Embracing Agile: Is your Business Ready for a Digital Future?

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Introduction: Everything about Agility

Why Agility?

These days business competition is full of uncertain that strategies change fast and quick, and always waiting to take you on. More and more companies are connecting up with e-commerce and electronic trading networks means that the markets they work in are becoming more volatile. In this high-change global economy, the prospect of a fast-moving adaptive organization is highly appealing. But as tempting as such a vision is, turning it into a reality can be challenging.

Innovation Process

A hundred years ago there was a process-based innovation in business so profound it became the basis for the economy of the industrial age. It delivered a new level of efficiency that became the basis for prosperity in the industrial economy. In nowadays, another process-based innovation, a business-operating model coming to be known variously as the agile enterprise or real-time enterprise or responsive organization.

What is Agile Enterprise?

Agile Enterprise is a human-driven organization whose primary assets are the relationships that exist between its employees and its customers and suppliers that constantly make many small adjustments to better respond to its changing environment. An agile enterprise is capable of endless adaptations and reconfigurations and evolves as its customers evolve.

Organizational agility is a company's ability to consistently identify and capture business opportunities more quickly than its rivals do. There are three distinct forms of agility: operational, portfolio, and strategic. First, operational agility, speed and execution, is a company's capacity, within a focused business model, to find and seize opportunities to improve operations and processes, which referred to cost reductions, quality improvements, or refinements to distribution processes, etc. Second, portfolio agility is to quickly and effectively shift resources, including cash, talent, and managerial attention, out of less-promising units and into more-attractive ones; it's the ability of reallocation of resources to faster-growing segments. Third, strategic agility, the ability to spot and decisively seize the last kind of opportunity, the game changers, is the essence of strategic agility. Such opportunities usually entail rapidly scaling up a new business, aggressively entering a new market, betting heavily on a new technology, or making significant investments in capacity.

Thus, the next question is: Is your Organization Agile and Future Ready?

Transform to Agile Organization
Using digital capabilities to transform a traditional enterprise into a top performer in the digital economy, or Companies were seeking to transform to agile organization can be through in two dimensions, one dimension is to know more about their end customers, and the other dimension is increasing operational efficiency in an increasingly digital ecosystem.

Four Business Models:
Based on the article*, Is your Company Ready for a Digital Future*, in general, there are four type of Business model:
- Silos and Complexity: product-drive; complex landscape of processes, systems and data; Performance requires heroics.
- Integrated Experience: customer gets an integrated experience despite complex operations; Strong design and user experience; Rich mobile experience
- Industrialized: Plug-and-play products and service; Shared data can be a competitive asset; Only one way to do each key task; Industrialized Companies characterized by digital industrialization, shown in the bottom-right quadrant, apply the best practices of automation to their operations.
- Future Ready: Both innovative and low-cost; Great customer experience; Modular and agile; Data is a strategic asset; Future-ready enterprises are able to innovate to engage and satisfy customers while at the same time reducing costs.

The path to Future Ready Model:
Move toward becoming future-ready by alternating their focus from improving customer experience and improving operations and then back again, shifting the focus back and forth as needed. The first move might be a project to implement an Omni channel experience and moving from the Silos and Complexity to the Integrated Experience quadrant. After that, companies might improve operations, move enterprises from the Silos and Complexity quadrant to the Industrialized quadrant, it perhaps by replacing a few legacy processes or creating a platform mindset with API- enabled business services that can be accessed across the enterprise and also externally. Then, they might attempt to put together a more attractive set of customer offerings by making smarter use of internal data.

Embracing Agility: Moving forward to Future Ready Model

Dimension 1: Customer-focus Solutions/Service Components to Business Solutions
Moving enterprises from the Silos and Complexity to the Integrated Experience quadrant that improves the customer experience across the whole enterprise, tackling the problem across multiple organizational silos.

To execute the promise of customer focus, the author from article, *Silo Busting: How to execute on the promise of Customer focus,* introduced four Cs can help for Customer-Focused solutions, Coordination, Cooperation, Capability, and Connection.
First, coordination is establishing structural mechanisms and processes that allow employees to improve their focus on the customer by harmonizing information and activities across units. To deliver customer- focused solutions, companies need mechanisms that allow customer-related

information sharing, division of labor, and decision making to occur easily across company boundaries. Sometimes this involves completely obliterating established silos and replacing them with silos organized around the customer, but more often it entails using structures and processes to transcend existing boundaries.

Second, Cooperation is encouraging people in all parts of the company – through cultural means, incentives, and the allocation of power – to work together in the interest of customer needs. Customer-centric companies use both substance and symbolism to foster a culture of customer-focused cooperation. They develop metrics that measure, for instance, customer satisfaction and incentives that reward customer-focused behavior, even if it sacrifices unit performance.

Third, Capability development is ensuring that enough people in the organization have the skills to deliver customer-focused solutions and defining a clear career path for employees with those skills. Delivering customer-focused solutions requires at least some employees to have two kinds of generalist skills. The first is experience with more than one product or service, along with a deep knowledge of customer needs (multi-domain skills), and the second is an ability to traverse internal boundaries (boundary-spanning skills).

The last, Connection is developing relationships with external partners to increase the value of solutions cost effectively. By redefining the boundaries of the company in order to connect more tightly with external partners, companies can not only cut costs by outsourcing all but core activities and perhaps even by finding ways to outsource them by combining their offerings with those of a complementary partner. Working with other companies still means crossing boundaries, but in this instance the boundaries are between a company and its partners.

Dimension 2: Operational Efficiency/to the Service Components/Matrix Operation
Challenges about Matrix Operation
To enable business agility, managers have a lot of levers at their disposal. For example, companies like USAA are making the transition from traditional hierarchies to cross-functional teams and put responsibility for the shift in the hands of those who are closet to the customers. Senior managers need to walk the talk and make an agility stick. However, this can be very challenge that If managers are not clear about their respective responsibilities, there will be conflict about who should take the lead on what activities, wrangling about the decision process in areas of shared responsibility, and a danger that some important tasks will fall between the cracks. Some organizations implanted matrix operation have struggled with ambiguous responsibilities and reporting relationships, been slowed down by the search for consensus decisions, and found it hard to get all the different units to work constructively together.

Thus, a key requirement in matrix structures is clarity about each unit's role and responsibilities.

What managers should do?

First, using role language. In the article, *Making Matrix Structures Work: Creating Clarity on Unit Roles and Responsibility,* the author explained role language and he indicated *that* roles language has great value in allowing clearer specifications of how organization designs are intended to work. It clarity about basic differences in roles between units and helps in laying out design concepts in a powerful and concise way.

To assist in clarifying unit roles, the managers should have foundational understanding about the basic purpose or role of each unit, which including four sections: First, broad responsibilities

that unit responsibilities need to be specified in a way that makes the broad remit clear, but leaves most of the details to be determined by the unit. Second, Reporting Relationships that specify to whom units will report, and what the nature of this reporting relationship will be. There are different possible reporting relationships, ranging from a closely involved general manager, through a 'hands-on' parent, to a 'hands-off' parent, etc. Third, Lateral Relationships that concerns relative power and influence in key shared decisions, and also concerns the spirit of collaboration that should prevail, and the extent to which collaboration is optional or mandatory. The last, also most important is about Main Accountabilities, that the nature of a unit's main account- abilities helps managers to decide what priorities they should give to different tasks on their 'to do' lists, and therefore shapes the way in which they dis- charge their responsibilities.

Second, making good decisions. In the article, *who has the D? How Clear Decision Roles Enhance Organizational Performance*, the author mentioned that Making good decisions and making them happen quickly are the hallmarks of high-performing organizations. There is tools called RAPID tools - Recommend, Agree, Input, Decide, Perform, can be used to analyze decision-making and give senior management teams a method for assigning roles and involving the relevant people. The key is to be clear who has input, who gets to decide, and who gets it done. The key is to involve the right people at the right level in the right part of the organization at the right time.

Third, put the right people at the right place. Businesses need to adopt a portfolio approach to workforce management, placing the very best employees in strategic positions, good performers in support positions, and eliminating nonperforming employees and jobs that don't add value. From the article, *A Players or Positions,* the author explained that to determine a position's strategic significance, the managers must be clear about company's strategy and also understand the wide variability in the quality of the work displayed among the employees in the position. After having identified A positions, the managers also need to manage them-both individually and as part of a portfolio of A, B, and C positions-so that they and the people in them in fact further organization's strategic objectives. What's more, Intelligently managing A positions can't be done in isolation. Managers also need strategies for managing B and C positions and an under- standing of bow all three strategies work together, etc. Above all, the ultimate aim is to manage portfolio of positions so that the right people are in the right jobs.

The last, choose a management model. So what are the principles of management? It's the Choices about the nature of the objectives the company pursues, about how individuals are motivated to pursue these objectives, about how activities are coordinated in the company, and about how decisions are made in the company. Based on the article, *What is your Management Model,* the author introduced four type of management model: the Planning Model that narrow short-term objectives, clearly defined management processes and strict hierarchical decision-making; the Quest Model that to tell your employees what to do, but not how to do it; the Scientific Model that free up the objectives and motivation while keeping control of the means; the Discovery Model that both the means and ends of management are deliberately loose. The managers should choose the suitable management model depends on different conditions.

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