGILITY

ORGANIZATIONS ARE MAKING BUSINESS AGILITY AN EVERYDAY DISCIPLINE

Across all 18 capabilities within the five Domains of Business Agility, the picture is one of managing trade-offs as organizations directed their efforts toward the areas that they believed would provide the greatest strategic and operational benefit.



Inside The Numbers:

Delivery Performance Remains A Global Focus

The 2025 data makes it clear: delivery, cultural, and customer-focused capabilities held steady, whereas leadership and governance capabilities showed greater variability as organizations shifted priorities in a constrained environment. Nevertheless, the broader trend is one of durability, not deterioration.

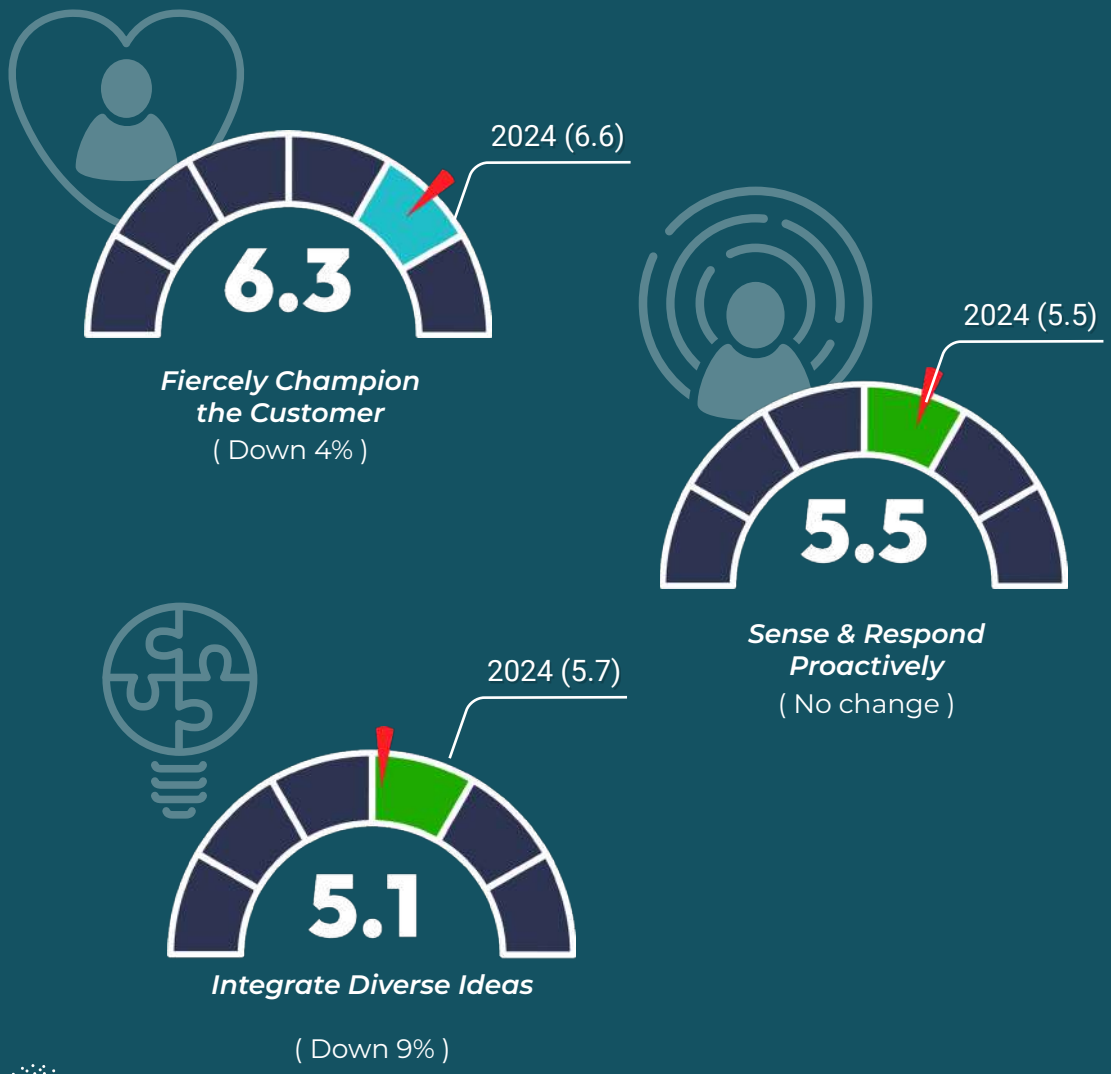
The most notable change is the 6% global improvement in *Unleash Workflow Creatively*. This result suggests a shift toward process simplification and streamlining how work moves through the organization as organizations seek to maintain delivery performance despite external and internal constraints. Organizations reported that by focusing on reconfiguring workflows (e.g. reducing handoffs, clarifying ownership, and removing unnecessary approvals), they saw measurable gains in productivity and employee engagement.

Note: The degree of business agility is scored on a range from 1 to 10. However, throughout this report, we display a limited range (usually between 2.5 and 7.5) for visual clarity.

RESPONSIVE CUSTOMER-CENTRICITY

5.7

Customer-Centricity Is More Resilient Than Other Domains Under Pressure



KEY FINDINGS

Following the trend from 2024, the ability to *Fiercely Champion the Customer* (6.3) continues to be the highest-rated capability. This indicates that, despite the global challenges of 2025, many organizations continued to prioritize the customer in their decision-making.

Customer Insight Significantly Outperforms Customer Response

At the same time, the data shows a widening gap between customer understanding and customer responsiveness. Many organizations can clearly identify what customers need, but structural and governance constraints still limit how quickly those insights are translated into action.

The intra-domain gap between *Fiercely Champion the Customer* (6.3) and *Integrate Diverse Ideas* (5.1) is the largest in this year's report. Suggesting that while customer value is well understood, organizations often struggle to bring multiple perspectives together to act on that insight.

This tension defines the 2025 *Responsive Customer-Centricity* results.

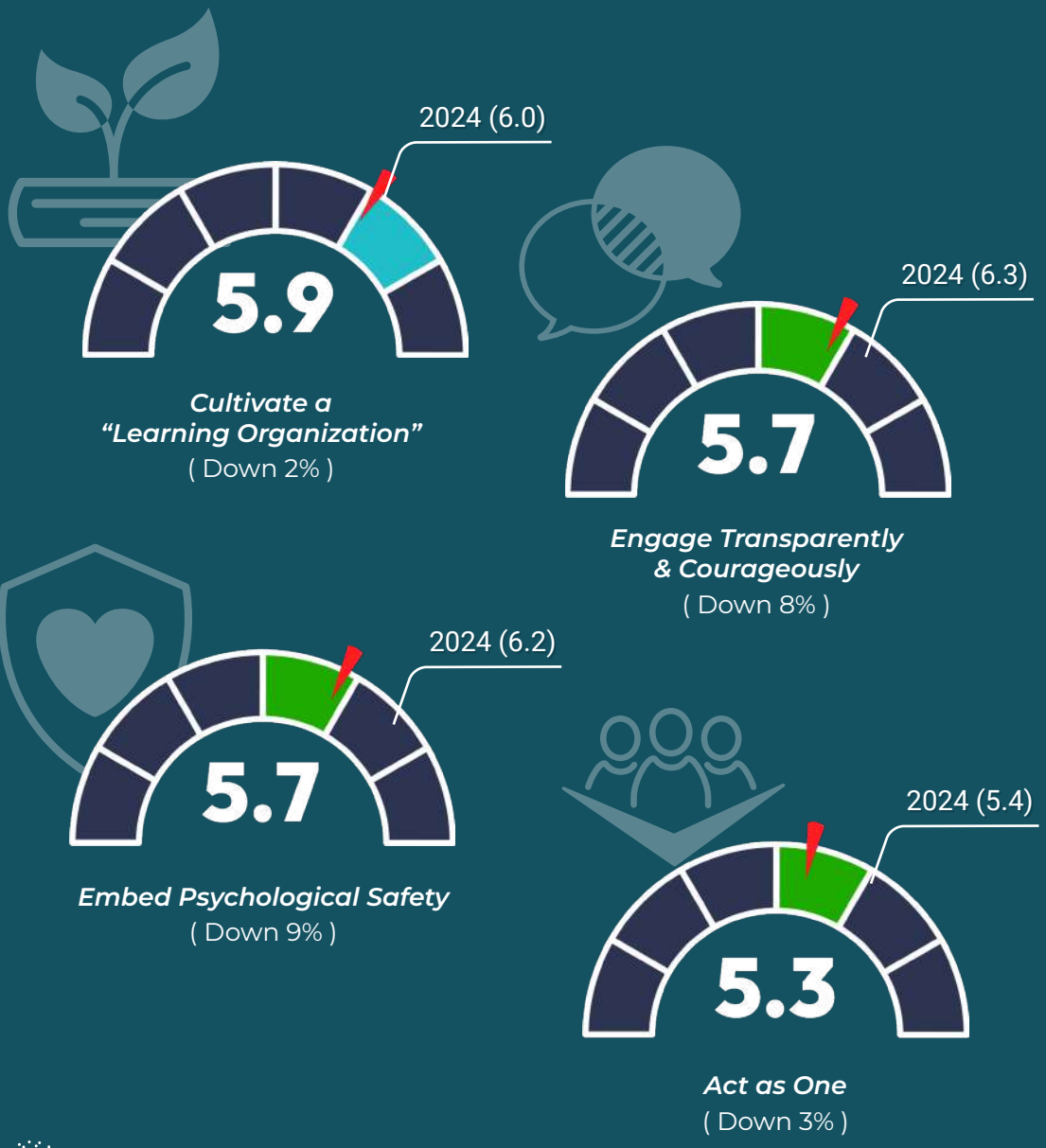
Customer-Centricity Acts As A Multiplier When Paired With an Engaged Culture

High performers in *Fiercely Champion the Customer* also show elevated scores in *Cultivate a Learning Organization, Embed Psychological Safety, and Act as One*.

These organizations appear to convert customer focus into internal learning, experimentation, and collaboration. From this, they create a virtuous cycle between external insight and internal capability.

ENGAGED CULTURE 5.7

Sustaining Trust and Transparency Amid Organizational Pressure



KEY FINDINGS

The *Engaged Culture* domain remains one of the strongest areas of performance in 2025. Despite small declines from 2024, it continues to underpin overall business agility, with an average domain score of 5.7. Despite the dip, all four capabilities remain above the long-term average.

These results suggest that organizations continue to prioritize employee engagement, transparency, and collaboration even under challenging economic and structural conditions.

The Connection Between Leadership and Engaged Culture

Since 2024, the decline in *Engage Transparently & Courageously* (5.8) and *Embed Psychological Safety* (5.7) coincides with a broader softening in the *People-First Leadership* capabilities, particularly *Empower with Accountability* (4.7).

This suggests that transparency and psychological safety are sensitive to leadership confidence.

An Engaged Culture Creates Positive Business Outcomes

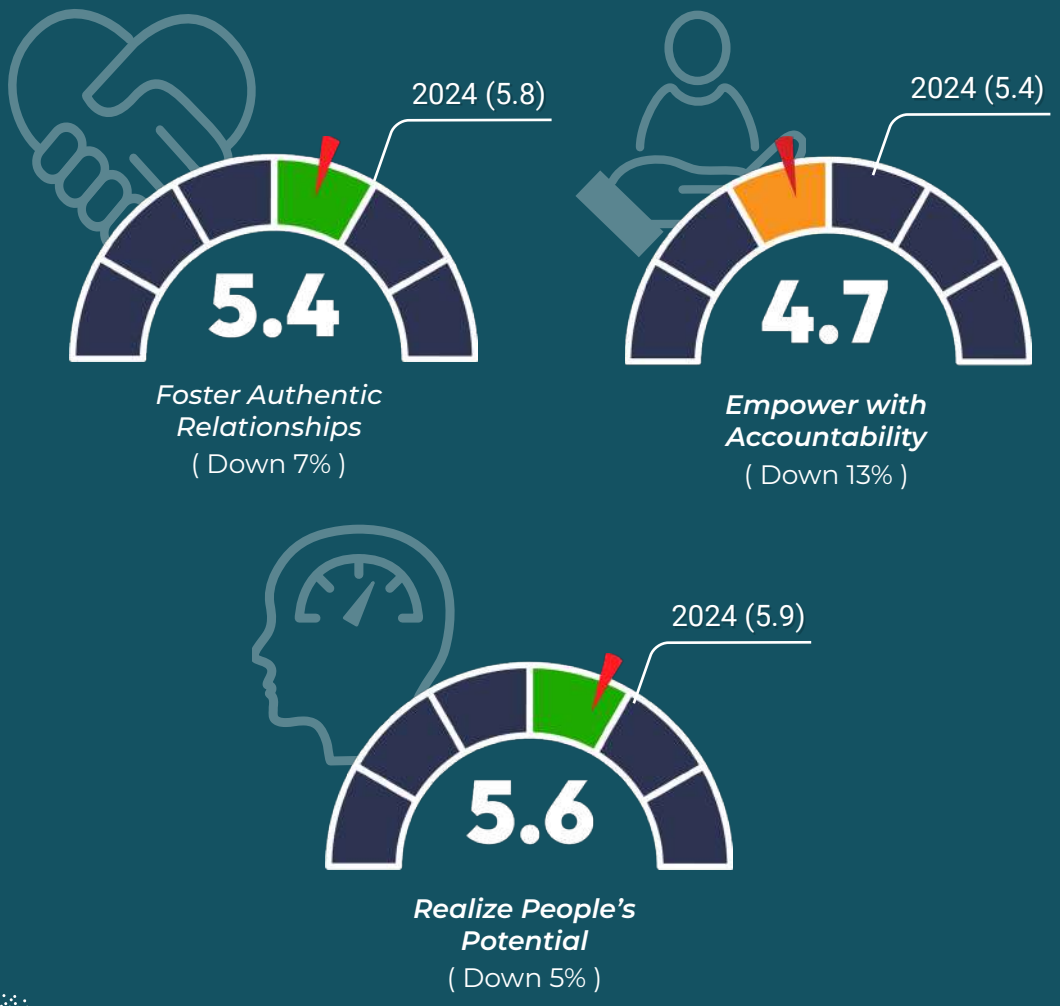
Analysis of 2025 data shows organizations with higher cultural maturity also report higher customer satisfaction, particularly when paired with strong *Responsive Customer-Centricity* capabilities like *Fiercely Champion the Customer* (6.3).

These organizations are also more likely to report higher employee engagement and reduced turnover, aligning with trends observed in previous reports.

PEOPLE-FIRST LEADERSHIP

5.2

Leaders Are Protecting Relationships and Development, Even As They Pull Back On Empowerment



KEY FINDINGS

In a year of heightened scrutiny, restructures, and difficult trade-offs, *People-first Leadership* has softened but not disappeared. The overall pattern in 2025 is one of leaders investing in people, but they are more cautious about granting decision rights and autonomy.

Scores for *Foster Authentic Relationships* (5.4) and *Realize People's Potential* (5.6), although in decline, remain broadly consistent with long-term trends. In contrast, *Empower with Accountability* (4.7) saw the steepest drop in the domain, falling 0.7 points from last year and now sitting below its all-time average.

Distinctions of Scale

Company size shows significant variation across these capabilities, with small organizations (under 150 employees) reporting the strongest leadership behaviors, and mid-sized to large organizations (151–15,000 employees) recording the lowest scores across the domain.

It is worth noting that the largest organizations (15,001+ employees) perform better (12%-26%) than mid-sized firms.

People-First Leadership Is Linked To Tangible Benefits

Organizations reporting improvements in customer satisfaction and employee engagement are more likely to score higher in *Foster Authentic Relationships* and *Realize People's Potential*. These organizations are also more likely to report better commercial outcomes. In contrast, organizations with lower leadership scores are less likely to report meaningful benefits, reinforcing that business agility depends on leadership.

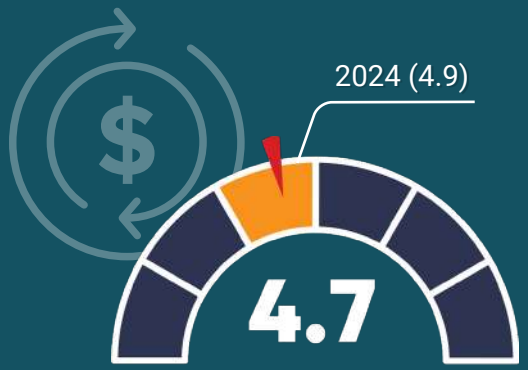
FLEXIBLE OPERATIONS

4.8

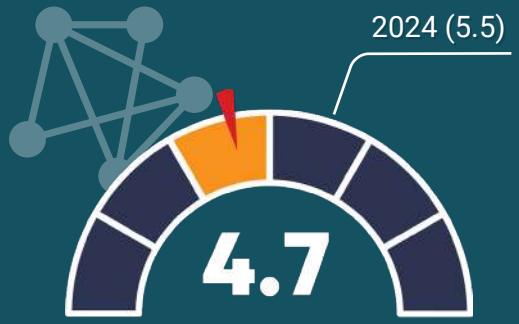
Operations Is Where Many Of The Hardest Trade-Offs Are Being Made



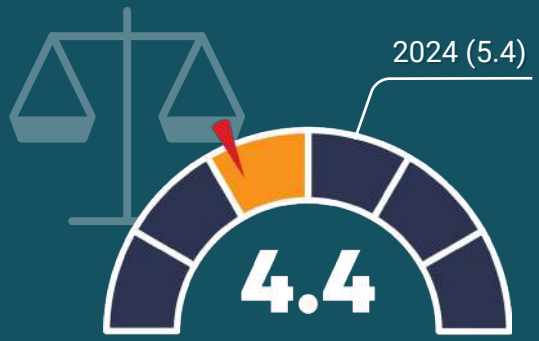
Adapt Strategies Seamlessly
(No Change)



Fund Work Dynamically
(Down 3%)



(Re)organize Structures Fluidly
(Down 15%)



Balance Governance and Risk
(Down 17%)

KEY FINDINGS

The *Flexible Operations* domain represents the lowest-performing area of business agility in 2025. Ranking as the lowest-rated capability in the entire model, *Balance Governance & Risk* (4.4) shows the sharpest year-over-year decline; down 17% from 2024 and sitting 9% below its all-time average.

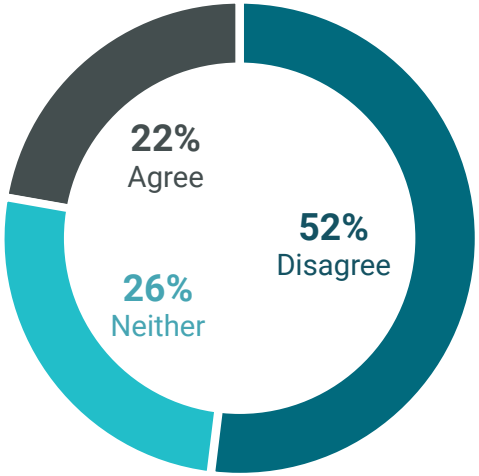
With the other capabilities in this domain, the broader pattern reflects the operational pressures many organizations faced in 2025.

Only 22% of Organizations Report Governance Policies and Procedures Support Business Agility

Among this 22%, organizations typically enable decision-making at the lowest responsible level and minimize approval gates or handoffs between business areas. These high performers are most often organizations that have invested in business agility for more than eight years or are undergoing company-wide transformation.

In contrast, companies in highly regulated industries, such as Financial Services, generally report lower scores in *Flexible Operations*.

The data indicates that future gains are likely to depend on how quickly structures, funding, and governance can be realigned to support it.



Our governance policies & procedures promote and support business agility behaviors and enable decision-making at the lowest responsible level with minimal approval gates (or handoffs).

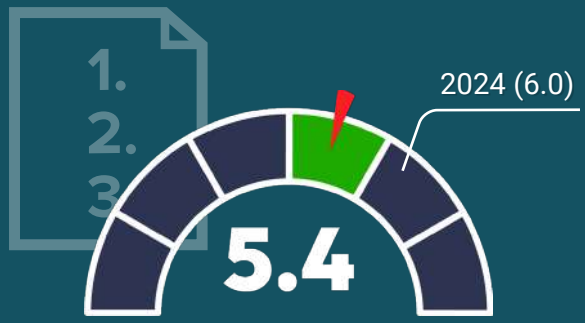
VALUE-BASED DELIVERY

5.2

Delivery Practices Remain Resilient Even As Organizations Face Increased Operational And Strategic Pressure



Unleashing Workflow Creatively
(Up 6%)



Prioritize. Prioritize. Prioritize.
(Down 10%)



Deliver Value Sooner
(Down 11%)



Seizing Emergent Opportunities
(Down 7%)

KEY FINDINGS

Value-Based Delivery remains a relative strength in 2025. Despite, or perhaps because of, increasing pressure on budgets, organizations continue to focus on improving delivery practices. The domain is anchored in the strength of *Unleash Workflow Creatively* (5.5) and *Prioritize. Prioritize. Prioritize.* (5.4), indicating improvements in sequencing work and removing unnecessary friction.

However, these improvements haven't translated into delivery speed as the ability to *Deliver Value Sooner* (4.9) trails the rest of the domain.

Workflow Redesign Is Becoming The Primary Lever For Improving Value Flow

The ability to *Unleash Workflow Creatively* is the only capability to improve over 2024 ratings. This score is consistently higher even in organizations that struggle with funding or governance flexibility.

This suggests that teams are compensating for system rigidity by optimizing processes within their sphere of control.

The Impact Of Restructures Can Go Either Way

For those organizations that undertook a restructure during 2025, their experience highlights that these events can either strengthen or weaken *Value-Based Delivery* depending on how they are executed.

Organizations that restructured to refocus portfolios, clarify priorities, or streamline workflow reported stronger results in prioritization and *Deliver Value Sooner*. Conversely, where restructures were described as fragmented, reactive, or poorly communicated, *Value-Based Delivery* was hard to sustain.

The data indicates that delivery capabilities are sensitive to clarity and leadership during periods of organizational change.

IMPACT OVER TIME

OVER THE LAST 7-YEARS, ORGANIZATIONS HAVE GOTTEN BETTER AT BUSINESS AGILITY, BUT THE RATE OF IMPROVEMENT HAS SLOWED

27% of organizations participating in the 2025 Business Agility Report have participated 3 or more times between 2018 and 2024. Analysis of their results over that period shows a trend towards increasing business agility over time. Albeit, this trend is slowing compared to 2024.

While there are more organizations seeing improvement in business agility, the rate of change has slowed.

On average, companies are taking nearly 4 years (3.8 years) to see a 10% improvement in their business agility maturity.

This is much slower compared to the 2.2 years reported in 2024.

36%
Better

Organizations with Increasing Business Agility (59%)



Organizations with Decreasing Business Agility (21%)

12%
Worse

Benefits Seen in 1, 3, and 8 Years

Organizations report that they start to see measurable benefits from business agility within the first year. Mostly in the *Responsive Customer-Centricity* domain.

The next measurable benefits occur, on average, after year three. At this point, the benefits from an *Engaged Culture* are most prominent. Some *People-First Leadership* behaviors also begin to emerge at this point.

By Year 5, most *People-First Leadership* and *Value-Based Delivery* capabilities are well established.

Finally, the most significant and sustainable improvements are seen after 8 years. On average, improvements in *Flexible Operations* only appear at this point.

Three years of focus on business agility is needed (on average) to deliver significant business benefits.

3 YEARS

64% of respondents have been on the journey for more than three years.

23% of respondents have been on the journey for more than eight years.

8 YEARS

THE BOTTOM LINE

BUSINESS AGILITY PAYS OFF

The Relationship Between Business Agility and Business Results

Detailed analysis of participating companies highlights a simple, compelling truth: organizations that strengthen their business agility capabilities also deliver stronger financial outcomes*. When comparing revenue per employee, a proxy for both productivity and commercial health, the gap between fast and slow-growing organizations is striking.

Where public financial data was available (such as company annual reports), we analyzed companies that had taken part in the Business Agility Report in both 2025 and 2024. In total, 97 organizations were studied.

Companies that materially increased their level of business agility this year reported a 10.3% improvement in revenue per employee (on average) over the last 12 months. And, where data exists, if we look at business agility data and financial results as far back as 2018, we see an average 33.2% increase over that time.

In contrast, organizations whose business agility decreased saw (on average) a much smaller 3.5% increase year-over-year and only 7.9% since 2018.

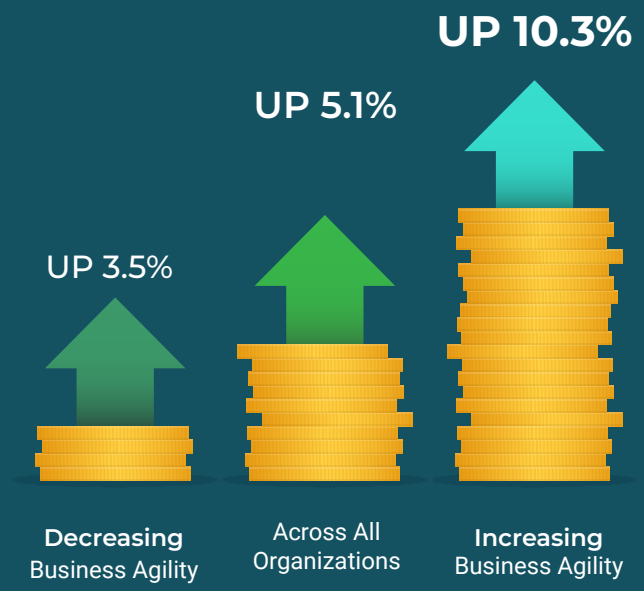
The difference between these groups reflects more than financial performance. It highlights how alignment, empowered decision-making, customer centricity, and operational flexibility directly influence a company's ability to create and capture value.

This pattern mirrors what we have seen year after year, both in the data and anecdotally. Business agility is not only a cultural or operational advantage, it is a commercial advantage. Organizations capable of responding quickly to change, reallocating funds or staff dynamically, reducing friction in workflow, and aligning teams around outcomes are better positioned to grow sustainably, even in challenging conditions.

And, heading into 2026, as economic volatility, restructuring, cost pressures, and technological disruption continue to reshape markets, the financial data reinforces the strategic imperative.

Business agility is increasingly the differentiator between companies that thrive and those that merely cope.

Organizations with Increasing Business Agility Experienced Higher Revenue Growth in 2025



* **Please note** there is a difference between correlation and causation. What we are saying is that there is a direct trend between revenue and business agility ratings. On average, they go up (or down) together. Given the nearly infinite number of variables, it is impossible to state how much direct impact that business agility has on revenue.

CREATING AN ENGAGED WORKFORCE

THERE IS A DIRECT RELATIONSHIP BETWEEN BUSINESS AGILITY AND EMPLOYEE ENGAGEMENT

This year's analysis shows a consistent relationship* between business agility and employee engagement.

Using Glassdoor® ratings as a proxy, organizations that have increased their business agility capabilities between their first year participating in the Business Agility Report (any time between 2018 and 2024) and this year saw significant gains in employee sentiment.

On average, these organizations improved their Glassdoor ratings by 8.8% and their *"likely to recommend to a friend"* score by 30.4%.

These shifts suggest that as organizations become more adaptive, transparent, and empowered, their people feel more aligned with the company's direction and more confident in its leadership.

The reverse trend is equally telling. Organizations with decreasing business agility capabilities over the same period, on average, have declining Glassdoor ratings (7.5%), and similarly declining *"recommend to a friend"* scores (10.9%).

Anecdotally, declining business agility often coincides with reduced autonomy, increased bureaucracy, and cultural friction. Employees notice when work becomes harder, when leaders pull back into control-centric behaviors, or when structures stop supporting effective collaboration.

Taken together, what this data makes clear is that business agility has never just been a way of working. It's a fundamentally human-centered business.

As such, business agility influences how people relate to their colleagues, how they view leadership, and whether they feel proud to work for the organization. In a labor market where retention, engagement, and employer reputation matter more than ever, the relationship is unmistakable. Agile organizations don't just perform better — they feel better to work in.

* Please note there is a difference between correlation and causation. What we are saying is that there is a direct trend between revenue and business agility ratings. On average, they go up (or down) together. Given the nearly infinite number of variables, it is impossible to state how much direct impact that business agility has on revenue.

**Average since first participation in the Business Agility Report (2018 - 2024)



Business Agility Drives Higher Employee Engagement and Satisfaction

*Recommend This Organization to a Friend***



Increasing Business Agility **30%**

Decreasing Business Agility **-11%**



*Glassdoor Scores***



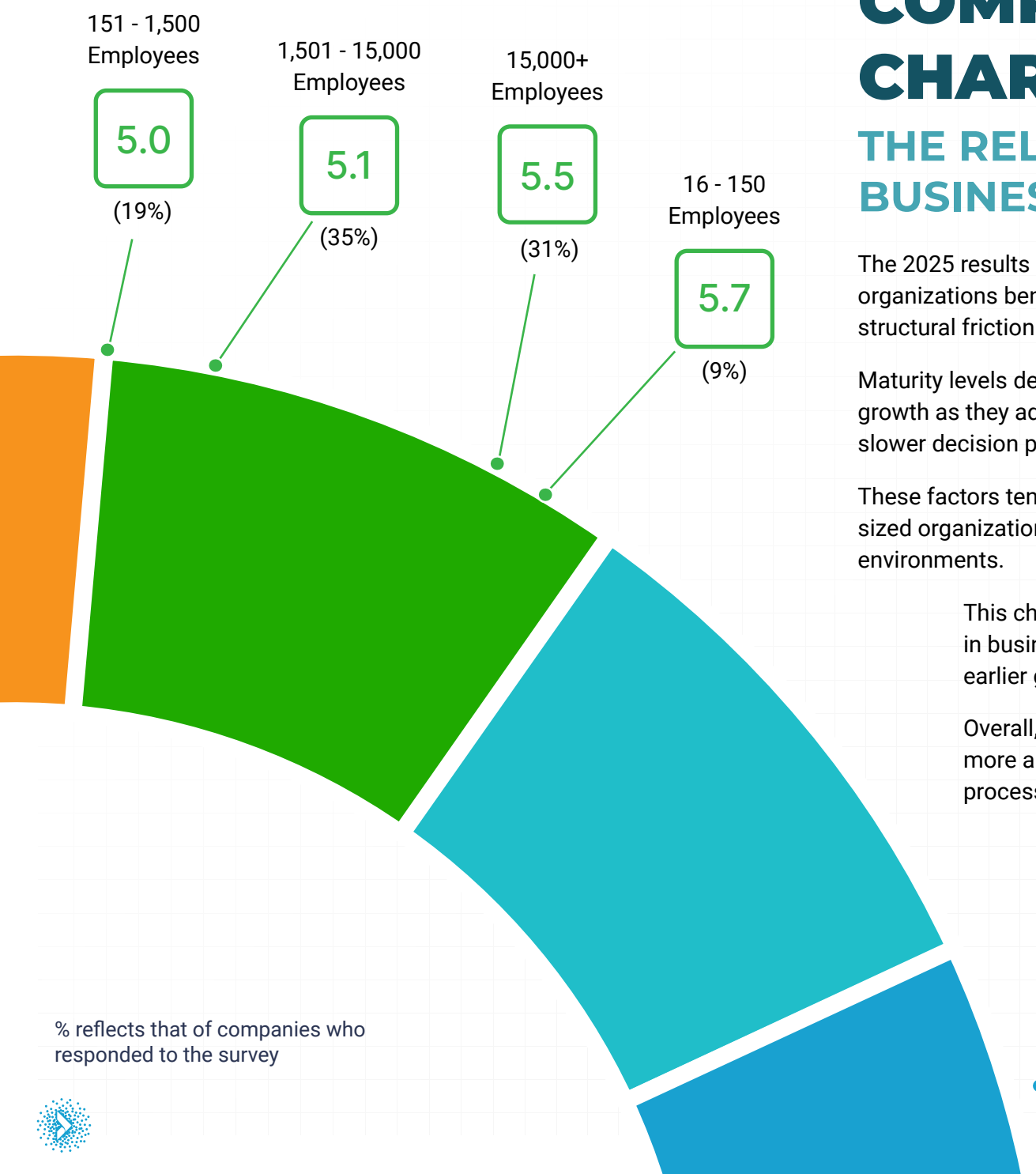
Increasing Business Agility **8.8%**

Decreasing Business Agility **-7.5%**



COMPANY CHARACTERISTICS

THE RELATIONSHIP BETWEEN BUSINESS AGILITY AND COMPANY SIZE



% reflects that of companies who responded to the survey

The 2025 results reaffirm a consistent pattern across prior years. Smaller organizations benefit from shorter decision cycles, closer collaboration, and lower structural friction and so demonstrate significantly higher levels of business agility.

Maturity levels decline as organizations scale, reflecting the rising complexity of growth as they add more layers, more governance, more interdependencies, and slower decision pathways.

These factors tend to dilute autonomy and responsiveness, making it harder for mid-sized organizations to sustain the cultural and operational fluidity seen in smaller environments.

This changes for large and multinational enterprises as their investment in business agility practices can restore some of the adaptability lost in earlier growth stages.

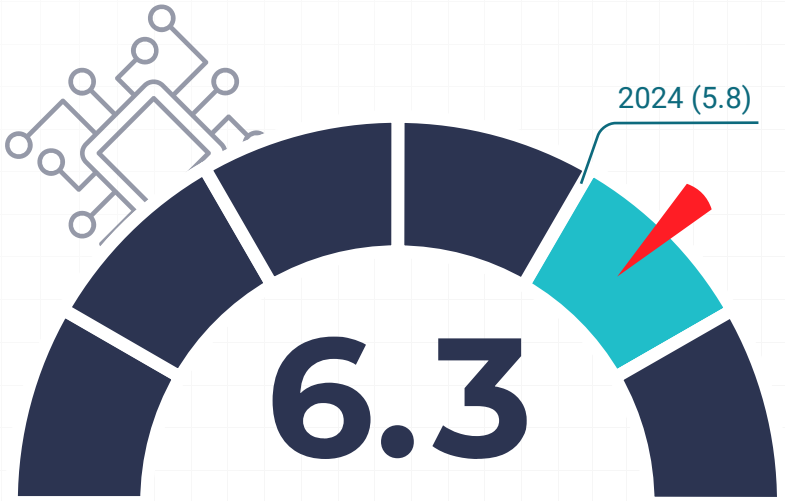
Overall, the 2025 data highlights that agility is less a function of size and more a function of how effectively organizations design their structures, processes, and culture to support flexibility at scale.

COMPANY CHARACTERISTICS

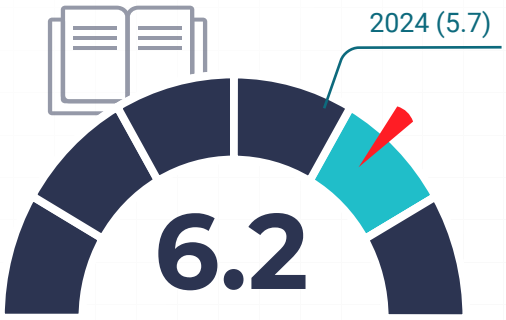
TOP INDUSTRIES FOR BUSINESS AGILITY

While Government, Healthcare, and Retail have larger changes, the most unexpected shift was the drastic drop in maturity within Professional Services. These respondents reference restructures, cost-cutting, frequent re-alignment of teams, high staff turnover, and shifting market demand. This indicates that the industry's dependency on billable utilization, coupled with unpredictable client demand, has created anxiety amongst leaders and undermined business agility behaviors. Which in turn has led to a cultural regression across many organizations.

In contrast, while technology and education firms have faced these same challenges, they have seen improvements of 7% and 9% respectively. These sectors demonstrate consistent strengths in customer focus, faster decision cycles, and more adaptive operating models.



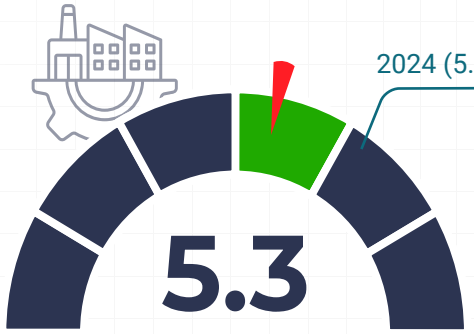
Technology (up 8%)



Education (up 9%)



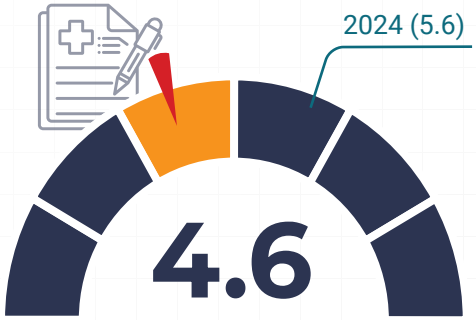
Professional Services (down 17%)



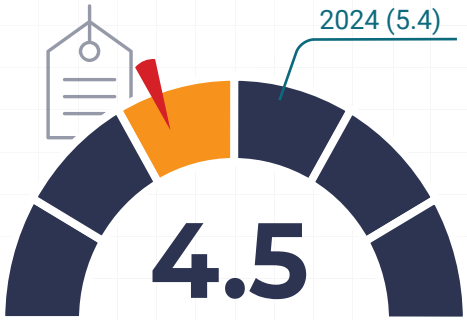
Manufacturing (down 9%)



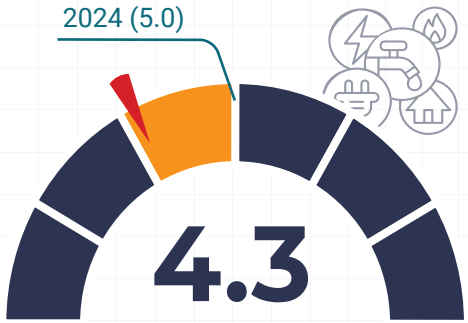
Financial Services (up 11%)



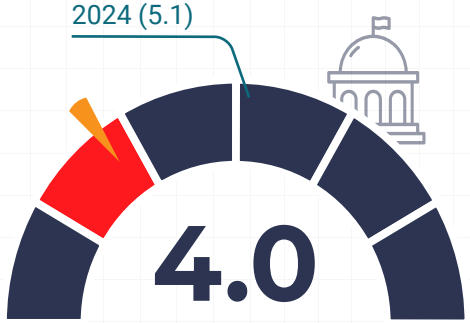
Healthcare (down 18%)



Retail (down 16%)



Energy & Utilities (down 15%)



Government (down 22%)

IT TAKES A VILLAGE

BUSINESS AGILITY IS STRONGEST WHEN LEADERSHIP IS SHARED, VISIBLE, AND ENTERPRISE-WIDE

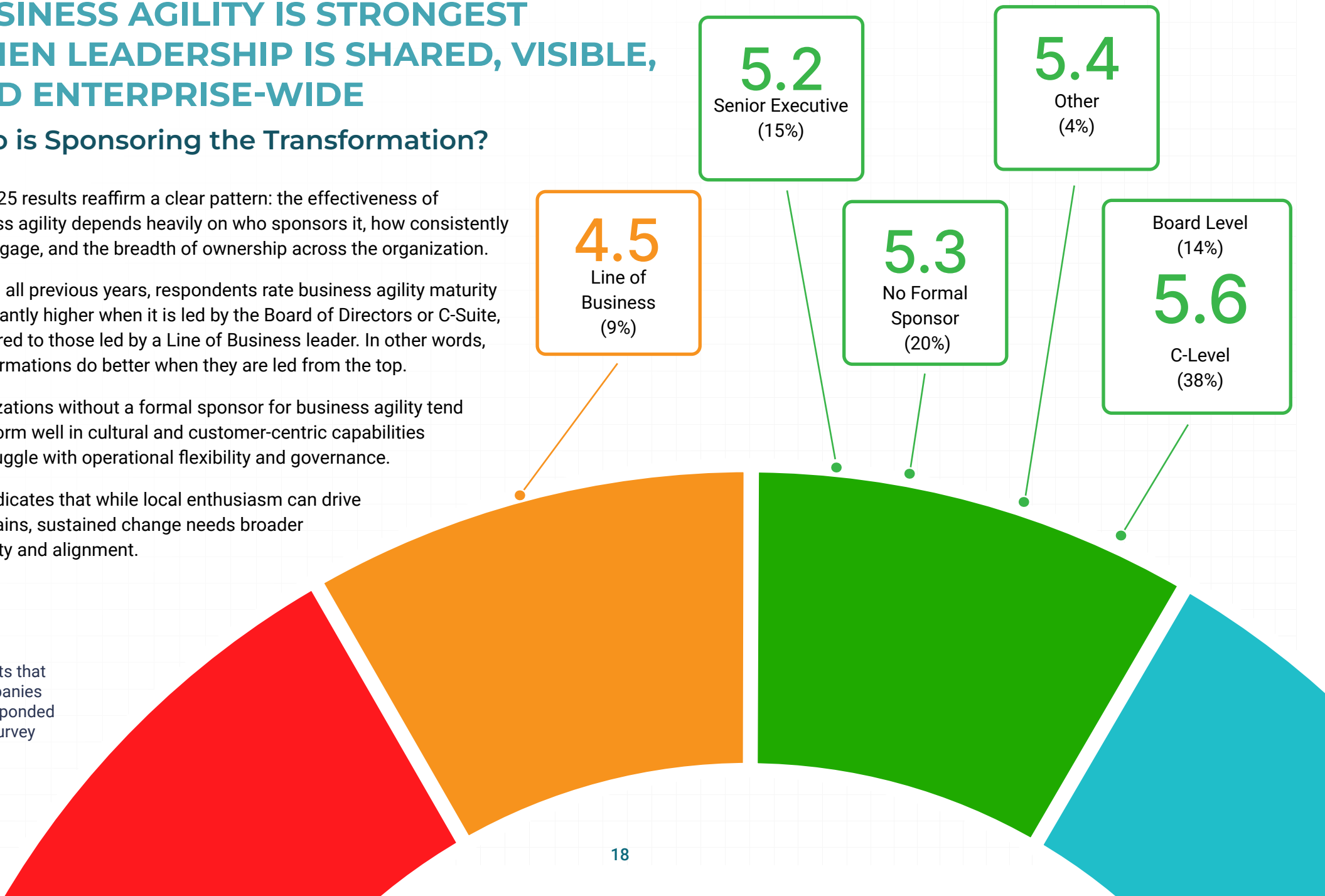
Who is Sponsoring the Transformation?

The 2025 results reaffirm a clear pattern: the effectiveness of business agility depends heavily on who sponsors it, how consistently they engage, and the breadth of ownership across the organization.

As with all previous years, respondents rate business agility maturity significantly higher when it is led by the Board of Directors or C-Suite, compared to those led by a Line of Business leader. In other words, transformations do better when they are led from the top.

Organizations without a formal sponsor for business agility tend to perform well in cultural and customer-centric capabilities but struggle with operational flexibility and governance.

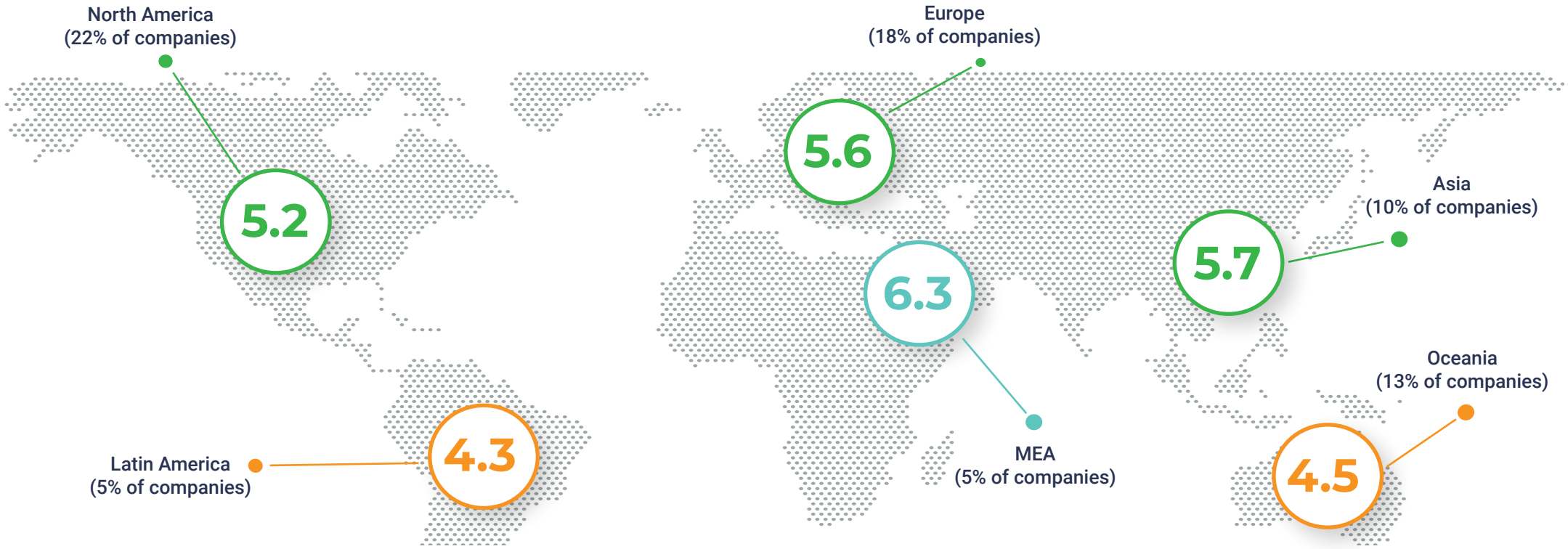
This indicates that while local enthusiasm can drive early gains, sustained change needs broader authority and alignment.



% reflects that of companies who responded to the survey

BUSINESS AGILITY AROUND THE WORLD

The 2025 data shows significant regional variation in business agility maturity, with some regions demonstrating multi-year gains while others experienced pronounced declines. Regional performance continues to reflect differences in leadership practices, regulatory environments, cultural norms, economic conditions, and the maturity of transformation efforts. As in previous years, no single region leads across all domains, but consistent patterns emerge in customer centricity, leadership behaviors, operational flexibility, and delivery performance.



Worldwide/Multinational

5.8

(27% of companies)

DOES BUSINESS AGILITY ENHANCE AI?

BUSINESS AGILITY ACCELERATES AI, BUT ONLY WHEN BACKED BY EMPOWERMENT, CLARITY, AND CULTURE

This year, we asked organizations whether their business agility practices have helped them adopt and implement artificial intelligence (AI) more effectively. While responses vary, a clear pattern emerges: business agility is an enabler when organizational culture, structure, and leadership behaviors are strong.

Organizations with higher maturity report that AI is being integrated into workflows, product innovation, and market offerings faster and more safely than before. Without it, AI adoption tends to be held back by governance and restricted to fragmented or superficial initiatives.

> *"We're just starting to bring agility and AI together to help the organization better prioritize AI efforts on the highest impact work. We're also shifting our org to be more AI and agile centric, recognizing the exponential benefits of bringing these two disciplines together."*

Some organizations highlighted the mindset and mechanisms for rapid learning, hypothesis-driven development, and cross-functional collaboration provided by business agility. As one respondent noted:

> *"The new culture and agile ways of working allow for more experimentation and open mindedness to work with new technologies."*

Others highlight structural and transformational enablers that accelerate AI adoption. These range from clearer governance controls and organizational structures to autonomous teams empowered to pursue AI opportunities. These respondents describe business agility as providing space for innovation and the organizational flexibility required to evolve rapidly.

> *"Proprietary LLM was built ... for less than <redacted> because a small autonomous team was given what they needed."*

However, many organizations faced constraints and capability gaps that directly limit their ability to integrate AI effectively. Concerns around siloed structures, leadership skill, and bureaucratic governance controls are prominent. These constraints mean that, while they recognize the importance of business agility, they are not yet able to leverage it at the speed AI demands.

In Summary:

AI is becoming a litmus test for real business agility. Those with strong adaptive cultures, empowered teams, and clear decision pathways are already using agility to accelerate AI adoption.

Others see AI as a mirror reflecting leadership gaps, structural friction, and the limits of transformation still underway. As with every major shift of the last decade, business agility helps organizations navigate uncertainty but only when it is real, systemic, and lived.

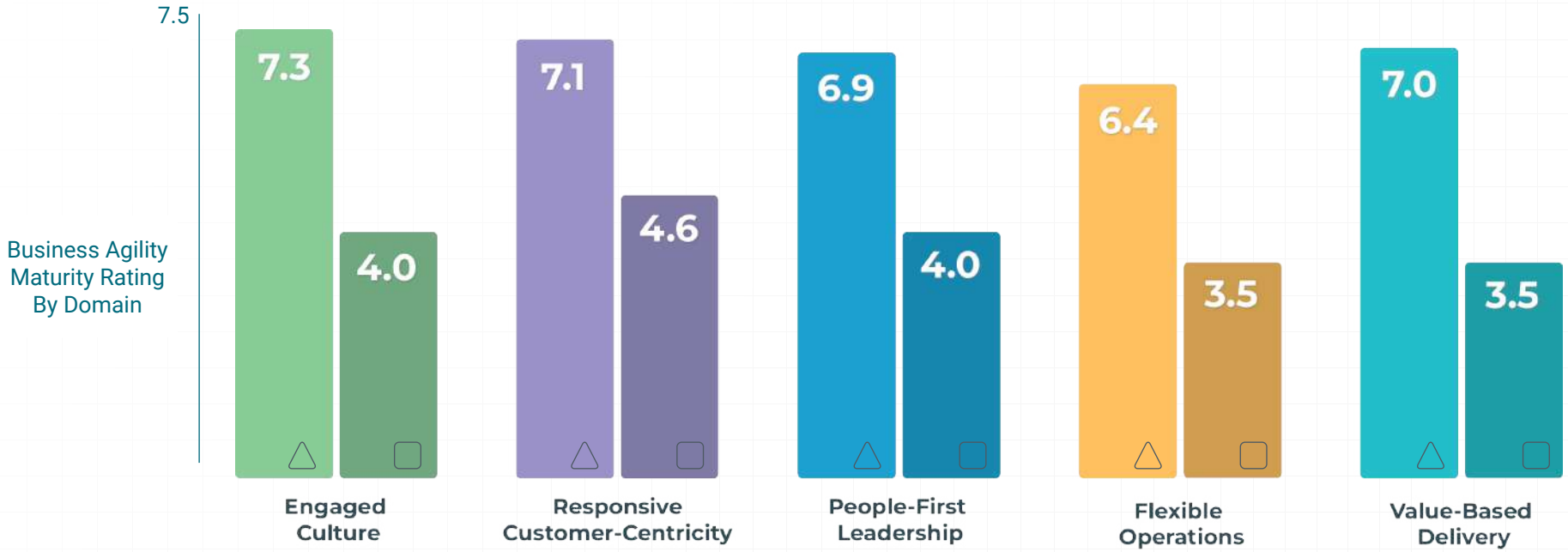
BUSINESS AGILITY SUPPORTS AI ADOPTION

Organizations that leveraged their business agility capabilities to enhance their AI adoption initiatives had significantly higher business agility maturity (rating 6.6, on average, compared to 4.2 for organizations that were unable to leverage business agility effectively).

In these organizations, the capabilities *Seize Emergent Opportunities* (7.8 on average) and *Sense & Respond Proactively* (7.7) had the strongest relationship to AI enablers (specifically, Cultural and Leadership Enablers, Practices and Ways of Working Enablers, Structural Enablers, or Transformational Enablers). The capabilities *Embed Psychological Safety* and *Prioritize. Prioritize. Prioritize.* also rated very highly (7.5).

In contrast, organizations who were unable to utilize business agility to support their AI adoption tended to rate worse than their peers in both *Deliver Value Sooner* (3.1) and *Act as One* (3.5).

AI Adoption Success Against Business Agility Maturity



AI ENABLERS △

Organizations that shared they were able to leverage their business agility in support of AI initiatives generally had higher business agility maturity scores.

AI CONSTRAINTS ▢

Organizations that shared they had constraints to getting started with AI or implementing AI in a meaningful way, generally had much lower business agility maturity scores.

IN SUMMARY
THE BENEFITS OF BUSINESS AGILITY

86% of Organizations Report Tangible Benefits from Business Agility

In 2025, a clear majority of participating organizations continue to report meaningful and measurable benefits from business agility. While some still struggle to quantify impact, benefits are broadly consistent across industries and geographies.

What stands out is not just whether benefits are achieved but which benefits become possible at different stages of maturity.

Higher-maturity organizations consistently report commercial gains, adaptability, customer satisfaction, and shorter time to market. Those in earlier stages typically report improved collaboration and higher employee satisfaction.

For the 14% of organizations who reported seeing no benefit from their business agility efforts, the majority said it was too soon to see a benefit.

> *"We're building a library of use cases to outline everything from incremental performance improvements at properties all the way to faster time-to-value for large scale corporate initiatives."*

> *"We have seen an increase in work satisfaction as personnel are beginning to feel more empowered, heard, and included."*

Top Benefits to Business Agility



FREQUENTLY CITED BENEFITS AND MEASUREMENT

Driving Stronger Commercial Results & Customer Satisfaction

Improved commercial outcomes is the most frequently reported benefit theme, with 28% of organizations citing increased revenue, market success, and customer growth as well as better product market fit and alignment of products and services to customer needs. These benefits consistently appear in organizations with higher maturity in *Prioritize. Prioritize. Prioritize.* and *Fiercely Champion the Customer*.

> *"We believe there is a link with the NPS, which improved significantly."*

Beyond commercial performance, many organizations also report a direct link between business agility and improved customer satisfaction. Several respondents specifically highlighted improvements to Net Promoter Scores (NPS) and customer experience as a result of cross-functional collaboration and tighter customer engagement. This reinforces a pattern found every year since 2018: more than just how organizations work, business agility improves how they connect with, serve, and retain their customers.

> *"[We have seen] revenue growth in top accounts."*

Accelerating Flow, Delivery Speed, & Adaptability

Organizations report meaningful improvements in productivity, quality, and throughput in delivering value to their customers while also responding more effectively to change. Respondents described improvements to delivery throughput with greater clarity, more focus, and a reduction in bottlenecks.

These improvements are closely associated with maturity in *Value-Based Delivery* capabilities, especially *Prioritize. Prioritize. Prioritize.* But also leadership capabilities such as *Realizing People's Potential*. Faster feedback loops allow teams to learn earlier, reduce risk exposure, and sequence work more effectively in response to customer and market signals.

> *"[Our] culture is changing to a "test and learn" and "fail fast" mentality. [We are now] able to release viable products sooner."*

Adaptability remains a meaningful benefit among more mature organizations. These respondents describe test-and-learn culture shifts and the ability to pivot without needing to "stop and restart" product efforts. The abilities to *Adapt Strategies Seamlessly* and *Sense & Respond Proactively* emerge as the most important capabilities for organizations here.

Strengthening Engagement, Collaboration, & Ways of Working

A significant number of organizations report that agility has improved the way people engage at work citing higher employee satisfaction, better teamwork, and greater levels of cohesion across the organization.

> *"The level of engagement and initiative in the groups that have been a part of our transformation is palpable."*

Some organizations highlight increased engagement in decision-making and investment in delivering on commitments. Others point to clearer expectations, better cross-functional collaboration, and more balanced workloads. These benefits are frequently highlighted by organizations early in their business agility journey, where cultural improvements often precede system-wide operational change.

In many cases, the cultural impact of agility becomes the most visible early signal that momentum is building.

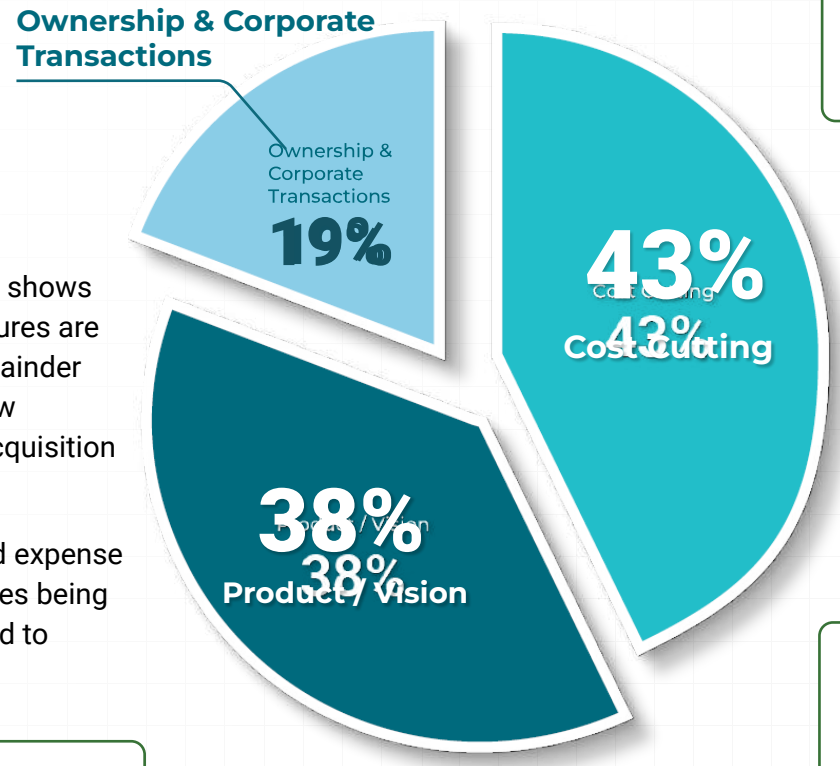
ORGANIZATIONAL RESTRUCTURES: DRIVERS

58% of participating organizations have gone through a significant restructure or downsizing in the last 12 months. This makes one reality unmistakably clear: workforce restructures and redesigns have become a persistent feature of how organizations operate, not exceptional events.

Drivers

Perhaps of limited surprise, the 2025 data shows that a little under half (43%) of all restructures are driven primarily by cost pressure. The remainder are used to align organizations around new products (38%) or as a consequence of acquisition or buyout activities (19%).

For organizations being driven by cost and expense pressure, respondents describe restructures being triggered by tightening budgets or the need to reduce headcount.



"Expense management and tighter prioritization is driving restructures and downsizing."

"The company has been downsizing 10% for the last two years and it will be the same for the next year".

These comments highlight the financial realities behind many of today's structural changes.

"DOGE (US Department of Government Efficiency) has significantly changed the organization. There has been an expansive loss of institutional knowledge, downsizing, and a reorg."

Other restructures are driven by strategic shifts, such as changes in product ownership, organizational vision, or strategic direction. Several organizations described pivoting toward product-led operating models.

"[We are] transitioning product ownership from Operations to a new product organization in Finance."

"[We have had a] leadership restructure in Technology to improve alignment with Digital and Business [functions]".

"[We have] created a product management function with new leadership roles ... and created a stronger customer success function.

ORGANIZATIONAL RESTRUCTURES: IMPACT

Impact On Business Agility

The most surprising finding is that there was no material impact on business agility between organizations that had undergone a restructure versus those that hadn't. In other words, restructuring does not inherently improve or impair business agility; instead, the drivers and execution of restructuring shape its impact.

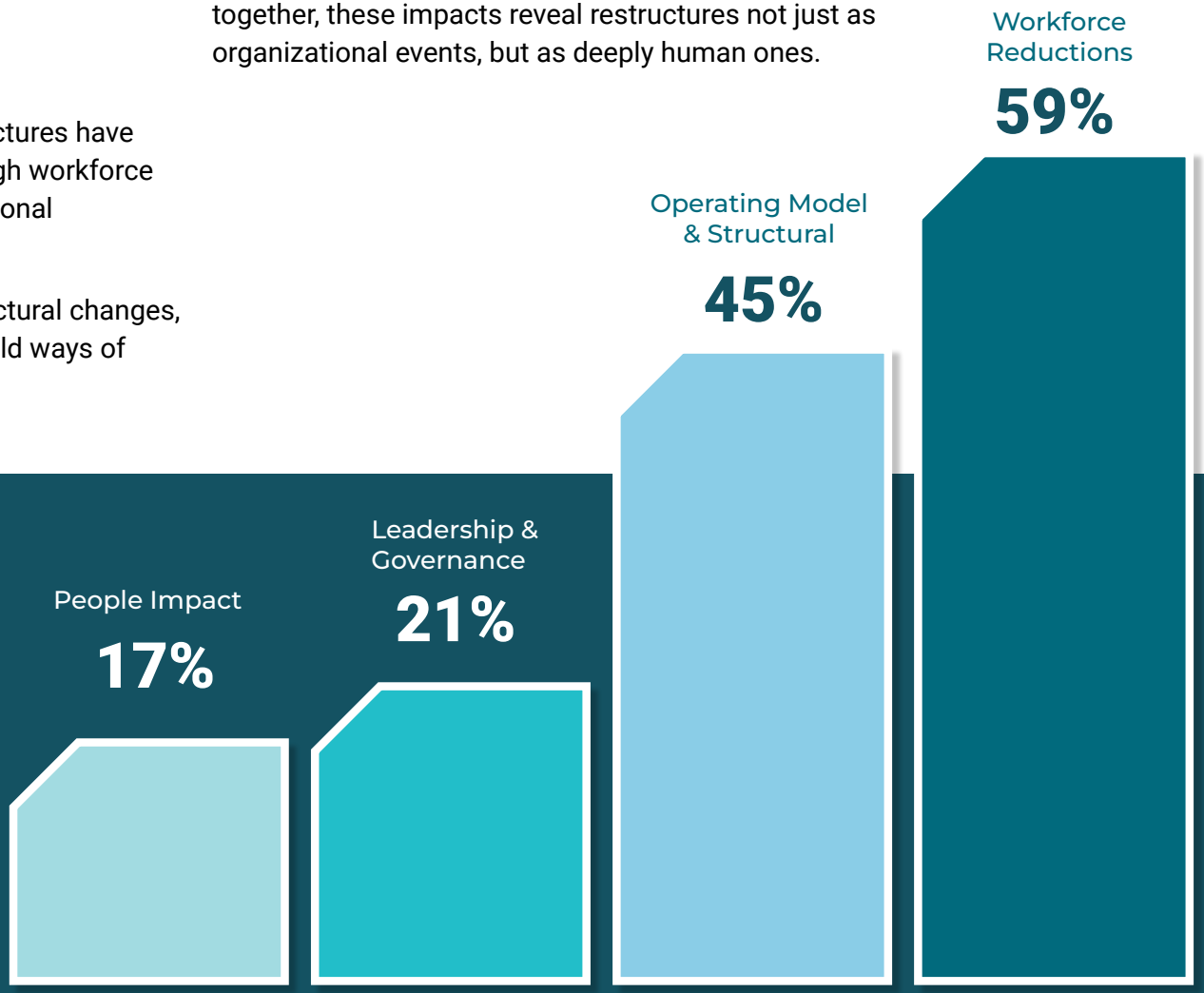
Impact on the Organization

While there is no material impact on business agility scores, restructures have had wide-ranging impacts across organizations, most visibly through workforce reductions, where layoffs, early retirements, and the loss of institutional knowledge disrupted capacity and continuity.

These shifts were often accompanied by operating model and structural changes, including the creation or dissolution of teams and the need to rebuild ways of working in real time.

Many organizations also experienced leadership and governance impacts, with senior leaders moving on, roles being redefined, and decision-making shifting as part of broader redesign efforts.

Underneath these structural movements lies a profound people impact: employees adjusting to new managers, evolving responsibilities, uncertainty, and in some cases, repeated cycles of change. Taken together, these impacts reveal restructures not just as organizational events, but as deeply human ones.



In Summary

Restructures in 2025 are being driven by a blend of cost pressures, strategic shifts, ownership changes, and attempts to modernize operating models.

While they vary widely in scale and intent, across all cases, the data shows that restructuring alone does not change the impact of business agility. Instead, the challenge for organizations is to build resilience and clarity through restructuring, not simply around it.

IN SUMMARY
THE CHALLENGES TO BUSINESS AGILITY

Barriers to Business Agility Are Cultural and Systemic, Not Process

Major organizational challenges to business agility remain largely consistent to the multi-year trend. The most commonly described challenges are linked to leadership behaviors, organizational inertia, and long-standing structural constraints.

Across all themes, respondents highlight that business agility is rarely blocked by a lack of effort but by a lack of authority, alignment, and willingness to change.

This year, challenges resulting from market and technological changes — notably AI — figured more prominently. The data also shows that organizations are actively working to address these challenges.

Many report progress in setting clear and aligned goals, changing leadership expectations, breaking down silos, and building capabilities that improve adaptability.

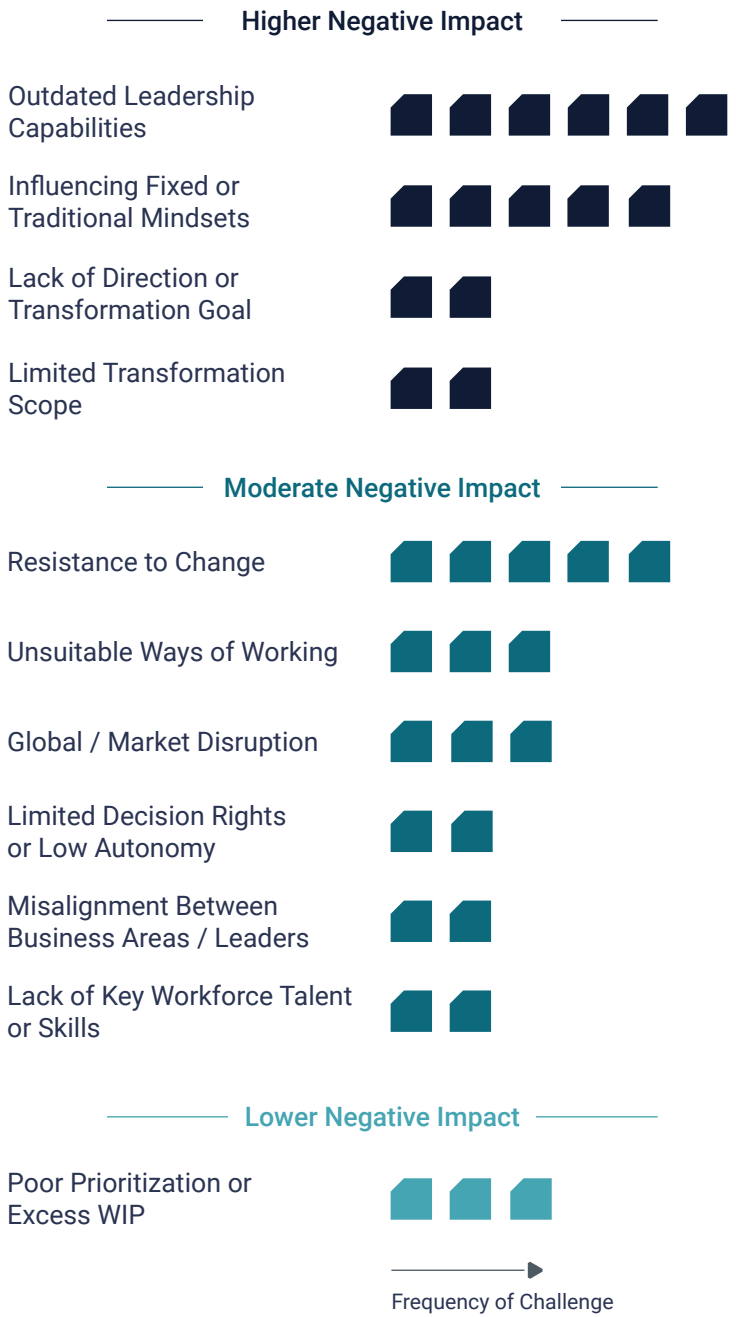
"Strictly focusing on applying frameworks, processes have shifted their focus to people (problem to fix) rather than the system they work in. Other areas of the business are hurting because of it"

"There are certain groups or business units which are more reluctant than others to adopt business agility practices."

"The biggest challenge is legacy leadership mindset with a 'prove it to me' approach rather than a 'let's test it' approach."

The pattern is clear: the more systemic the barrier, the harder it is to sustain business agility and the more critical it becomes to resolve it.

Top Challenges to Business Agility



HIGHER & MODERATE IMPACT CHALLENGES

Rewiring Leadership Behavior

Since 2018, outdated leadership capabilities have been the most consistent and deeply rooted challenges facing business agility. Respondents frequently describe leaders who verbally support business agility, while their strict command-and-control, risk-averse, and authoritarian behaviors often contradict it. These patterns make it difficult to give teams the agency they require to make decisions, accelerate learning, or even engage with customers.

> *"Leadership is still struggling to really integrate servant leadership and really empower thoughtful risk taking."*

> *"The ability to "let go" from the top is not there yet. [They believe] we got where we are through command & control."*

Similarly, several organizations cite a lack of strategic clarity or shared vision, particularly during periods of restructuring, market pressure, or leadership turnover. In these cases, efforts towards business agility become fragmented and inconsistent.

These challenges sit at the intersection of culture and strategy and are among the most difficult to resolve; requiring both behavioral and mindset shifts at the executive level. To move forward, leaders can empower employees with strategic context, prioritised objectives, and accountability for demonstrable progressive delivery.

Structural Barriers Reinforce Old Ways of Working

Even when leaders are supportive, organizational structures often prevent meaningful change. Respondents pointed to siloed business units, budget control mechanisms, and restrictive governance models as key factors that reduce accountability, limit autonomy and slow decision-making. Relatedly, many organizations highlight fragmentation and competition between business areas that reinforce existing (or sometimes form new) silos. These constraints make it difficult for teams to execute on strategic initiatives that require collaboration across boundaries, effective prioritization, or real time response to change. Pressure from cost reduction and restructuring also acts as a barrier to change. Restructures both reduce the capacity for change, and trigger defensive behaviors. As budgets shrink and KPIs sharpen, leaders and teams gravitate back to optimizing to their incentives at the expense of organizational goals.

> *"With the increased funding pressures, multiple restructures and down sizings, everyone's focus has shifted to getting things done with less and making their own personal KPIs, which is resulting in silos and hoarding of money and people."*

These dynamics undermine alignment and result in "islands" of agility rather than business agility.

External Disruption Continues to Undermine Stability & Progress

Many organizations report that global and market forces, including economic pressure, technological disruption, shrinking markets, geopolitical shifts, and regulatory change, are undermining their ability to sustain business agility. These pressures often pull leaders back toward control, cost-cutting, and defensiveness.

The result is instability: layoffs, restructures, shifting priorities, and reactive planning cycles that make it harder to embed new ways of working. In these cases, organizations describe a constant need to pivot, often without the time or capacity to build resilience into the organization. The tension is not between agility and disruption — but between agility and ineffective survival instincts.

Effective organizations avoid both extremes: leaders who hold course despite clear signals, and leaders who pivot so frequently that the organization cannot generate evidence of what works. Business agility thrives in the space between these poles, responding to disruption while sustaining strategic coherence and resisting the pull toward rigidity.

ACCELERATE CLARITY.

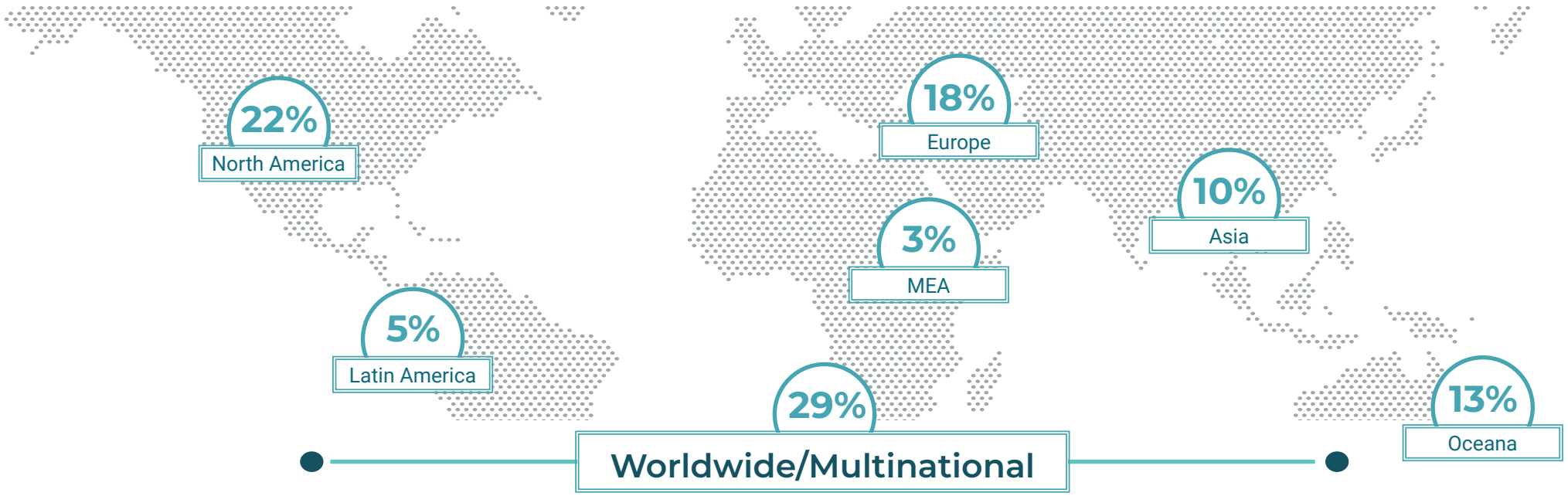
GET YOUR SCORE.

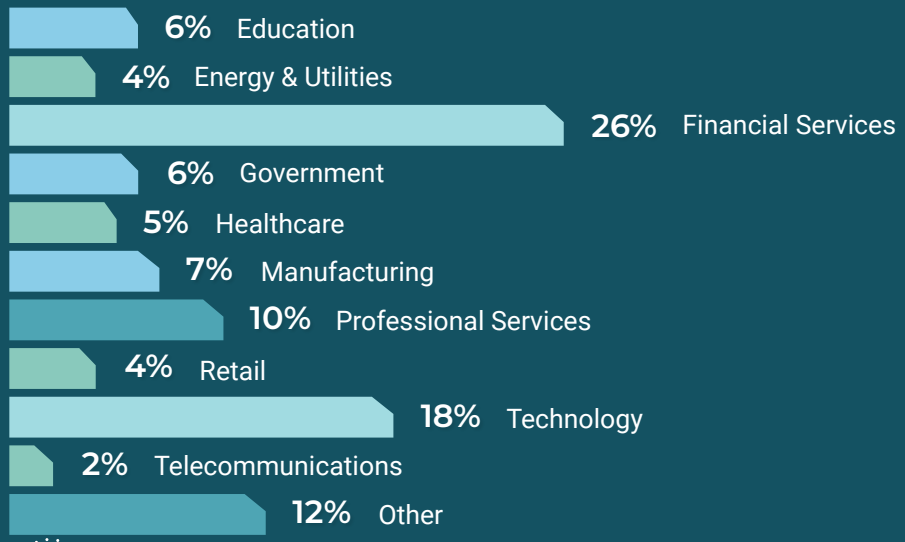
KNOW YOUR BUSINESS BETTER

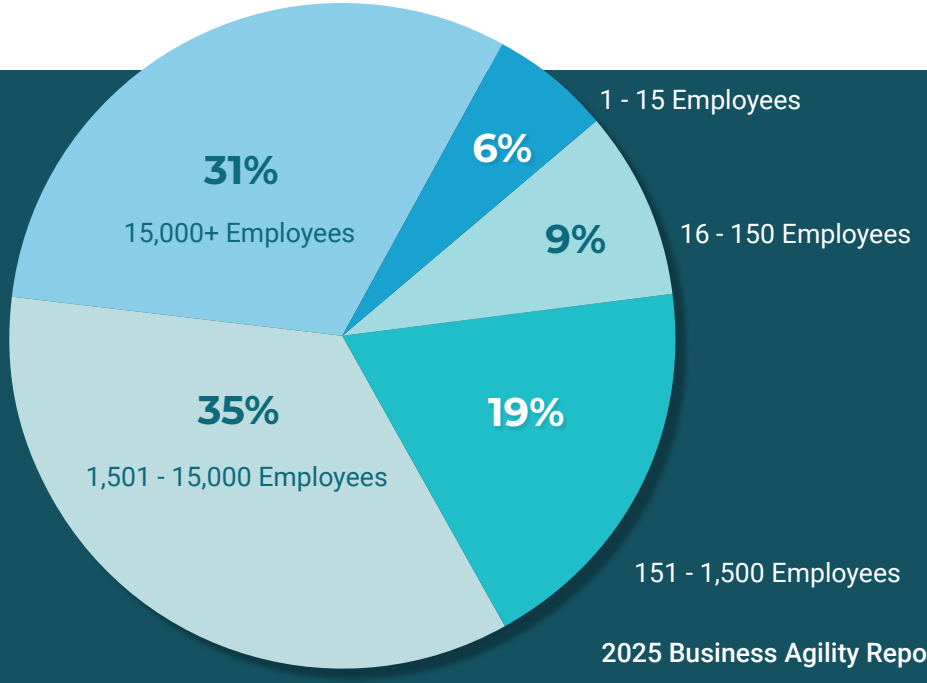
The Business Agility Profile™

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DEMOGRAPHICS







METHODOLOGY AND THANKS

Acknowledgements

This report is only possible through the gift of time, knowledge, and leadership from the research team. Special thanks to Evan Leybourn, Martin Foster, Christopher Morales, and Laura Powers for the hundreds of hours put into this report.

Thank you to the hundreds of respondents that took the time to answer the survey and provide detailed responses to the free text benefits and challenges questions.

All data collected through surveys is anonymized, securely stored, and made accessible only to those on the research team. Names of individuals, companies, and other potential identifiers have been removed or anonymized.

Our Goal

Over the last eight years, over 2,500 companies have taken part in our studies. These insights provide your organization with the cutting-edge resources and knowledge to succeed on your business agility journey.

No Matter What The Future Brings.

BUSINESS AGILITY INSTITUTE

Methodology

The study intends to understand what organizations are doing on their business agility journey, how they are performing in this endeavor, and identify global trends. To accomplish this, a voluntary and confidential online survey asked respondents to gauge the business agility maturity of their organization and share the top challenges and benefits they have seen to date.

Respondents self-assessed their business agility maturity against 18 measures, representing the capabilities within the Domains of Business Agility. For each measure, respondents are asked to provide a rating of 1-5; with scores of 1-3 classified as low to moderate maturity and 4-5 as high maturity.

This year, survey data was supplemented with publicly available financial and employee engagement data where available.

The key hypotheses outlined in this report have been verified by performing statistical analyses on the 2025 data and comparing trends with the previous years' findings (2018 - 2024).