The 17th State of Agile Report

State of Agile

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State of Agile

01

Introduction

For 17 years we've been asking all the questions about Agile.

Is it working? Can it scale? How does it help?

This year we asked again, only this time we heard some very different answers.

From AI to developer burnout, hybrid work environments and unrelenting demand, change is happening in every organization in every industry. At this moment in time, it feels like Agile is having difficulty adapting.

Small, nimble organizations continue to report that Agile is a powerful productivity and organizational framework showing obvious benefits, including increased collaboration, improved software quality, and better alignment with the business. Medium-sized and larger companies, however, are less satisfied with what Agile can do for them, see substantive barriers to organization-wide adoption, and are far more likely to embrace a custom software development strategy that incorporates a number of different frameworks including, but not limited to, Agile.

Based on this, we think it's time to start asking some new Agile questions, beginning with:

Where does Agile go from here?

Obviously we don't have answers, but it's clear that enthusiasts, skeptics, and everyone in between need to come together to reconsider the role Agile can and should play in modern software development.

Agile is being asked to do a lot, from managing distributed workforces to incorporating AI, powering VSM, driving business value, and enabling digital transformation. We need to better understand how to leverage and empower Agile in order to accomplish these incredibly lofty goals.

We know you have thoughts on how Agile could better adapt to the changing world of software development. Leave your thoughts [here] and we'll compile and share them over the next few months.

Read on to see what 788 survey respondents told us about Agile in 2023.

02

Executive Summary

When it comes to Agile (and life), perspective is important, and so is nuance. To really understand the ebb and flow of Agile adoption, please keep the following thoughts in mind.

First, it's likely that scaling Agile adoption across the enterprise comes down to a fundamental disconnect between how business leaders define the framework and how the practitioners actually use it. The business side is, understandably, hyper-focused on creating value for the customer and thus the business, but that's really not the reason why Agile was created or why it's been so successful at the team level over the last years. This difference between an enterprise approach and a team approach could be creating very real culture clashes within organizations trying to grapple with modern software development, increased customer satisfaction and improved business value.

This is definitely a bit of the irresistible force meets the immovable object. The companies most successful at resolving this conflict focus on outcomes instead of outputs, building customer-centric cultures, and clearly defined business value. What that translates to, practically, is mix-and-match frameworks and a broadened toolset that incorporates non-traditional Agile tools.

Also, it's key to remember that despite all the angst, Agile continues to provide significant value to a wide range of companies. Consider:

71% of survey takers use Agile in their software development lifecycle (SDLC).

Scrum continues to be the most popular team-level methodology: **63% of Agile users are team Scrum.**

The top benefits from using Agile? Improved collaboration and better alignment to the business.

Engineering/R&D are the fastest growing adopters of Agile, **up 16% over 2022.**

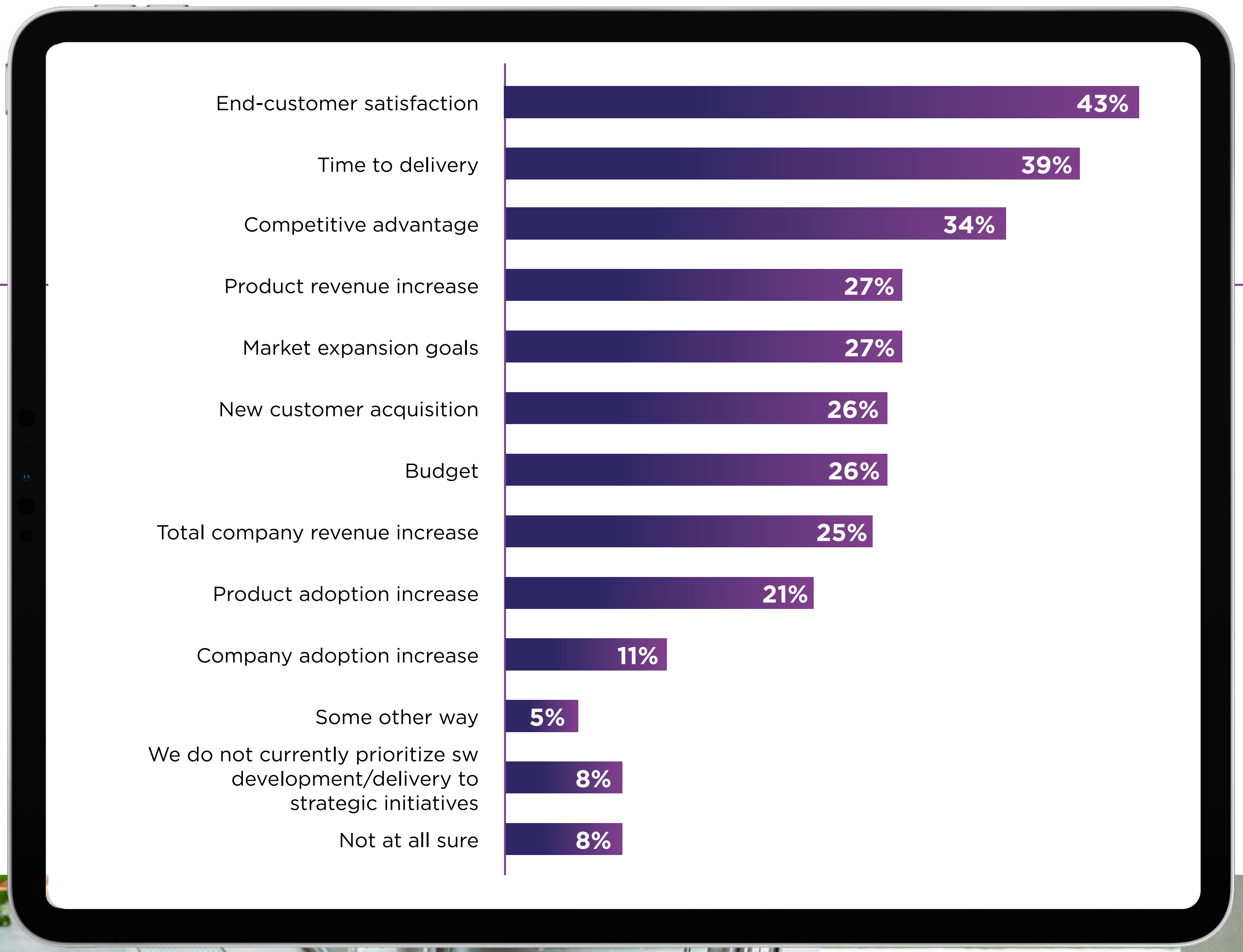
The Scaled Agile Framework (SAFe) remains the top choice at the enterprise level at 26%, but **22% said they don't follow a mandated enterprise framework at all.**

03

A Snapshot of Software Development in 2023

In a rapidly changing market, how organizations prioritize their software development and delivery goals can be telling. This year 43% of respondents told us customer satisfaction was their top priority (unchanged from last year), while 39% said time to delivery (up four points this year) and 34% said competitive advantage, an increase of 7% year over year. But over one-quarter of respondents said market expansion goals and new customer acquisition were key, new data points that didn't exist last year and that prove that providing business value to customers is critically important in today's market.

Over two in five respondents prioritize their software development and delivery goals/objectives by end-customer satisfaction while two in five by time to delivery.



Those from other parts of the world are more likely than those from North America to say **they prioritize by product adoption increase** (24% vs. 17%) and **company adoption increase** (14% vs. 7%).

Those in small and large companies are more likely than those in medium ones to **prioritize by company adoption increase** (14% & 13% vs. 7%).

03

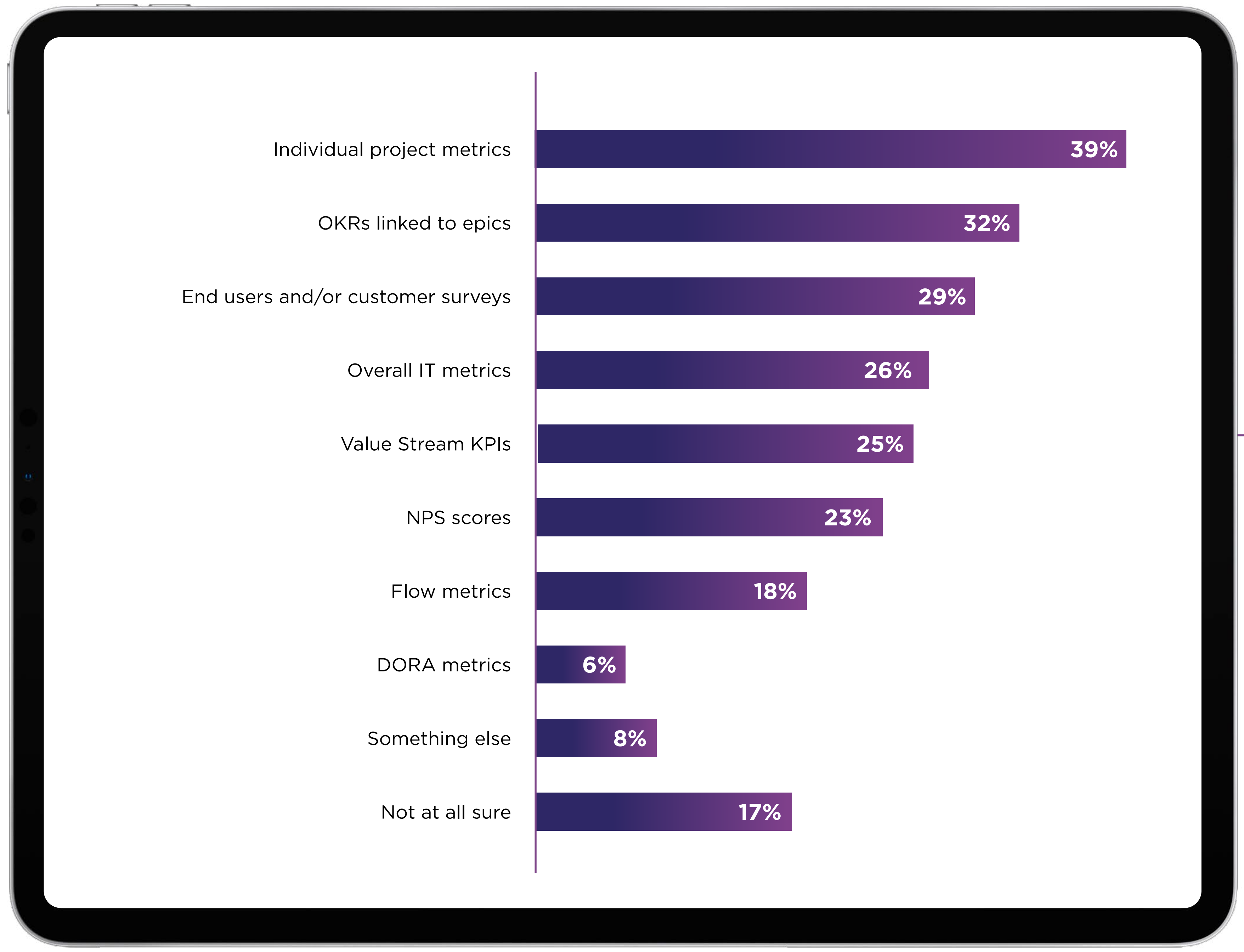
A Snapshot of Software Development in 2023

How teams evaluate the success of their software development and delivery efforts is also evolving.

This year:

39%
rely on individual project metrics to evaluate status, **up 9% from 2022**

32%
use OKRs linked to epics, **also up 5% from last year**



Two in five respondents say software development and delivery results at an executive level are measured using individual project metrics, while one-third use OKRs linked to Epics.

Those in small and large companies are more likely than those in medium ones to say **they are measured by OKRs linked to Epics** (33% & 40% vs. 25%) and NPS scores (29% & 24% vs. 17%), while those in medium and large companies are more likely than those in small ones to say **they are measured by overall IT metrics** (28% & 30% vs. 20%).

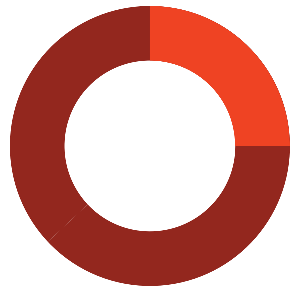
03

A Snapshot of Software Development in 2023

What does success look like?

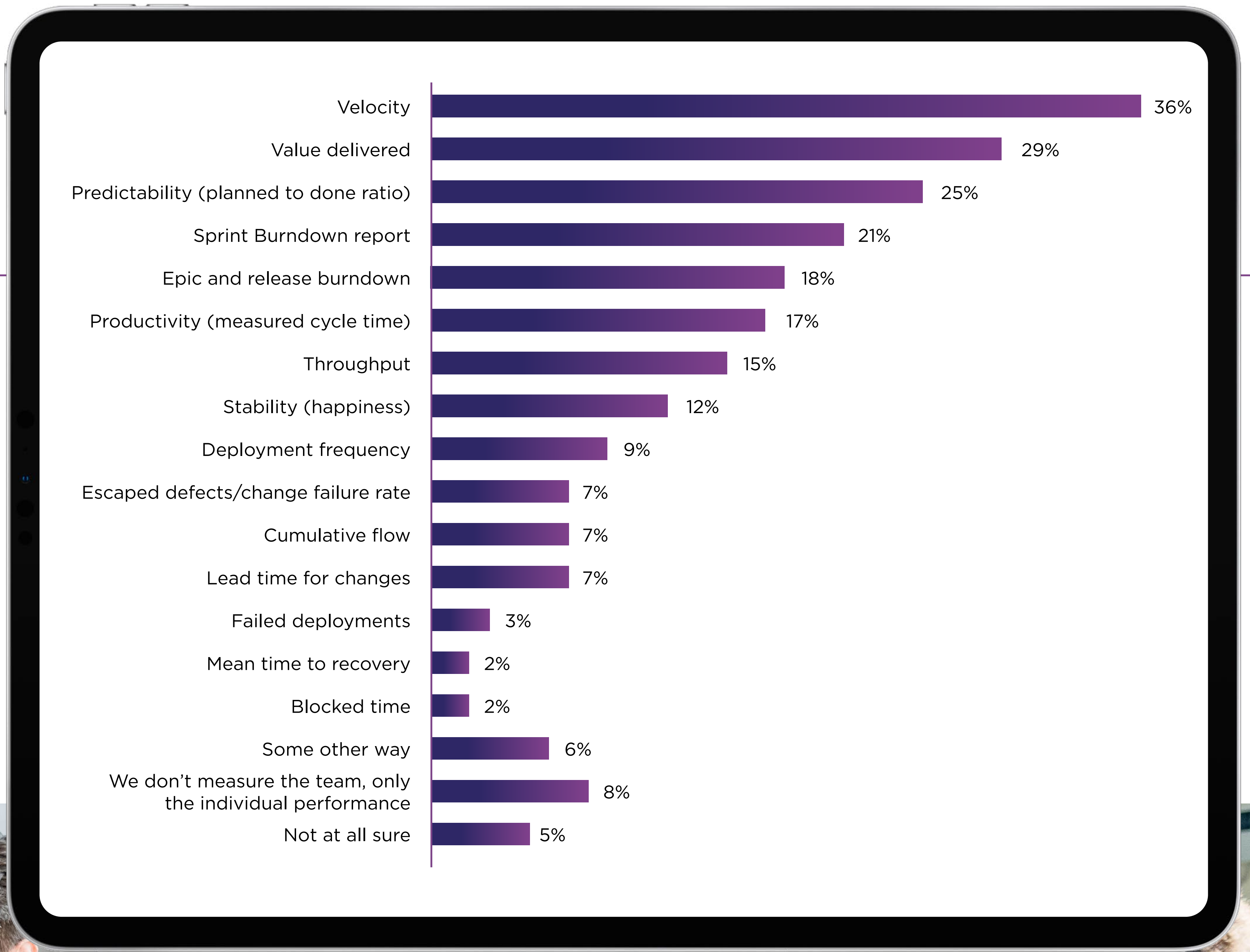
36%
of teams are measured on their velocity

29%
are judged by value delivered



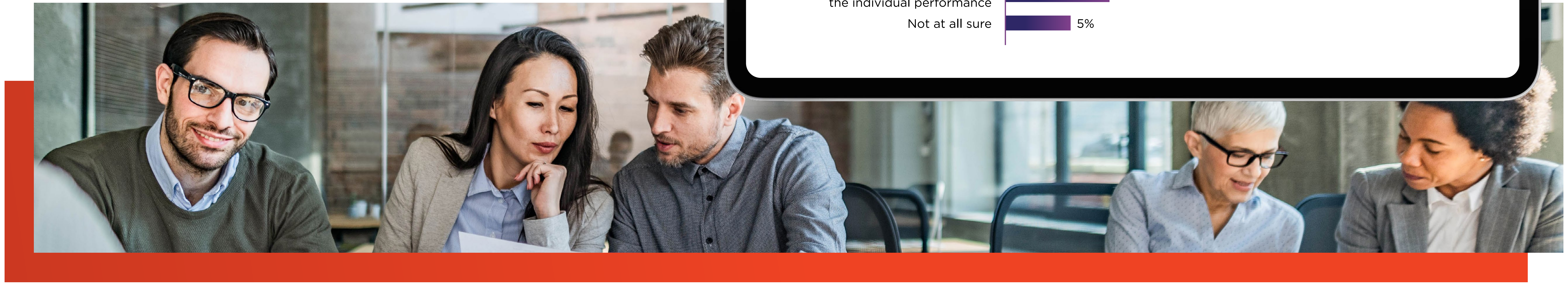
25%
on the sprint burndown report.

Over one-third say their team is measured on velocity, while three in ten say they are measured on value delivered.



Those in North America are more likely than those in other parts of the world to say **their team is measured by predictability** (31% vs. 19%).

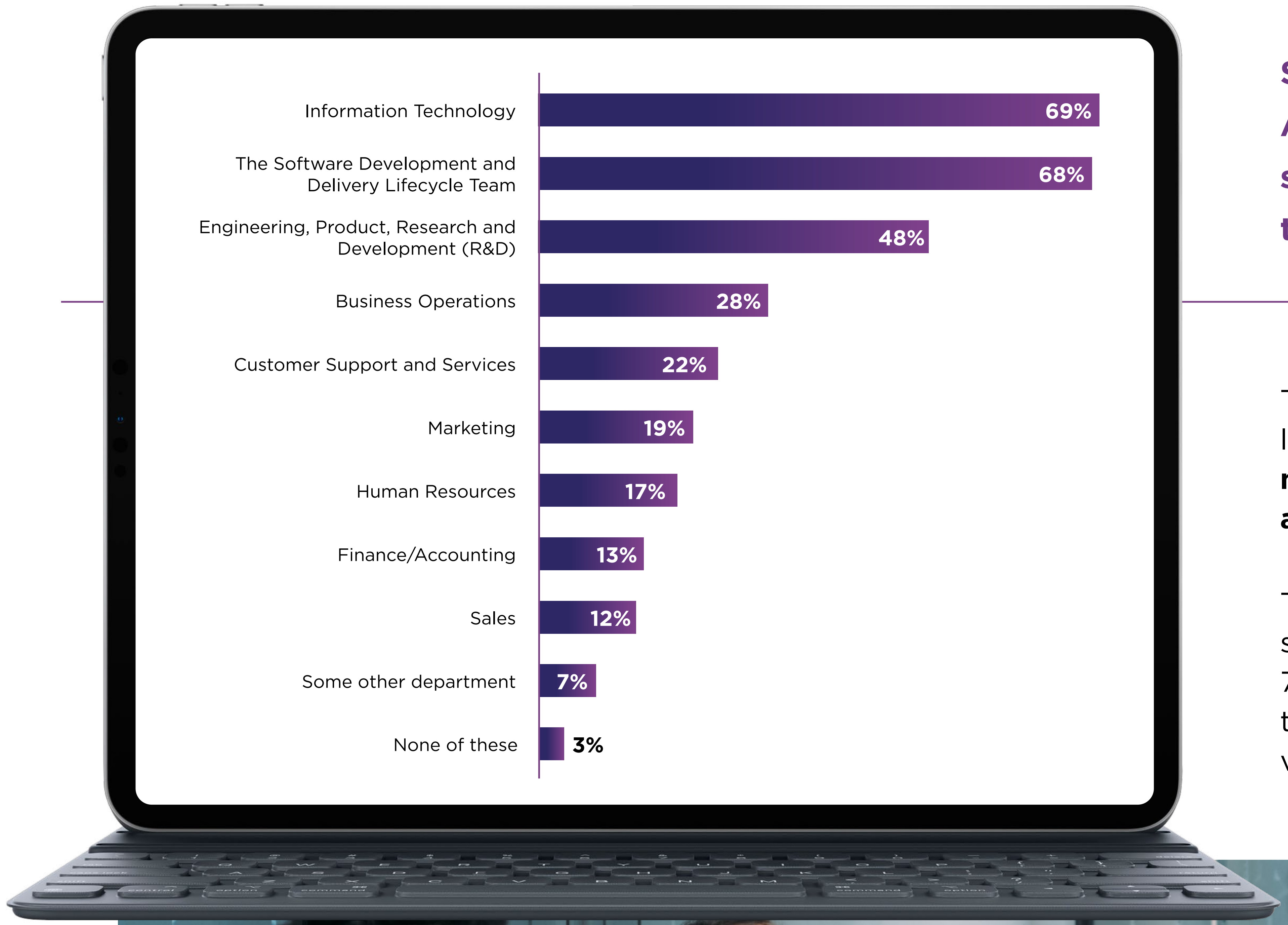
Those in small companies are more likely than those in medium and large ones to be **measured by value delivered** (36% vs. 27% & 26%), while those in medium and large companies are more likely than those in small ones to say **they are measured by predictability** (27% & 27% vs. 19%).



04

Agile in Use

Which parts of the organization are using Agile? Nearly 70% of respondents said IT and the software development and delivery teams use Agile, as do nearly half of engineering, product, and R&D teams. Roughly 28% of business operations and 20% of marketing teams have adopted Agile principles. Year over year, engineering/R&D teams saw the biggest growth in Agile usage — just 32% used Agile in 2022, 16% fewer than in 2023.



Seven in ten say Information Technology has adopted Agile practices and principles, while over two-thirds say the software development and delivery lifecycle team has.

Those in small companies are more likely than those in medium and large ones to say **customer support and services** (33% vs. 16% & 20%), **marketing** (31% vs. 12% & 16%) and **sales** (23% vs. 5% & 10%) **have adopted agile principles and practices.**

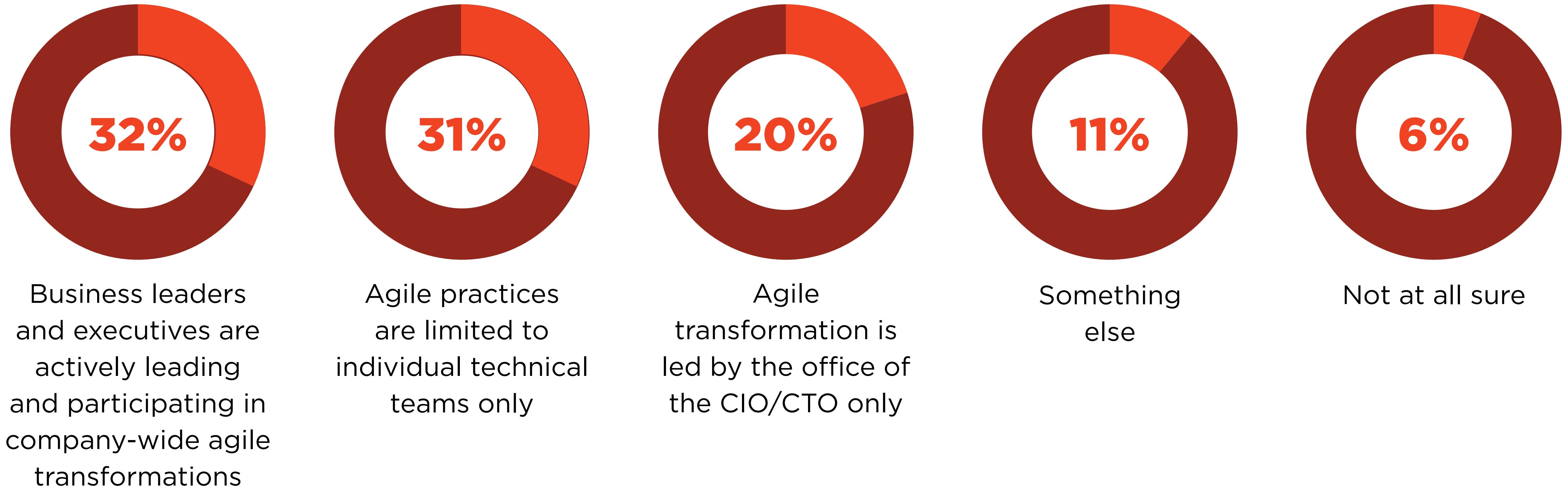
Those in medium and large businesses are more likely than those in small ones to say **IT has adopted agile practices and principles** (72% & 73% vs. 62%), while those in small and large companies are more likely than those in medium ones to say **business operations has** (32% & 31% vs. 23%).

04

Agile in Use

Leading the charge to an Agile transformation, by just a small percentage, are business leaders and executives (32%), followed very closely by individual technical teams (31%) and CIO/CTOs (20%).

One-third say business leaders and execs are actively leading and participating in company-wide agile transformations while three in ten say agile practices are limited to individual technical teams only.



Those in other parts of the world are more likely than those in North America to say **agile practices are limited to individual technical teams only** (34% vs. 27%).

Those in small and large companies are more likely than those in medium ones to say **business leaders and execs are actively leading and participating in company-wide transformations** (40% & 36% vs. 24%).

04

Agile in Use

Roughly 44% of respondents said enterprise Agile works very or somewhat well for their organizations.

Overall, small companies are the happiest:

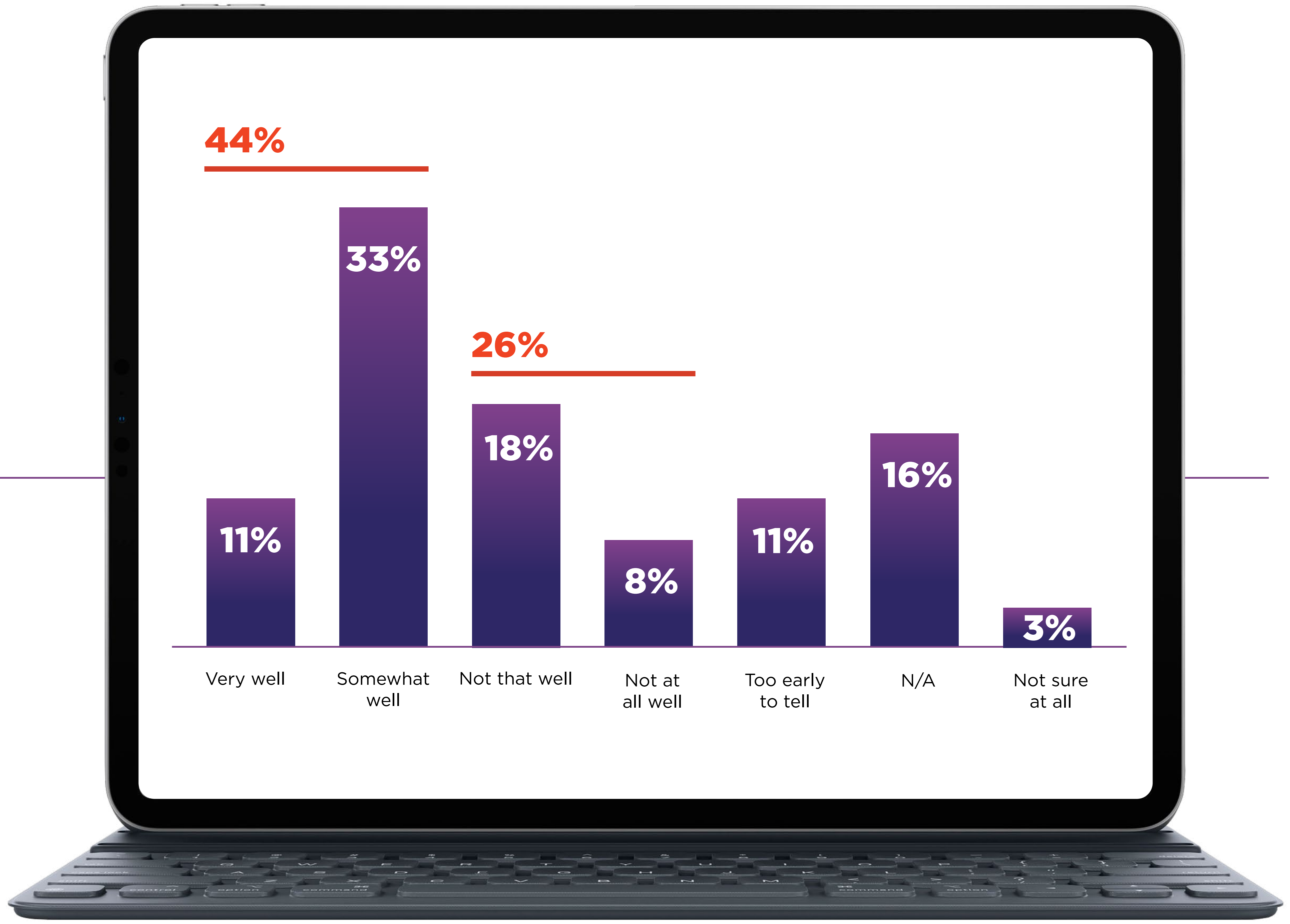
52%
report enterprise Agile works very or somewhat well

vs.

43%
of large companies

Over two in five respondents say enterprise agile is working well for their organization, one-quarter say it is not working well, and one in ten say it is too early to tell.

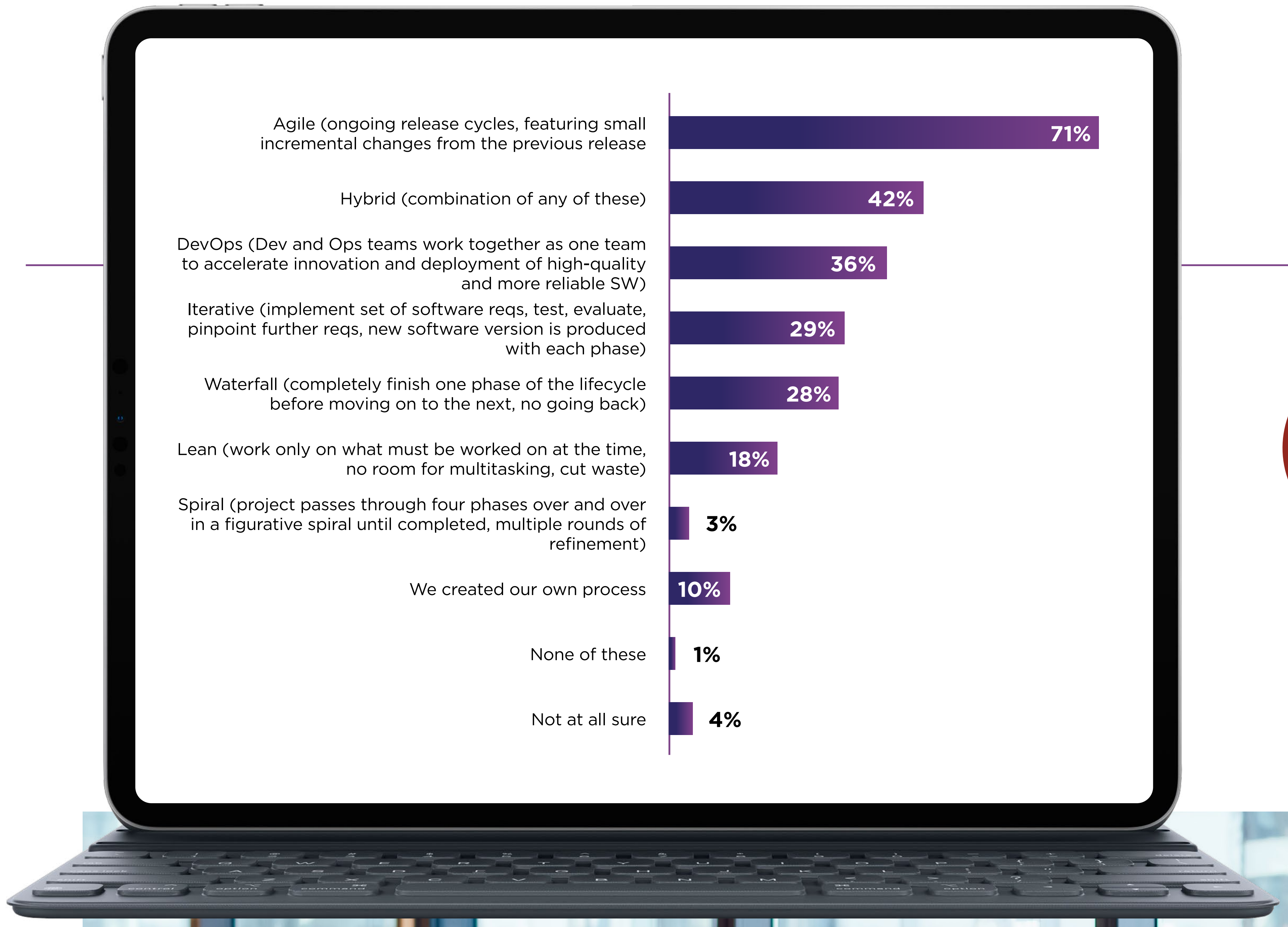
Those in small companies are more likely than those in medium and large ones to say it is **working well** for them (52% vs. 39% & 43%), while those in medium and large ones are more likely to say it is **not working well** (30% & 29% vs. 17%).



04

Agile in Use

Just over 70% of survey takers report using Agile in their SDLC, while 42% said their organizations use a hybrid model that includes Agile, DevOps, or other choices (respondents could choose all that apply to answer this question, which is why the percentages add up to more than 100). To look at it a bit differently, the larger the organization, the more likely it is to use a hybrid model — 49% of large companies and 45% of medium-sized companies are doing so. Bigger teams are also more likely to still use Waterfall (31% of large and 38% of medium-sized).



Seven in ten say to use an Agile Software Development Life Cycle, while over two in five use a Hybrid one.

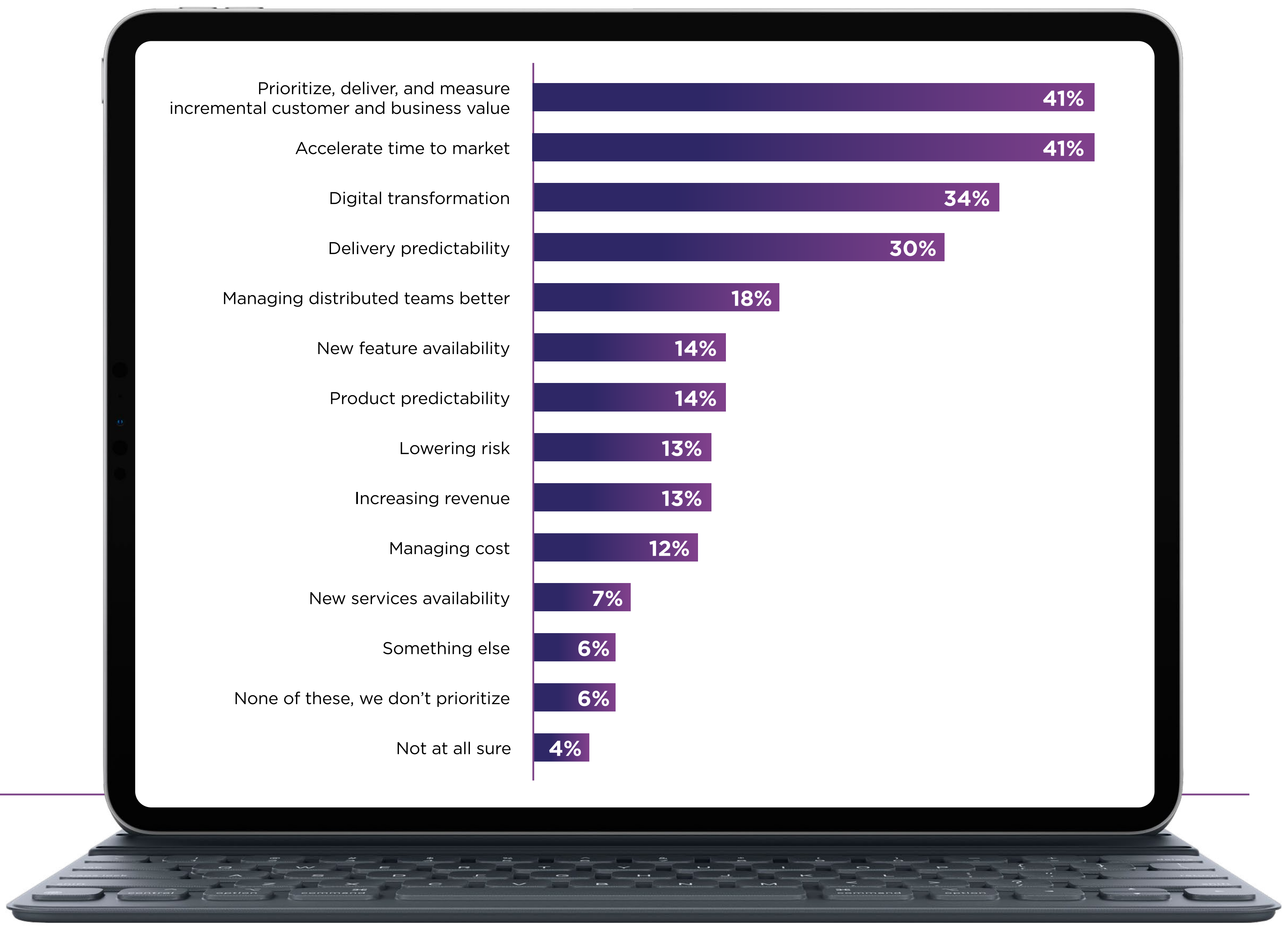
63%

According to this year's survey, a resounding majority of team-level Agile users — 63% — follow the Scrum methodology. That's hardly surprising: since our first survey in 2006, Scrum has been the most popular Agile methodology.

05

What Drives Agile Adoption

Perhaps not surprisingly, the top two reasons organizations choose Agile (at 41% each) are broadly related to increasing business value: respondents were equally split between prioritizing delivery and measuring customer/business value and accelerating time to market. Other reasons to scale Agile in the enterprise include digital transformation at 34% and delivery predictability at 30%.



Two in five say prioritizing, delivering, and measuring incremental customer and business value and by accelerating time to market are driving enterprise agile expansion or scale in their business.

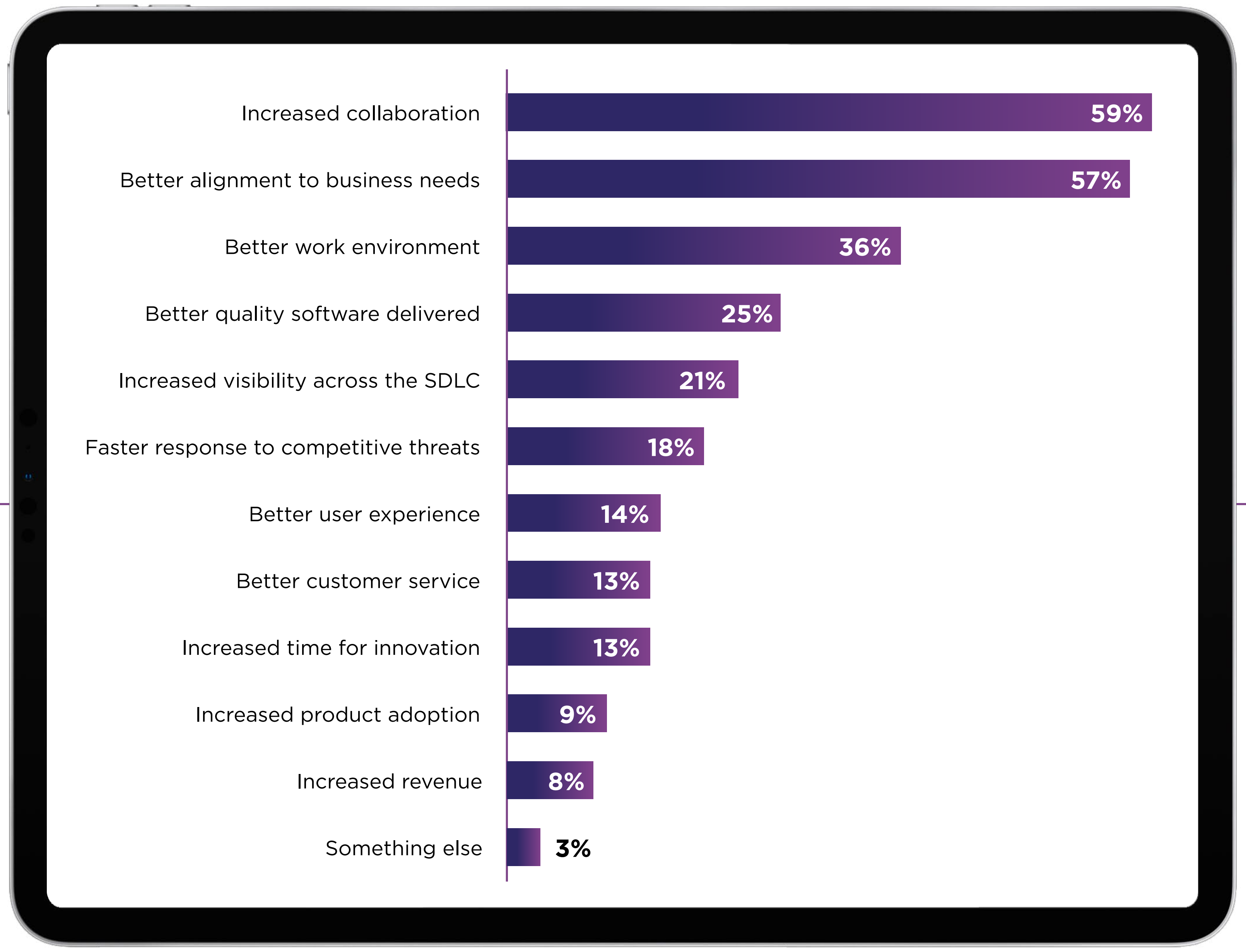
Looking at adoption by business size, small companies are most likely to scale Agile to help them manage distributed teams, while medium or large companies are much more likely to cite digital transformation as a key driver.

In 2022, the top reasons to scale Agile in the enterprise were to accelerate time to market, improve delivery predictability, and lower risk (we didn't ask about improving business value or digital transformation).

06

When Agile Works, It Works

Survey takers who are happy with Agile point to concrete benefits from its adoption. Almost 60% said collaboration has improved, 57% saw better alignment to business needs, and a quarter saw better quality software delivered.



Among those who are satisfied with Agile practices, three in five say they are satisfied because of increased collaboration and almost three in five because of a better alignment to business needs.

Those in North America who are satisfied with Agile practices are more likely than those in other parts of the world to say it is because of **increased visibility across the SDLC** (26% vs. 16%).

Just shy of three-quarters of Agile teams say they're regularly incorporating business feedback, while two-thirds said at least 50% of their applications were delivered on time and "with quality." At a time when delivering business value has become increasingly important, these two results show the concrete benefits of a healthy Agile practice.

Respondents also reported reassuring percentages of visibility, made possible thanks to Agile:

63%
have visibility into the Agile pipeline

61%
said EAPT tools help keep Agile, DevOps, and test teams in close alignment

55%
have **complete** visibility into what is being developed and delivered across the entire SDLC

Looking a bit deeper into these upbeat Agile results, though, it's clear the most successful Agile implementations can be found in small companies. In fact, 74% of small companies (versus 62% at large companies) said at least 50% of their applications were delivered on time and "with quality," 71% of their organizations (compared to 53% at large companies) have complete visibility into what's being developed and delivered across the SDLC and 61% have product managers who can oversee the entire pipeline and measure value to the business (compared with just 43% of large companies).

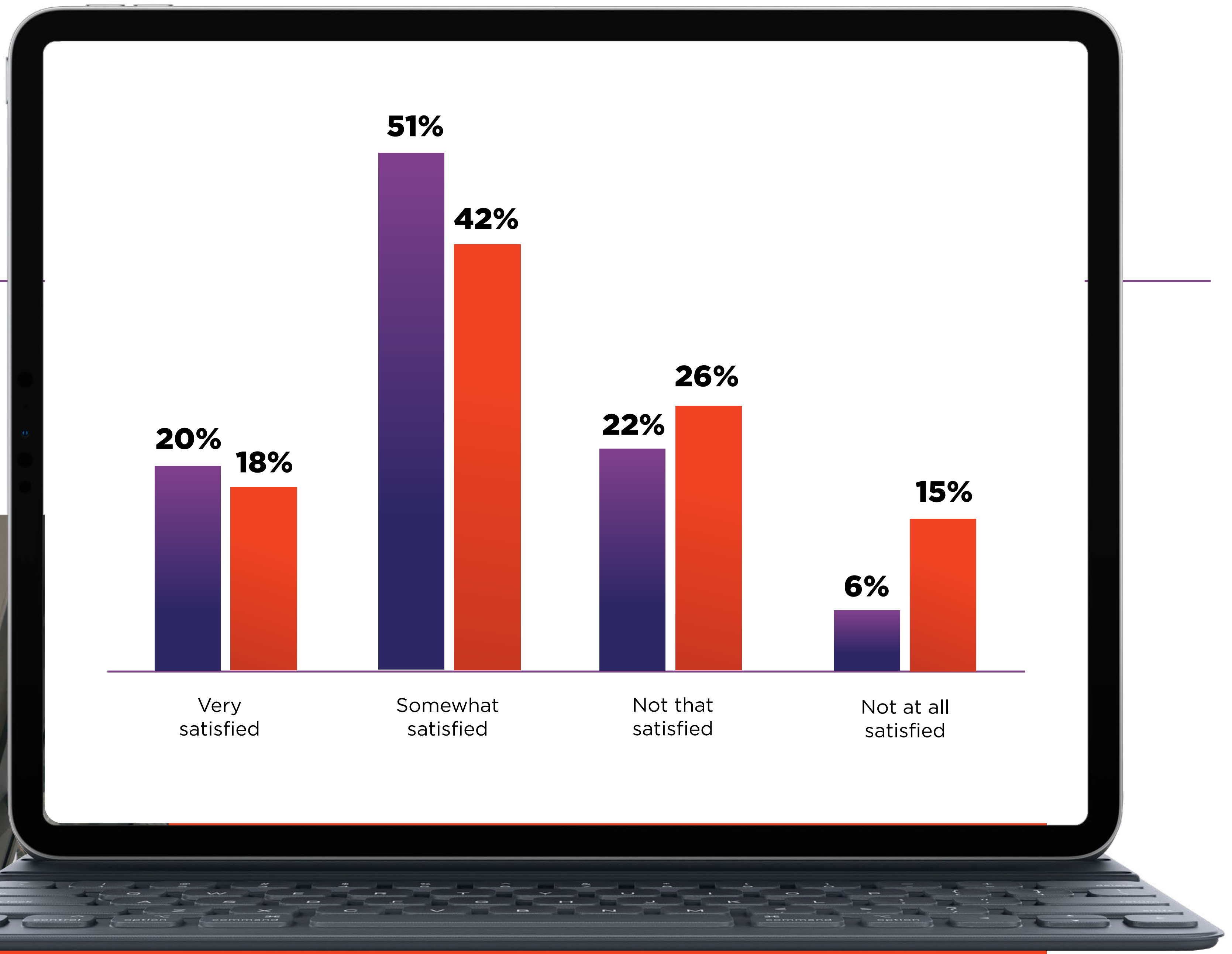
07

Where Agile Struggles

In 2022, 71% of our respondents were either very or somewhat satisfied with Agile in their organizations, but this year that percentage dropped to 59%.

Last year, over seven in ten respondents (72%) said they were satisfied with the Agile practices in their company, while this year, that has dropped to three in five (59%).

Those in small companies are more likely than those in medium and large ones to say they are **satisfied** (70% vs. 55% & 56%).



07

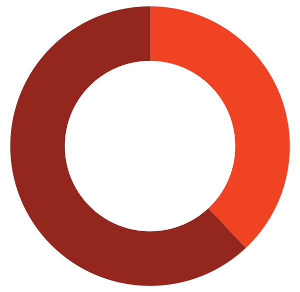
Where Agile Struggles

One huge problem: the business side is very slow to embrace Agile. Almost half of survey takers (47%) pointed to a “generalized” resistance to organizational change or “culture clash” as the reasons why the business side isn’t adopting Agile, up 7 points from 2022.

The next two most likely issues are related:

41%

said there is not enough leadership participation (nearly identical to last year)

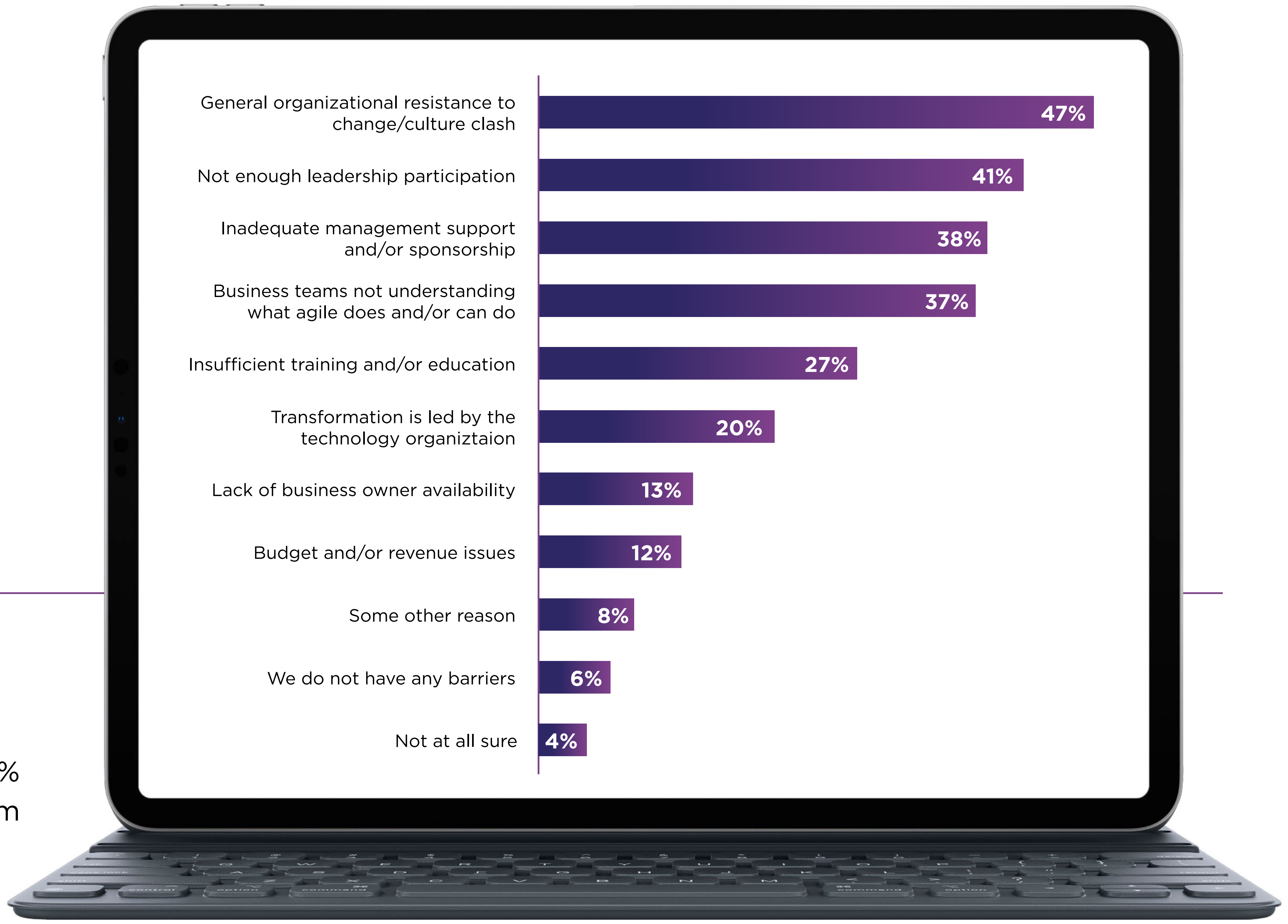


38%

put it down to inadequate management support or sponsorship, unchanged from 2022

Another major hurdle? 37% said business teams simply don’t understand what Agile is or what it can do, while 27% said there is not enough training. Overall, only 6% of survey takers said they have no barriers to Agile adoption at all, a decrease of 4% from 2022.

> **Almost half say a general organizational resistance to change is a barrier for adopting Agile practices on the business side of the organization, while two in five say not enough leadership participation is a barrier.**



Those in medium and large companies are more likely than those in small ones to say **barriers are not enough leadership participation** (44% & 46% vs. 31%) and **inadequate management support** (40% & 41% vs. 31%). Those in small companies are more likely than those in medium and large ones to say **they don’t have any barriers** (12% vs. 3% & 4%).

07

Where Agile Struggles

Survey takers who are unhappy with Agile adoption rates continued to blame “too many mixed systems” in their companies for forcing them to adopt hybrid approaches to software development — at 46% this was the top reason why Agile isn’t scaling, up 4 points since 2022. Other challenges included siloed teams and resultant delays at 37% (up 2% over last year), 34% said culture clash, inconsistent use across teams (30%), and inability to measure business value (28%).

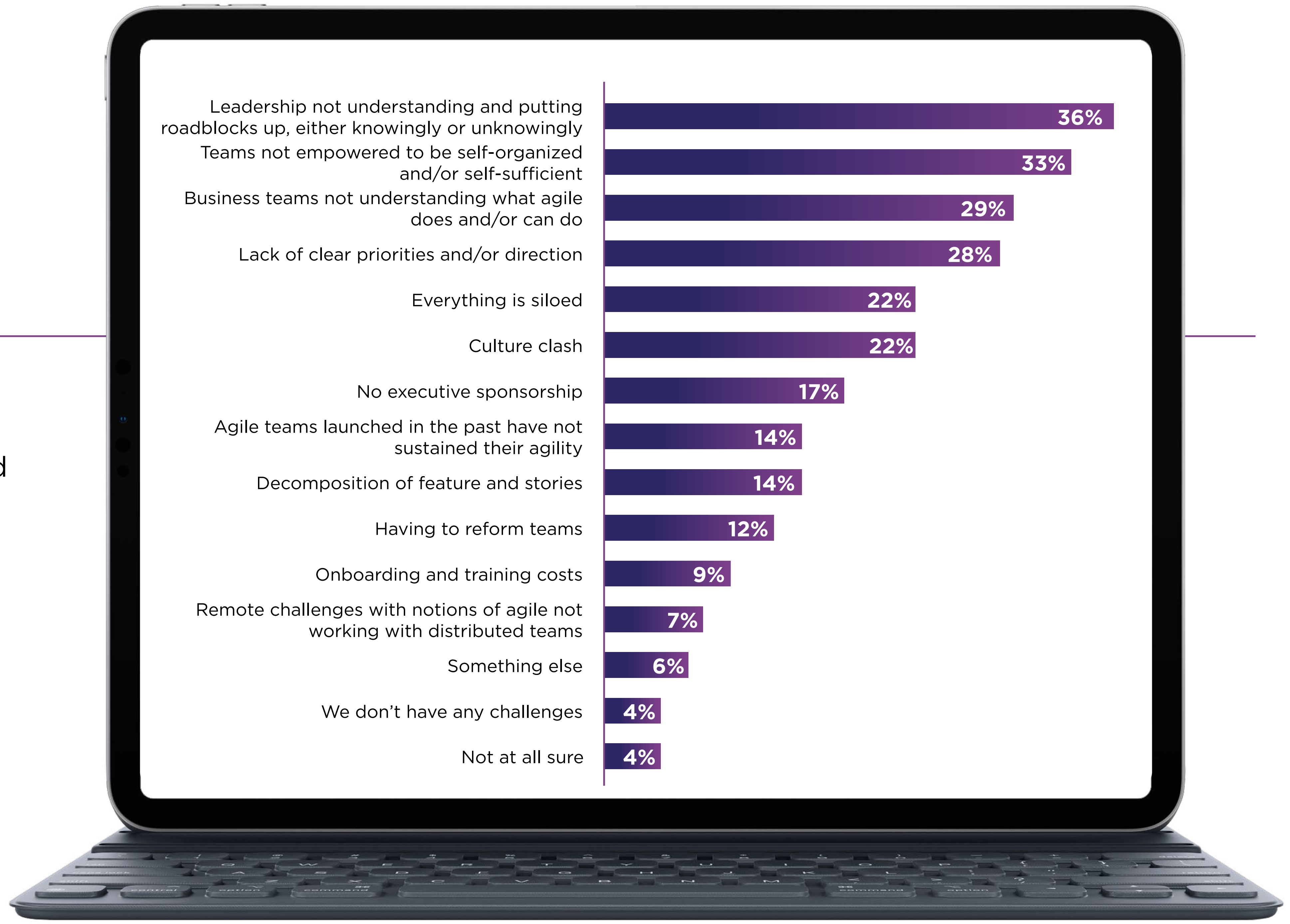
Among those not satisfied with Agile practices at their company, the top reason is because their company still has many legacy systems requiring a mixed approach.

07

Where Agile Struggles

In organizations wanting to move Agile from "team level" to company-wide, the same issues continue to be a problem year after year. This year, 36% of survey respondents said leadership doesn't understand Agile and continues to put up roadblocks (knowingly or not), a slight decrease from 39% in 2022 but still the most common complaint. More than one-quarter, 28%, cited a lack of clear priorities/direction (down slightly from last year) and 29% said business teams don't understand Agile and what it can do (again down just slightly from previous years). Almost 15% of respondents blamed adoption issues on past Agile teams not staying agile, a nine point increase year over year.

Over one-third of respondents say the challenge for their organization's adoption of Agile is that their leadership doesn't understand and puts up roadblocks, either knowingly or unknowingly.



Those in North America are more likely than those in other parts of the world to say their challenge is leadership not understanding and putting up roadblocks (42% vs. 31%).

Those in medium and large companies are more likely than those in small ones to say their challenge is everything is siloed (24% & 28% vs. 15%), while those in small companies are more likely than those in medium and large ones to say they don't have challenges (10% vs. 2% & 3%).

08

Unpacking the Frameworks

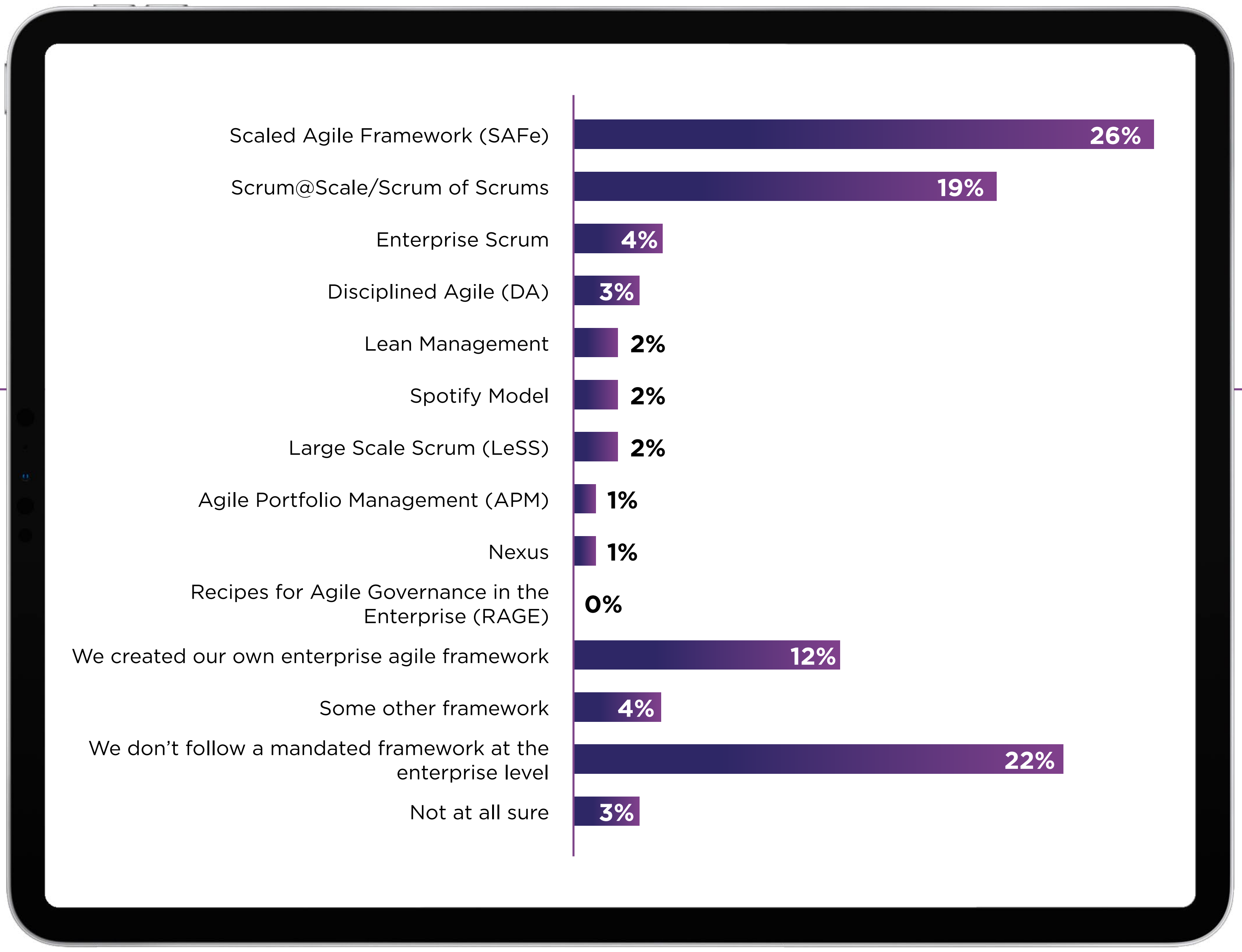
Sometimes, it's complicated with Agile, and nowhere is that truer than when we asked survey takers exactly "which" Agile they were following. For better or worse, Agile has always been a fairly fluid approach. That continues this year with results that showed a clear pivot to a more mix-and-match approach.

08

Unpacking the Frameworks

The Scaled Agile Framework (SAFe) is still the most likely choice for an enterprise, but just 26% of respondents said they use SAFe, a more than 50% decrease from last year. Why the dramatic change? This year, we added two new choices to help organizations better describe what **their** version of Agile looked like: "We created our own enterprise Agile framework" or "We don't follow a mandated Agile framework at the enterprise level." Combined, those two responses represent 34% of survey takers, and 8 points more than those using SAFe. To be fair, Scrum @ Scale or Scrum of Scrums also took a hit this year: 19% of respondents use a Scrum today, down 9 points from 2022.

One-quarter of respondents say the Enterprise Agile framework their organization follows is SAFe, one in five follow Scrum@Scale/Scrum of Scrums, and over one in five do not follow a mandated framework at the enterprise level.



Those in medium and large companies are more likely than those in small ones (27% & 34% vs. 15%), and those in North America are more likely than those in other areas (32% vs. 20%) to say they **follow SAFe**.

The remainder of the Agile landscape continues to be very fragmented:

4%
use enterprise Scrum

4%
use "some other framework"

3%
The percentages become tiny after that. Suffice to say that the use of every single Agile framework declined year over year except Disciplined Agile, which stayed steady at 3%.

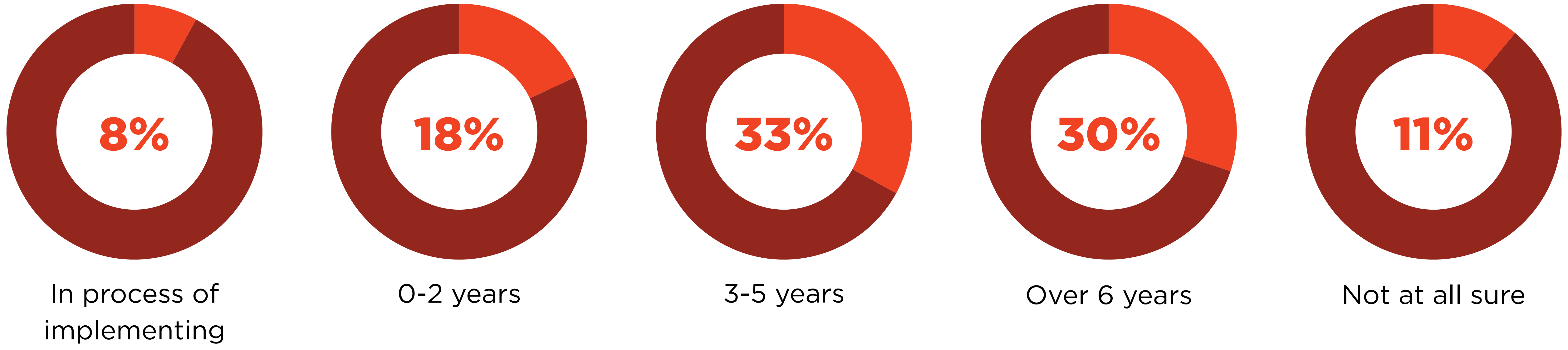
09

Tools in Play

When it comes to enterprise Agile planning tools (EAPT), two in five survey takers use Atlassian's Jira Align, with 37% using a homegrown/in-house tool or are not currently or not sure if they are using an EAPT. To break this down a bit further, 50% of large companies use Jira Align, a far larger percentage than those in small and medium-sized companies; small and medium-sized companies are also far more likely than large companies not to use any enterprise Agile planning tools.

A slim majority of companies using EAPT (33%) have been doing so for three to five years, while 30% have used the tools for more than six years. Nearly 1/3 of respondents say they aren't happy, in the process of reevaluating, or are shifting off their current tool.

One-third of those using an EAPT say their enterprise has been using an EAP tool for 3-5 years, while three in ten say it has been over 6 years.



09

Tools in Play

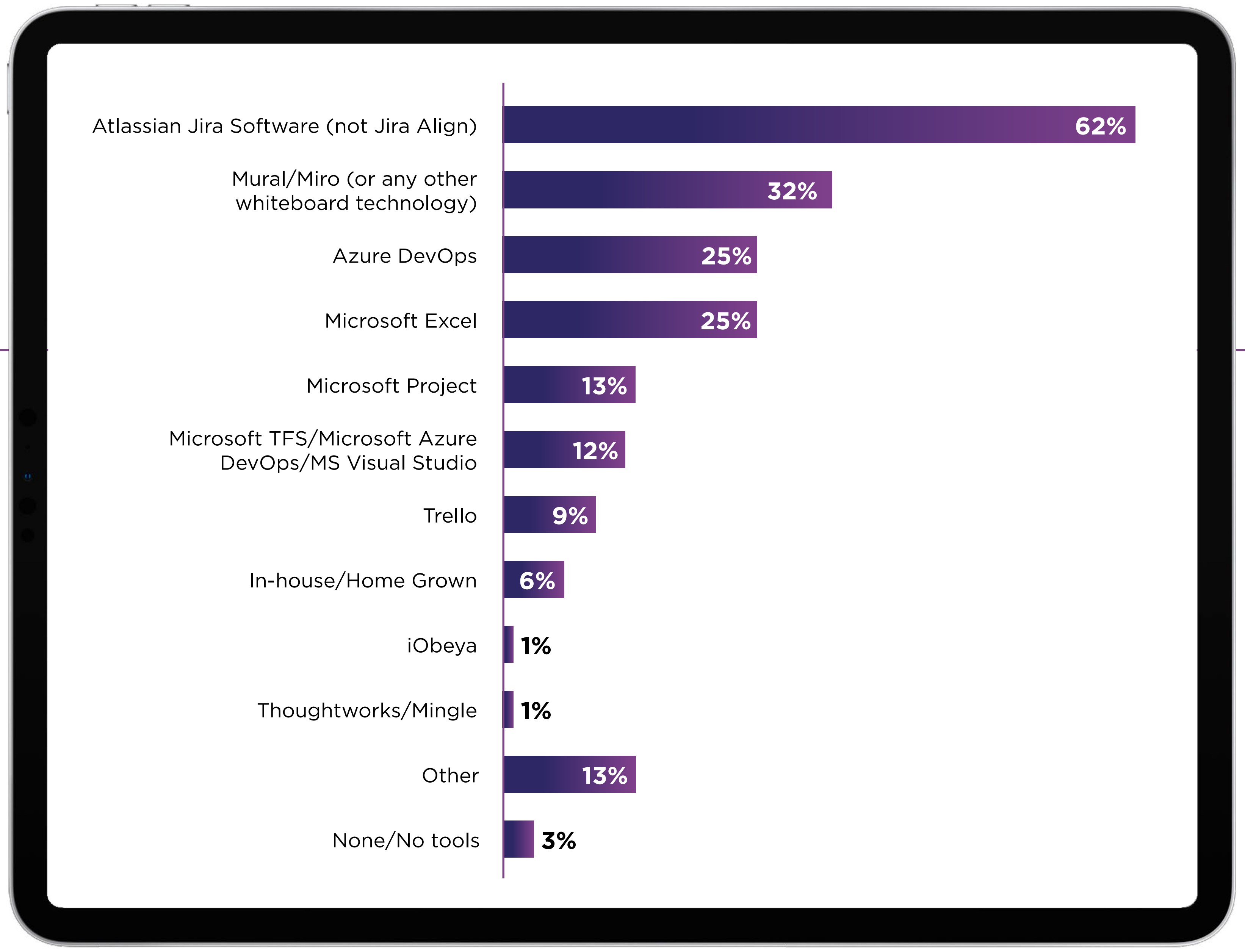
When asked specifically about team-level Agile tools:

62% of companies use Atlassian Jira

32% use Mural/Miro

25% use either Microsoft Excel or Microsoft Project

Over three in five respondents use Atlassian Jira to manage agile projects, one-third use Mural/Miro, and one-quarter use Azure DevOps and Microsoft Excel.



Those in other areas are more likely than those in North America to say **they use Mural/Miro or any other whiteboard technology** (36% vs. 29%) and Trello (11% vs. 7%).

Those in medium and large companies are more likely than those in small ones to say **they use Atlassian Jira Software** (63% & 71% vs. 52%), while those in small companies are more likely than those in medium and large ones to say **they use Trello** (14% vs. 8% & 7%).

10

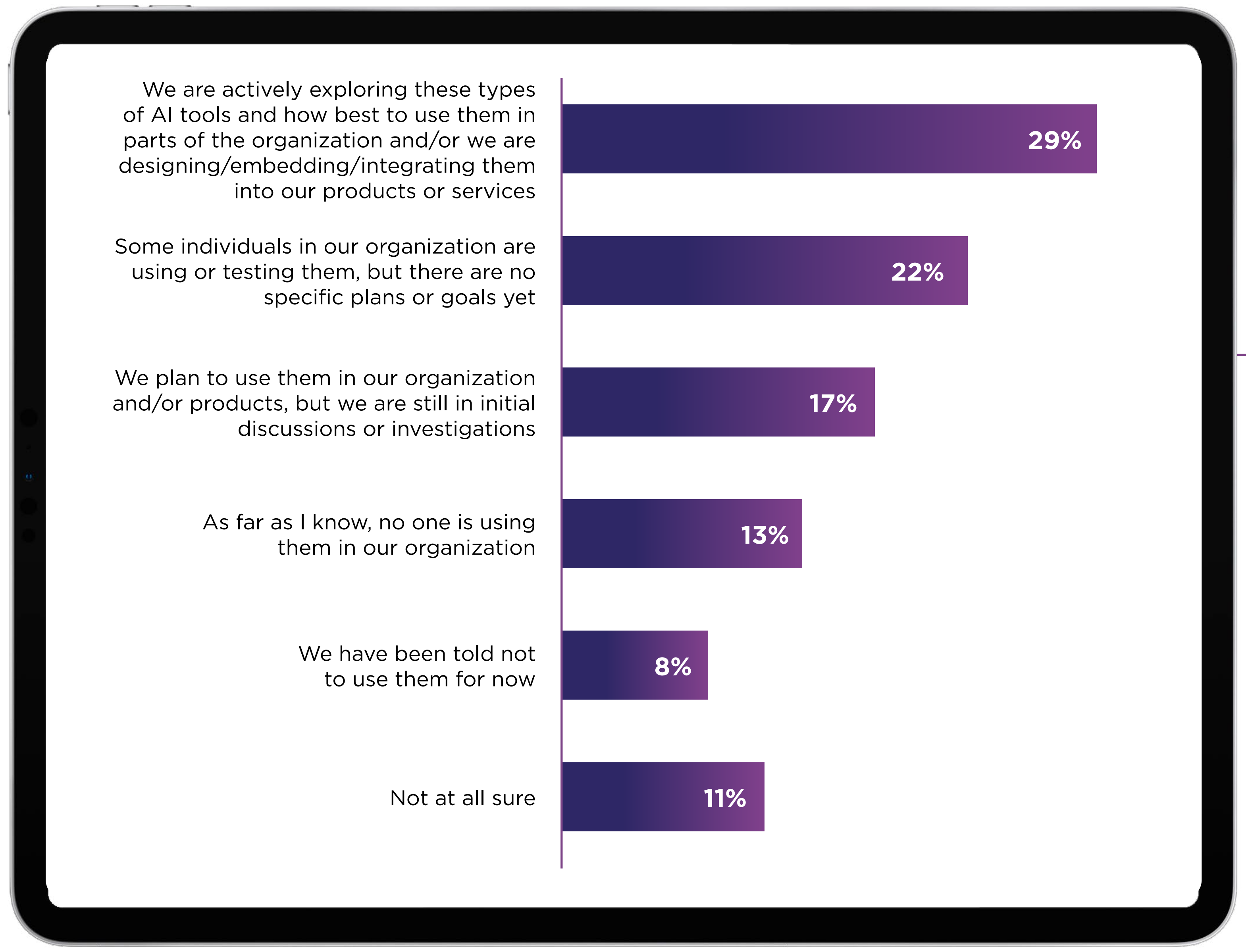
AI in the Agile World

Artificial intelligence has exploded into the world of software development, with large language models and code assistants poised to change how code is created. But, like any new technology, AI brings processes and practices that will take time to assimilate. No matter what development methodology an organization embraces, AI will alter the familiar landscape — and we all know change takes time.

10

AI in the Agile World

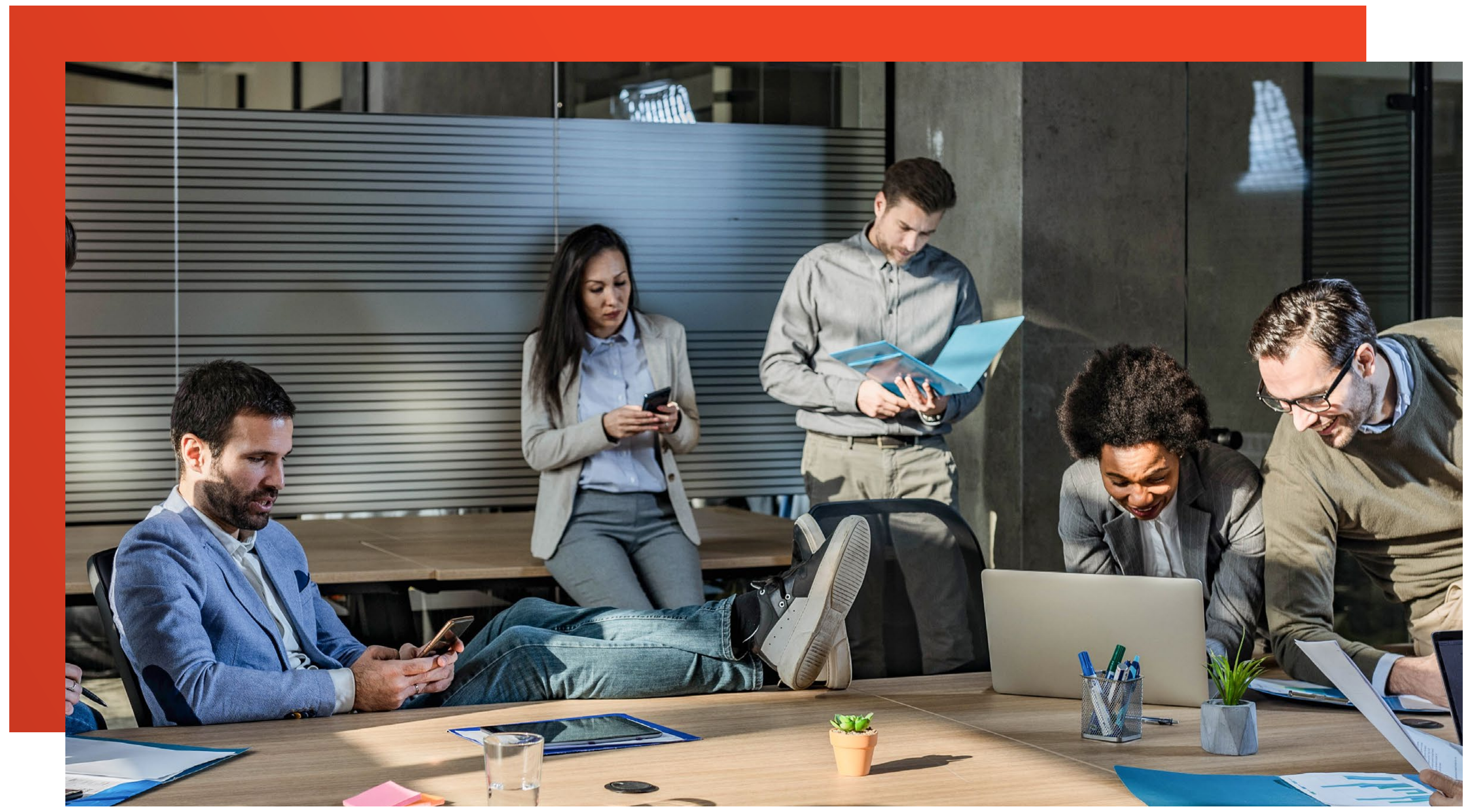
Among Agile adherents, almost 30% of respondents are actively exploring how to best use LLMs and code assistants in their organizations or are actually integrating them into their products or services. Roughly 22% of survey takers acknowledged some AI experimentation in their companies but said there's no widespread mandate for use at this point, while 17% are in the initial stages of exploring the role AI could play. Just 13% don't think anyone is using AI in their companies, and 8% said they've been explicitly told not to use it at this time.



When it comes to AI tools like large language models or code assist, three in ten say they are actively exploring using them and/or are designing, embedding and/or integrating them into their products or services.

Those in medium and large companies are more likely than those in small companies (9% & 9% vs. 4%), and those in North America are more likely than those in other parts of the world (12% vs. 4%) to have been told **not to use AI tools like large language models or code assist for now.**

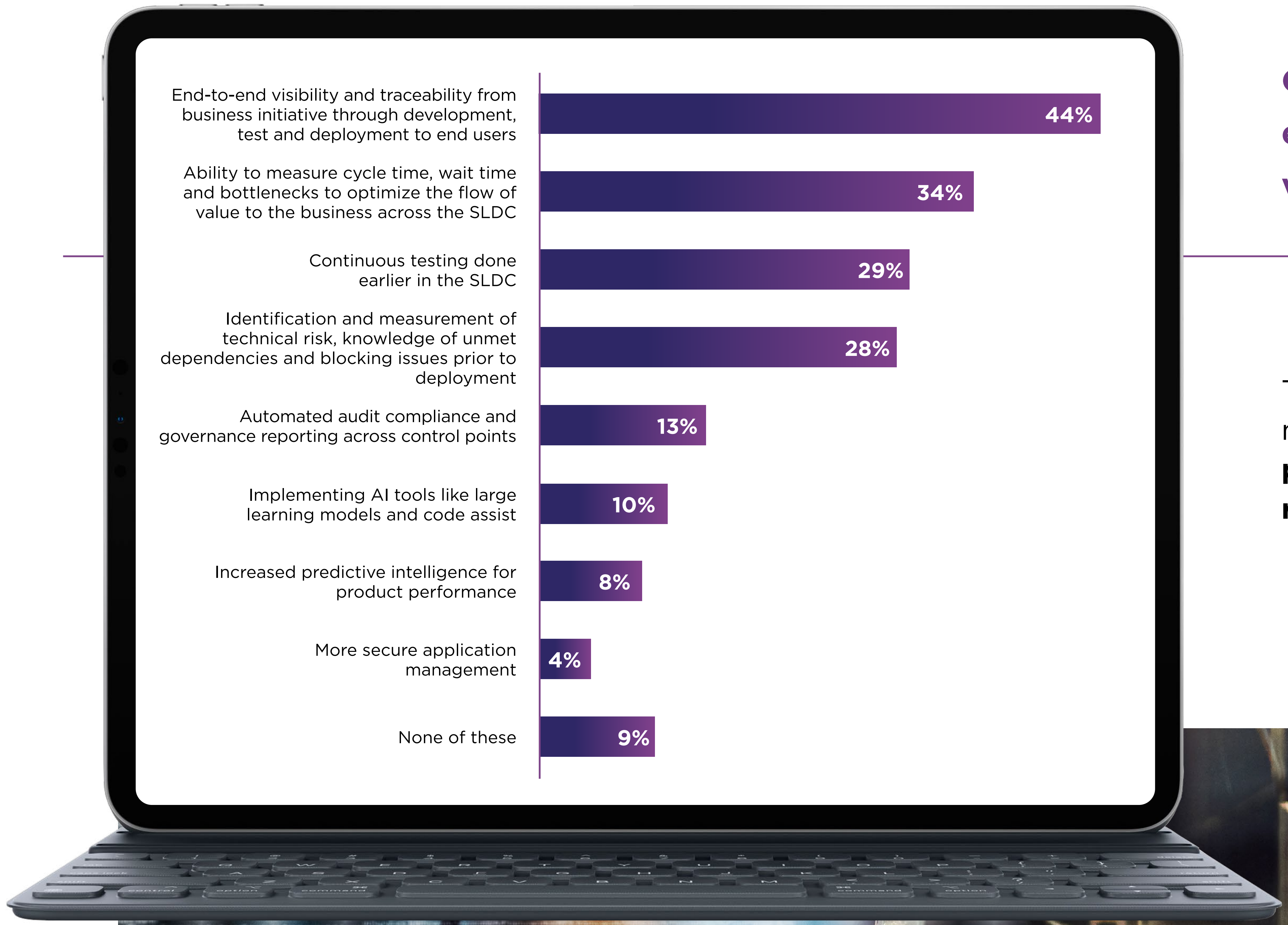
Not surprisingly, large and medium-sized organizations are more likely to be at least playing around with AI today when compared with small companies (9% vs. 4%). However, North American organizations are three times more likely to be told to wait to implement AI than those outside the United States.



11

How Can Agile Help DevOps?

Year after year, the wishlist for better DevOps via Agile is topped by the same two concepts: end-to-end visibility and the ability to measure cycle and wait times and bottlenecks. But other areas could be improved, including continuous testing done earlier in the life cycle (29%, and a new question this year), and AI for LLM and code assist (10% and also a new question).



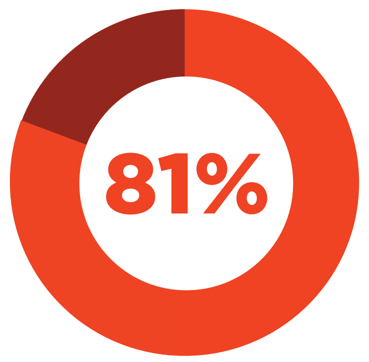
Over two in five respondents say improvements in end-to-end visibility and traceability would be most valuable for their DevOps practice.

Those in large companies are more likely than those in small and medium ones to say **the most valuable thing for their DevOps practice would be automated audit compliance and governance reporting across control points** (18% vs. 8% & 12%).

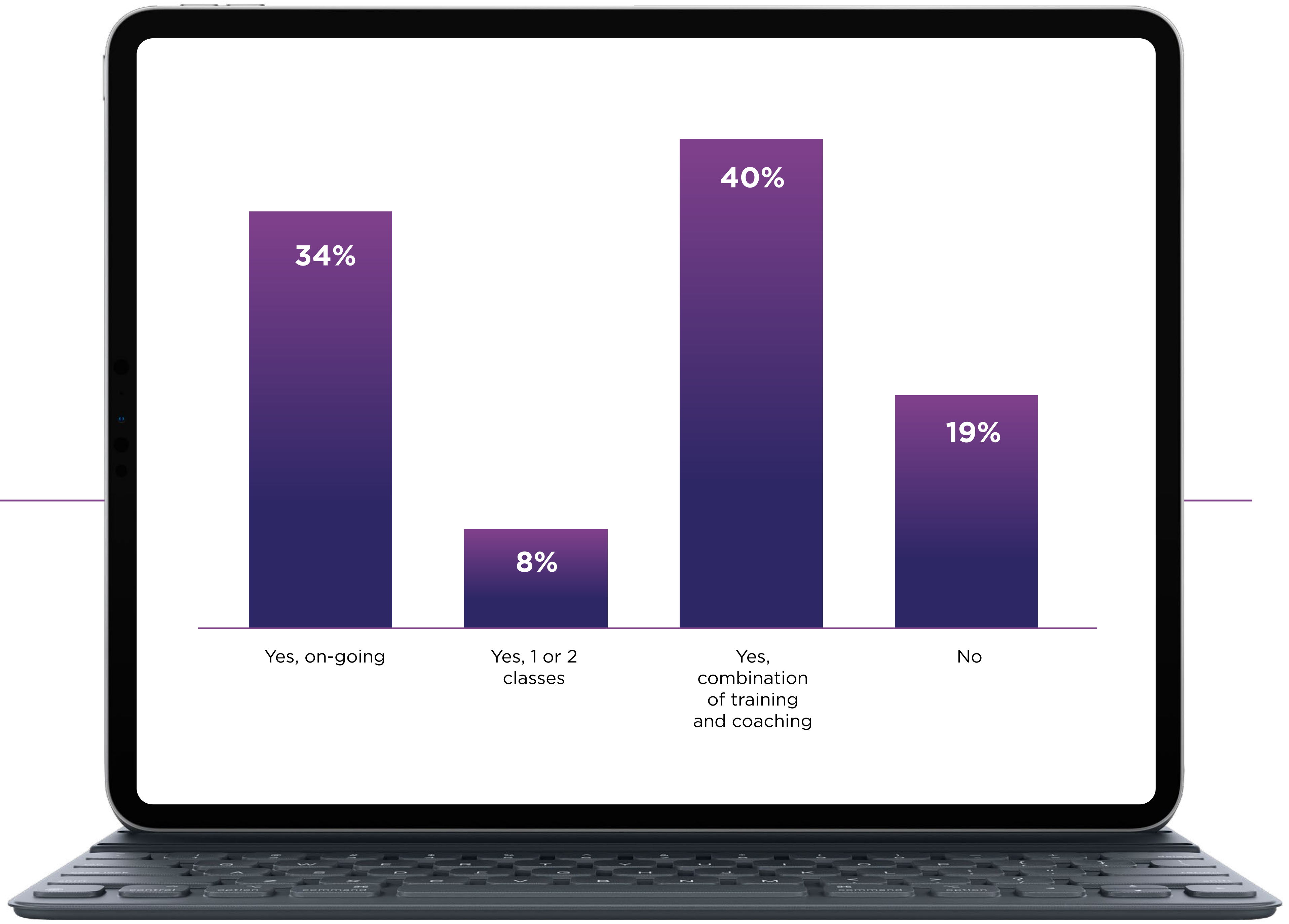
12

Agile and Distributed Teams

An astounding 91% reported their teams are fully distributed...in 17 years of doing this survey, this is the largest percentage of far-flung teams we've ever seen. How do teams make this work? For 81% of teams, the answer is ongoing training and coaching. Just one-fifth of respondents said their organizations offer no additional training or coaching.



Four in five (81%) have to provide training and coaching to keep distributed teams aligned.



Those in North America are more likely than those in other parts of the world to say **they have ongoing training and/or coaching** (40% vs. 27%), while those in other parts of the world are more likely to say **they have a combination of training and coaching** (44% vs. 36%).

13

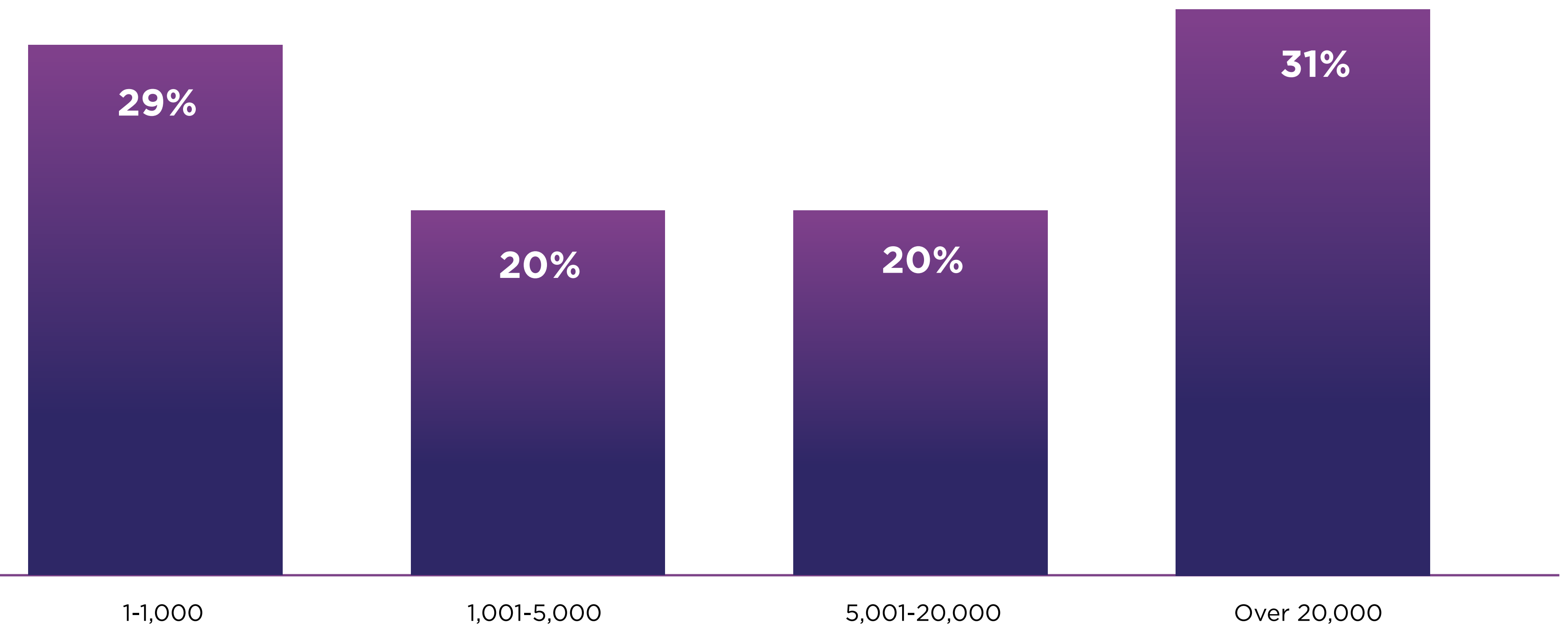
About the Survey Respondents

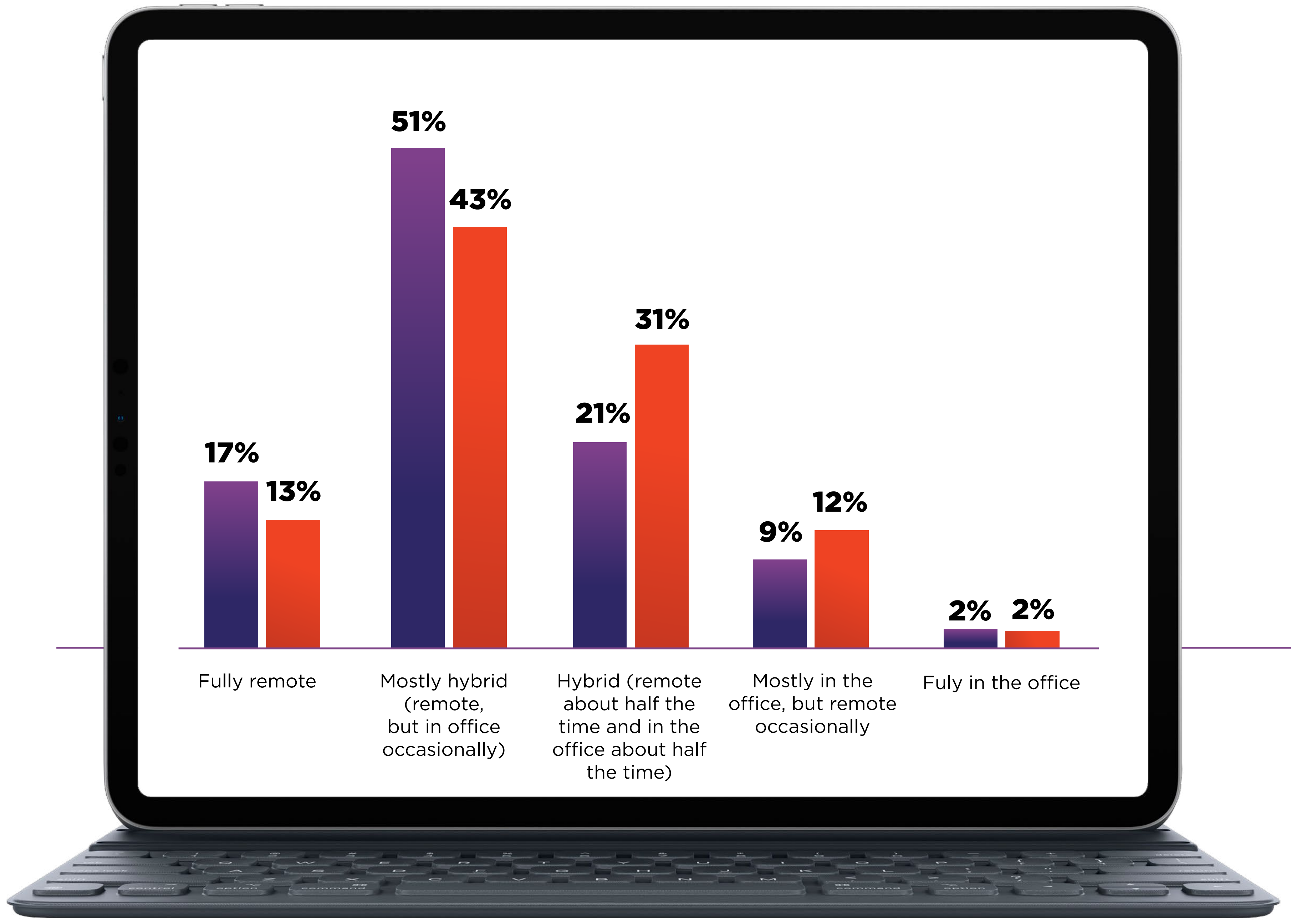
This year, 788 people responded to our survey. Just over 30% of survey takers work at companies with more than 20,000 employees, while 29% are at organizations with 1,000 or fewer workers. Roughly 31% said their companies were truly "hybrid" (half-time in the office, half-time working remotely), and the percentage of fully remote workers dropped this year to 13%, down 4 points from 2022. Nearly half of our respondents were based in North America, and one-quarter were from Europe. Just over 25% said their organizations were in the tech sector, while 17% were in financial services, and 7% were in healthcare/pharma, professional services, and government.

13

About the Survey Respondents

Three in ten respondents come from companies with over 20,000 employees and from companies with 1,000 or fewer employees.





Three in ten respondents say their organization is hybrid and fewer say their organization is full or mostly remote this year.

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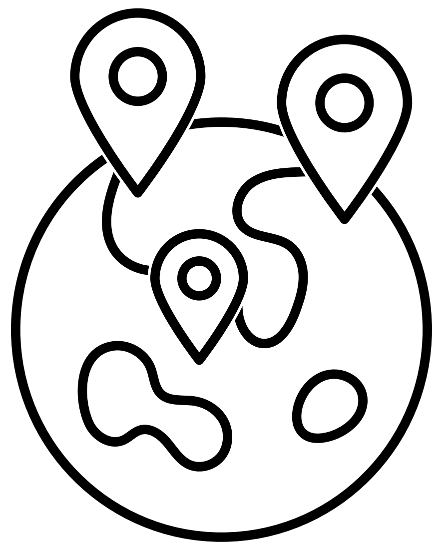
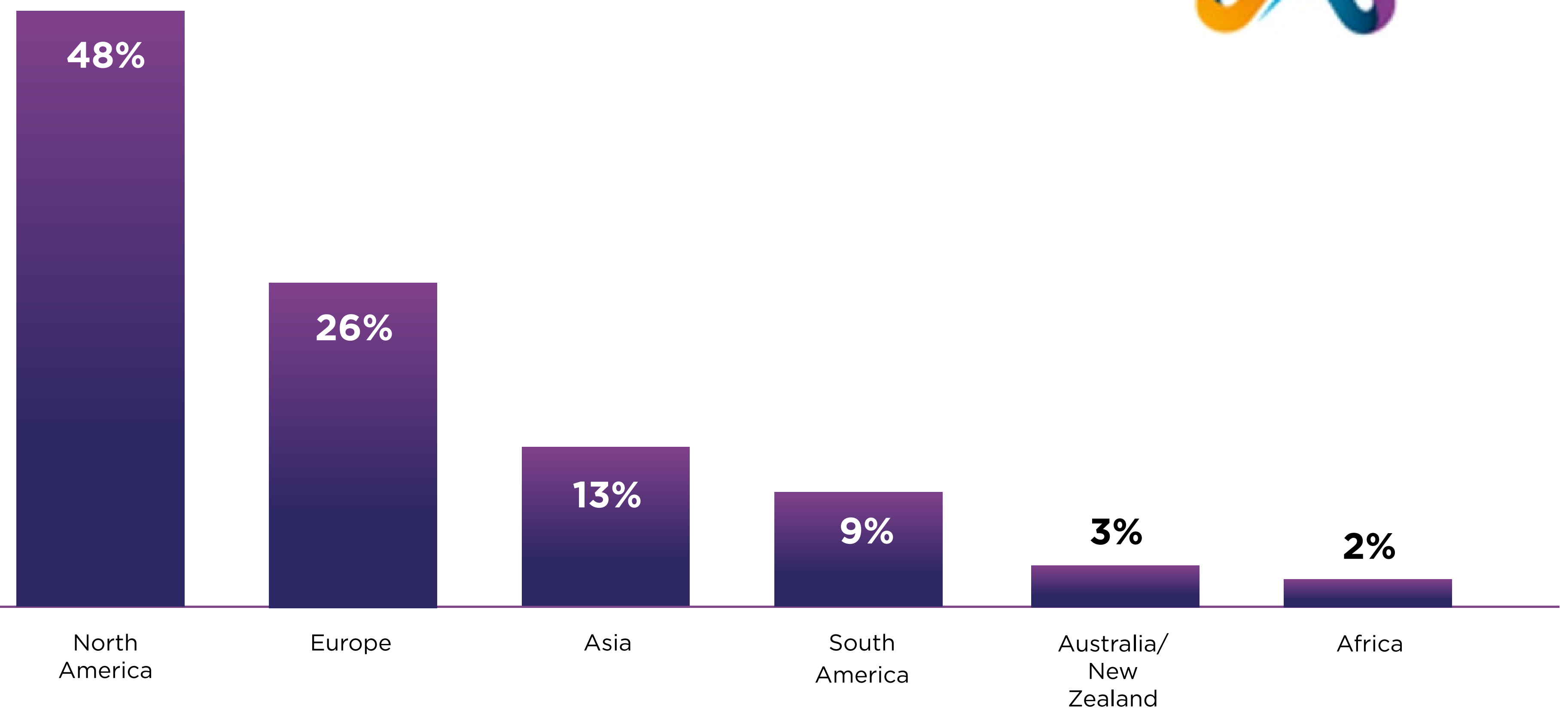
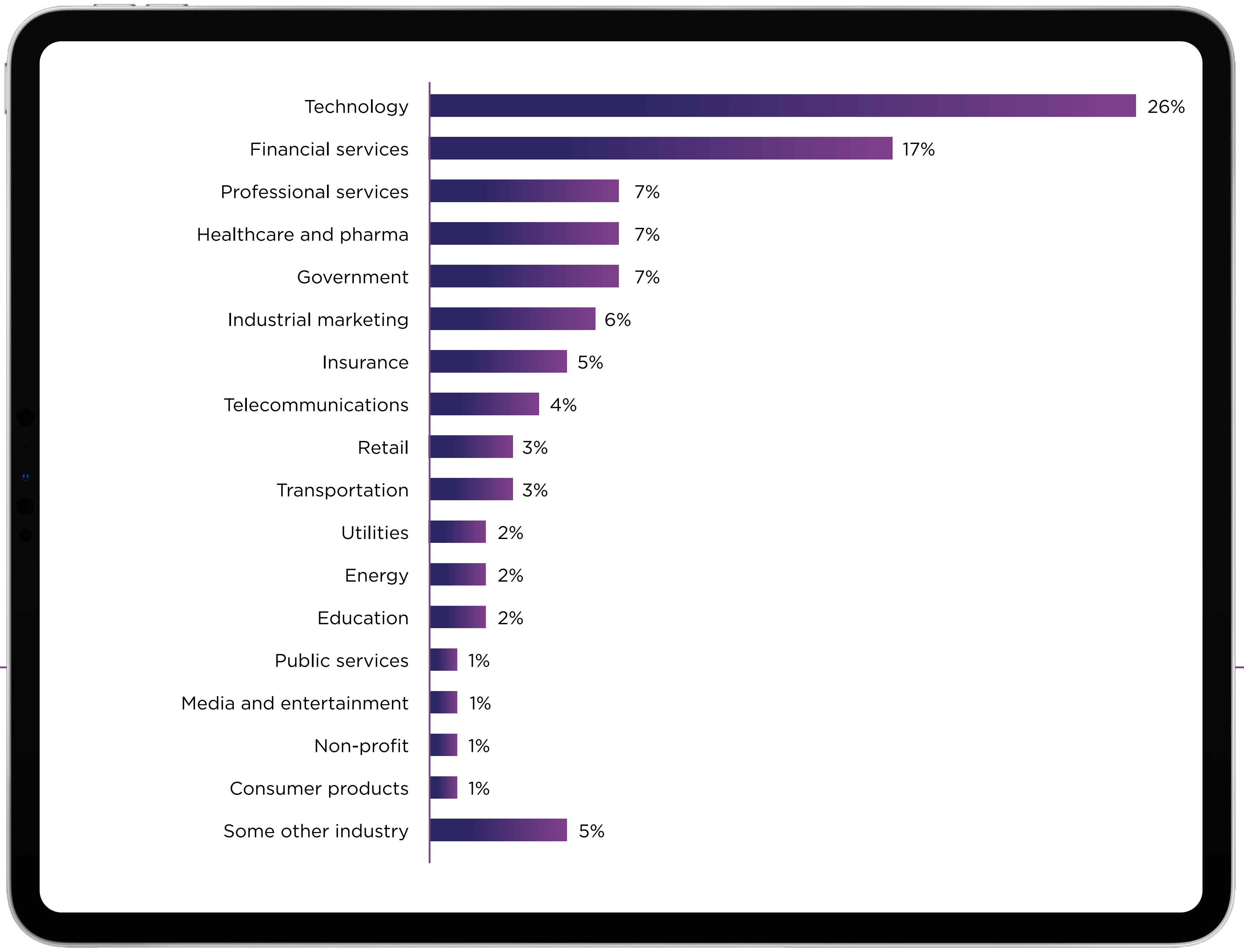
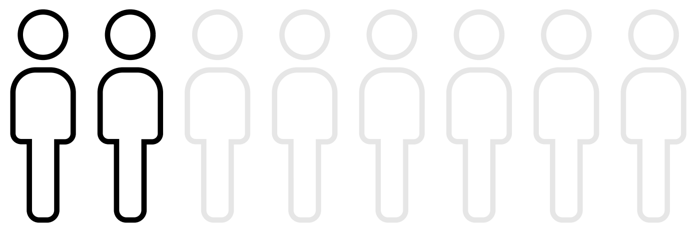
About the Survey Respondents



Almost half of respondents are located in North America and one-quarter in Europe.







Over one-quarter of respondents are in the technology industry, almost one in five are in financial services, and almost one in ten are from professional services and healthcare/pharma.

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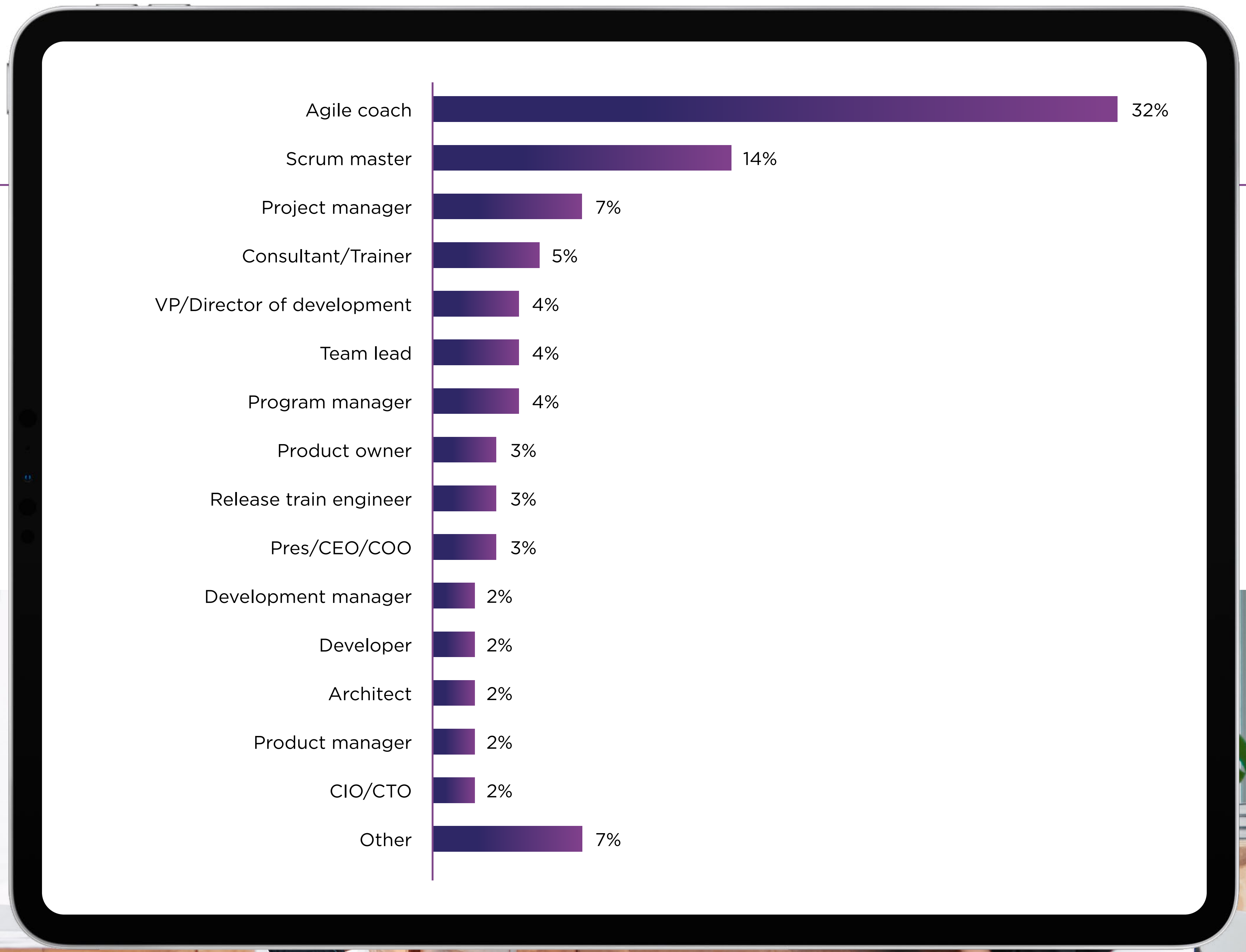
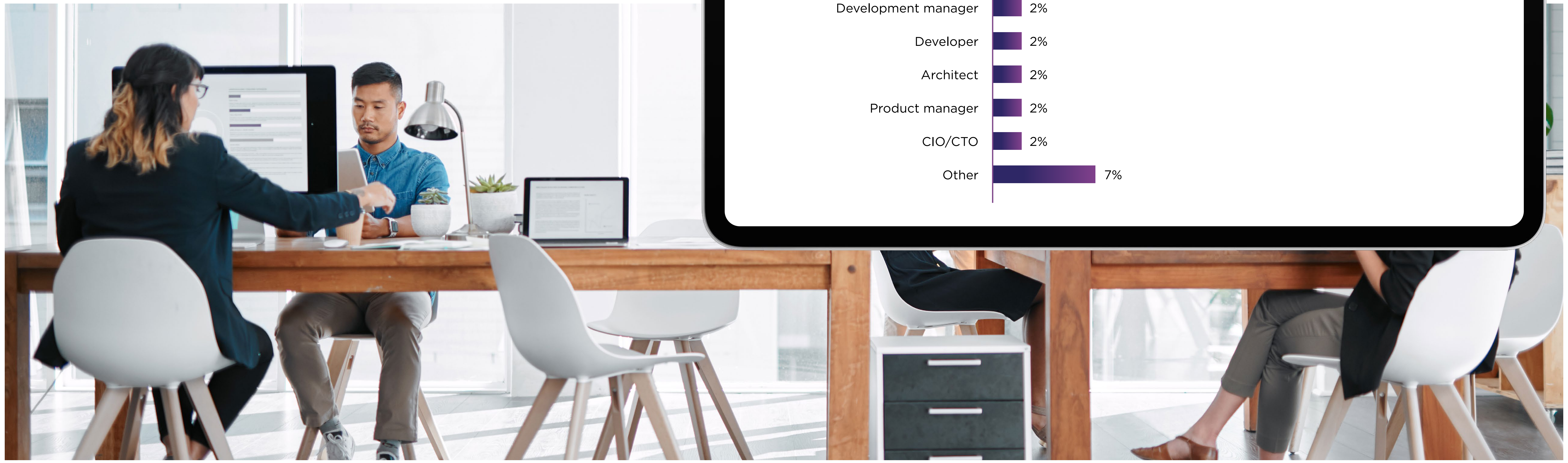
About the Survey Respondents

Just about one-third of survey takers are Agile coaches, 14% are Scrum masters, 7% are project managers and 5% are consultants or trainers.

One-third of respondents are an Agile coach, while over one in ten are a Scrum Master.



1% or fewer respondents had the titles: Business Analyst, Senior Developer, Porfolio Manager, Value Stream Manager, IT staff, QA Tester, DevOps Manager, Site Reliability Engineer, and Platform Engineer.



Interested in how things were different last year? **Read the 2022 report**