

Behind every great customer experience is an agile, cross-functional team

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From four major software updates per year to 20,000 small releases per month: that's how fast digital transformation has accelerated at Dutch banking group ING in recent years, according to a recent report published by strategy firm McKinsey.

A big factor in being able to deliver at this hectic pace, say the report's authors, is the bank's use of small, agile, cross-functional teams. Each of these 'squads' of nine people or fewer focuses on a different aspect of how ING serves its customers, both online and offline. Each squad also operates as part of a wider, cross-functional 'tribe' of 150 employees or fewer, with its own, more general focus – such as mortgages, payments, or consumer credit.

The goals and achievements of squads and tribes are meticulously documented and widely shared around the company, not just to keep squad members accountable, but also so that talent and resources can be allocated to them by the bank's leadership.

This kind of team structure, based on multidisciplinary groups drawn from around the business and focused on common goals, is a vital part of being an innovative customer experience (CX) leader, McKinsey's researchers explain: "These groups make iterative progress on – and continuously manage their backlogs of – those activities that matter most in achieving critical outcomes. Their work enables rapid, large-scale reprioritisation of digital initiatives and has the added merit of lowering the risk on bold moves."

Not every company operates at this kind of scale or pace, but in organisations of all sizes, digital transformation is demolishing the lines of demarcation that separate functions and/or departments. In other words, behind every compelling, customer-pleasing digital product are small, highly focused teams that bring together exactly the skills needed to build and support its various functions and ensure that they evolve over time, in response to changing customer needs.

At Zuhlke, a major focus of our Digital Services Innovation (DSI) solution is on helping clients with building these teams, each of which represents the full stack of understanding required by a particular service or feature in a digital product: desired business outcomes, user experience (UX) design, software development methods, infrastructure needs, and so on.

This team is empowered, so it doesn't need to look elsewhere for approval before taking

action, and it keeps a keen eye on metrics that indicate how new releases of code are performing in production and whether they're well-received by customers, so they can continually be refined.

Cross-functional teams are an important source of innovation and they get their good ideas out of the door and into production quickly. It's no surprise, then, that organising people in this way is considered a good indicator of digital leadership in the recent Harvey Nash/KPMG CIO Survey 2019.

This annual poll of 3,600 CIOs and senior technology executives across 108 countries finds that only 30% of companies can be considered 'digital leaders' - but 83% of these leaders use cross-functional teams, compared to 71% of companies that are still developing their digital strategies and just 55% of companies that are still at an early stage with digital.

And when asked about the benefits of cross-functional teams, survey respondents couldn't be clearer. They point to greater access to resources, diverse perspectives, broader skill sets and fresh ideas - which, together, sound like a great recipe for innovation.