It's time to stop thinking about agile ways of working only in terms of individual scrum teams, daily standups, and sticky notes.

Agile can be those things. But extending agile principles from isolated teams and initiatives to the entire enterprise unleashes something even more powerful. Unilever discovered the full extent of that power when the global consumer goods company elevated agile ways of working to the enterprise level to execute its corporate strategy.
and well-being, personal care, home care, nutrition, and ice cream—and made each responsible for their own global strategy, growth, and profits.

It was a bold move. But leaders knew that a new structure alone wouldn't create the transformation the company needed. They realized they could harness the power of the agile principles that the company was already using and elevate them to bring the new enterprise structure to life—to focus on customer value and faster growth, as well as to allocate teams to the highest-priority initiatives.

“For years, I thought agile was only relevant for tech startups,” Nitin Paranjpe, Unilever’s chief people and transformation officer, says. “But when I took a closer look, the penny dropped for me. The things that agile solves for are actually the problems of large companies, whether it is obsessive customer centricity, clarity on prioritization—a big problem for large companies with too many initiatives—or driving for sharp accountability on outcomes and not output.”

Unilever’s Four-Pillar Approach

To put its corporate strategy into action, Unilever applied four pillars.

Ruthless Priority Setting. Setting priorities can be extremely difficult for a global business such as Unilever, which sells more than 400 brands in more than 190 countries and employs 127,000 people. In the first pillar of its approach, Unilever began using objectives and key results (OKRs) to clearly articulate the company’s highest-level priorities, a step inspired by technology companies, such as Google, that use OKRs to direct their operations.

Having OKRs forces leaders to make choices. It also helps teams understand how the work they do connects to the company's priorities. Unilever’s business groups set the majority of priorities, which cascade down to priorities for business and regional units and to teams' daily work. The head of a business group may set an OKR to improve market share for one of its product portfolios. That OKR then cascades through the organization, creating market share targets for relevant regions and teams. For example, the Latin American regional team would have a target for the portion it needs to contribute to the overall metric.

Quarterly Business Reviews. The next pillar of Unilever’s approach is using quarterly business reviews to ensure that its business groups and the company overall set and meet priorities. The company found that combining quarterly reviews with an annual plan works better than an annual plan alone to track expectations, delivery, and progress toward its goals.

The reviews’ success relies on participating leaders being well-prepared and on the quality of their discussions. Leadership team members act as sponsors for individual OKRs. Each sponsor writes a two-page memo that outlines the progress made toward an OKR in the previous quarter, the lessons learned, the near-term priorities, and the potential tradeoffs to be discussed during the review.
Preparing memos in advance allows the leadership team to have a structured, granular discussion, without needing to read voluminous reports. Leadership teams typically spend 70% of a review discussing and agreeing on priorities for the coming quarter and interventions that may be needed to make sure work stays on track.

**Dedicated Teams.** Unilever had already begun to use more flexible models to allocate its workforce. The third pillar of the company’s approach took that to the next level. The company reorganized how many people work by grouping them into multidisciplinary, dedicated teams focused on delivering on its highest priorities. OKRs help teams understand how their work connects to those priorities. Teams work together on a long-term basis in order to become highly effective in delivering on the priorities.

Unilever continues to create dedicated teams with assistance from agile coaches. The company expects that eventually, approximately a third of its office-based employees will work in agile teams.

**Empowered Leadership and Culture.** The final pillar of Unilever’s agile approach is ensuring that the right leadership and culture are in place to help new ways of working thrive. To that end, Unilever embedded enterprise-level agile coaches with business unit and function leaders to guide them through changes related to working in new ways. Leaders gradually got comfortable spending more time aligning on strategic priorities. In this structure, top leaders set priorities, but teams decide how to carry them out. It allows teams to work with more latitude, which improves engagement and creates a culture that the company can use to continue innovating in the future. Teams generally appreciate the greater autonomy, which creates energy and engagement that bubbles up through the organization and transforms the culture as well as the business.

**Takeaways from Unilever’s Approach**

Unilever is still on its transformation journey. But initial results offer takeaways for other large organizations that want to use enterprise agility to execute their strategy:

- Enterprise agility is much more than initiatives that use scrum or kanban. It’s about having an obsessive focus on the customer, setting priorities, and empowering teams to deliver on them.

- When leaders focus on rigorous priority setting for OKRs and initiatives, it enables the organization to—as the agile saying goes—start less and finish more.

- A strong alignment on priorities enables empowered, multidisciplinary, persistent teams to deliver better, faster, and stronger results.
Global organizations such as Unilever are realizing the value they create when they adopt enterprise-level agile ways of working to execute their strategy. Unilever’s business transformation is ongoing, but its progress is promising, and it shows what can happen when a company looks beyond the buzzwords to consider what agile ways of working can really do.

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