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THE DIFFERENCE BETWEEN OPERATIONAL AND STRATEGIC AGILITY – THE PROMISE OF aGILE

Biase De Gregorio, Partner IQbusiness

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STRATEGY MAKES EVERYTHING SOUND IMPORTANT

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Strategic Meetings
Strategic Workshops
Strategic Marketing
Strategic Planning

Strategic Agility

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OPERATIONAL AGILITY VS. STRATEGIC AGILITY

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Operational Agility

Making the **existing** products **better**, **faster**, **cheaper** and so on for existing customers

Reference: Clayton Christensen, and to Professors Kim and Mauborgne in their books on Blue Ocean Strategy

Reference: What Is Strategic Agility? – Stephen Denning (Forbes.com)

Strategic Agility

Creating **new markets** with **new products** that reach **new customers**, i.e. market-creating innovation
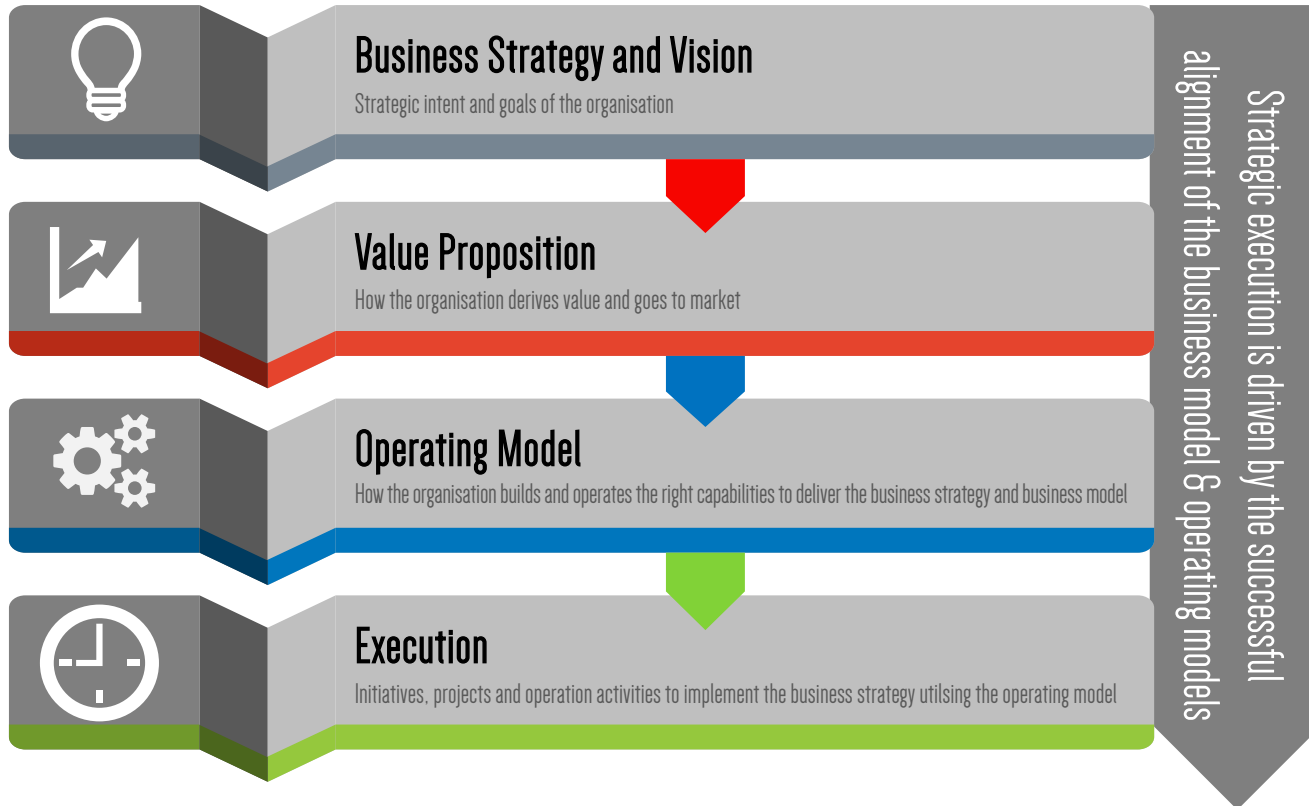
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TELECOMMUNICATIONS

HEALTHCARE

AUTOMAKERS

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STRATEGIC EXECUTION

Business Strategy and Vision
Strategic intent and goals of the organisation

Value Proposition
How the organisation derives value and goes to market

Operating Model
How the organisation builds and operates the right capabilities to deliver the business strategy and business model

Execution
Initiatives, projects and operation activities to implement the business strategy utilsing the operating model

Strategic execution is driven by the successful alignment of the business model & operating models

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BALANCING EFFICIENCY & STABILITY WITH SPEED OF INNOVATION
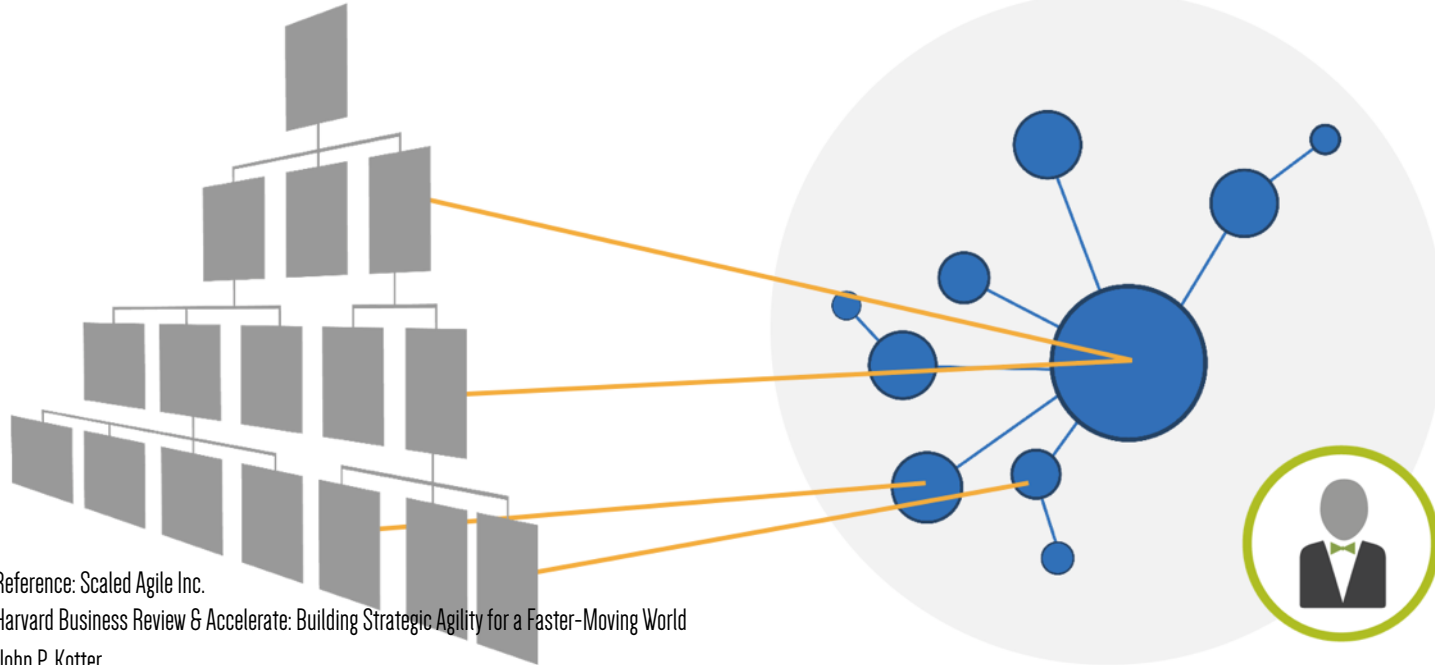
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WE STARTED WITH A NETWORK
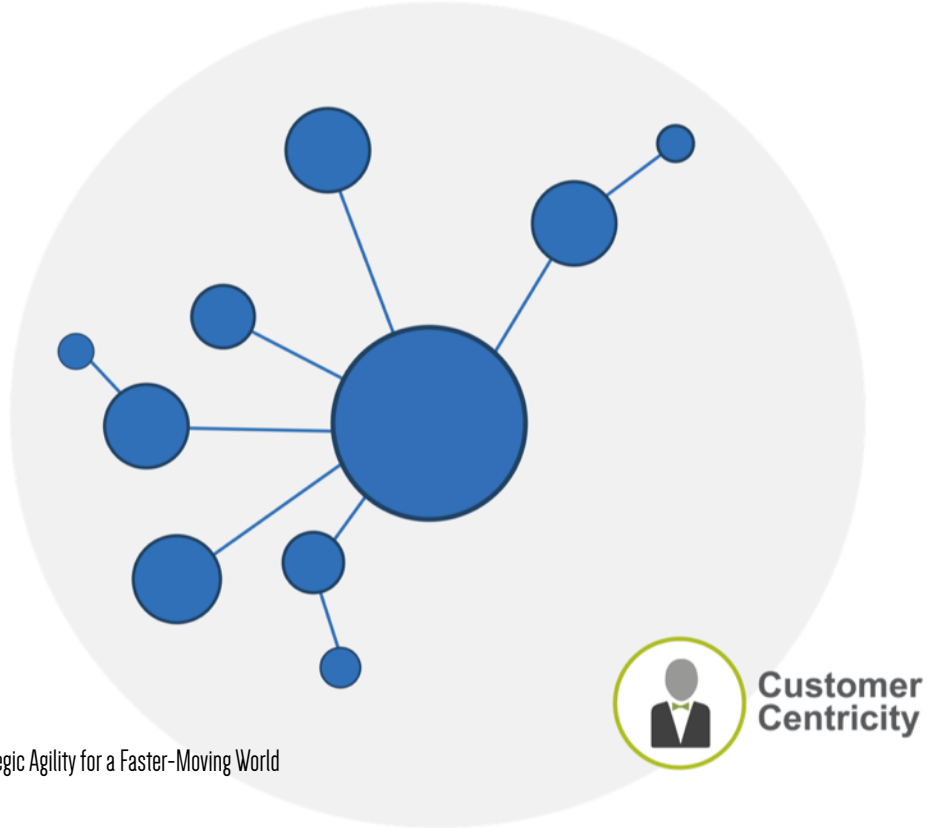
Reference: Scaled Agile Inc.
Harvard Business Review & Accelerate: Building Strategic Agility for a Faster-Moving World
John P. Kotter

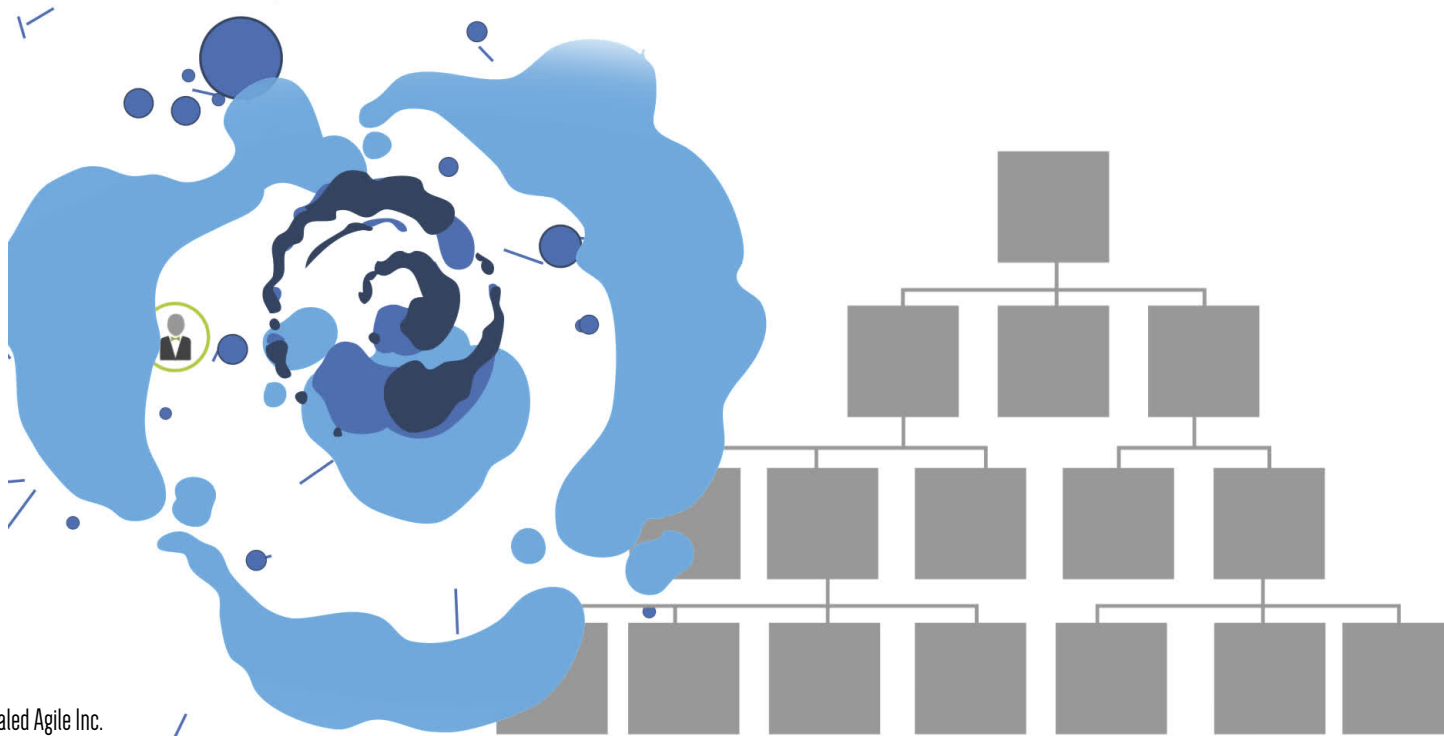@Biased77

WE ADD HIERARCHY FOR STABILITY AND EXECUTION

Speed of Innovation

Customer Centricity

Reference: Scaled Agile Inc.
Harvard Business Review & Accelerate: Building Strategic Agility for a Faster-Moving World
John P. Kotter

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GUESS WHAT HAPPENS?

Reference: Scaled Agile Inc.
Harvard Business Review & Accelerate: Building Strategic Agility for a Faster-Moving World
John P. Kotter

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WE NEED A DUAL OPERATING SYSTEM FOR BUSINESS AGILITY

Speed of Innovation

Efficiency and stability

Customer Centricity

Reference: Scaled Agile Inc.
Harvard Business Review & Accelerate: Building Strategic Agility for a Faster-Moving World
John P. Kotter
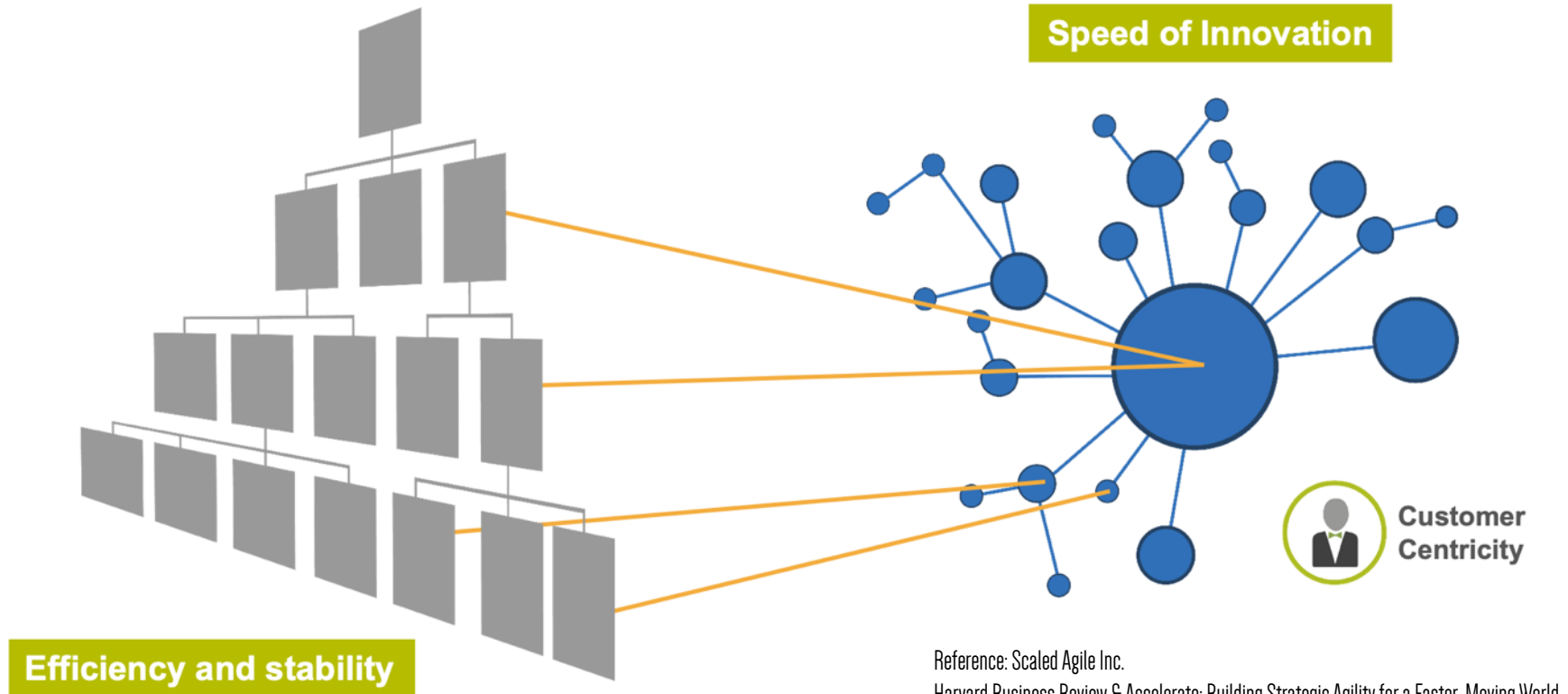
DOMAINS OF BUSINESS AGILITY
AN OPERATING MODEL FOR THE NEXT GENERATION OF ORGANISATIONS

"Business agility does not care about Agile, but Agile should care about Business agility"

⭐ (green) Focus areas for Agile transformations (Mature)

⭐ (yellow) Focus areas for Agile transformations (Starting)

⭐ (red) No real focus areas for Agile transformations

WHY? – to deliver on the PROMISE OF AGILE and Ways of Working

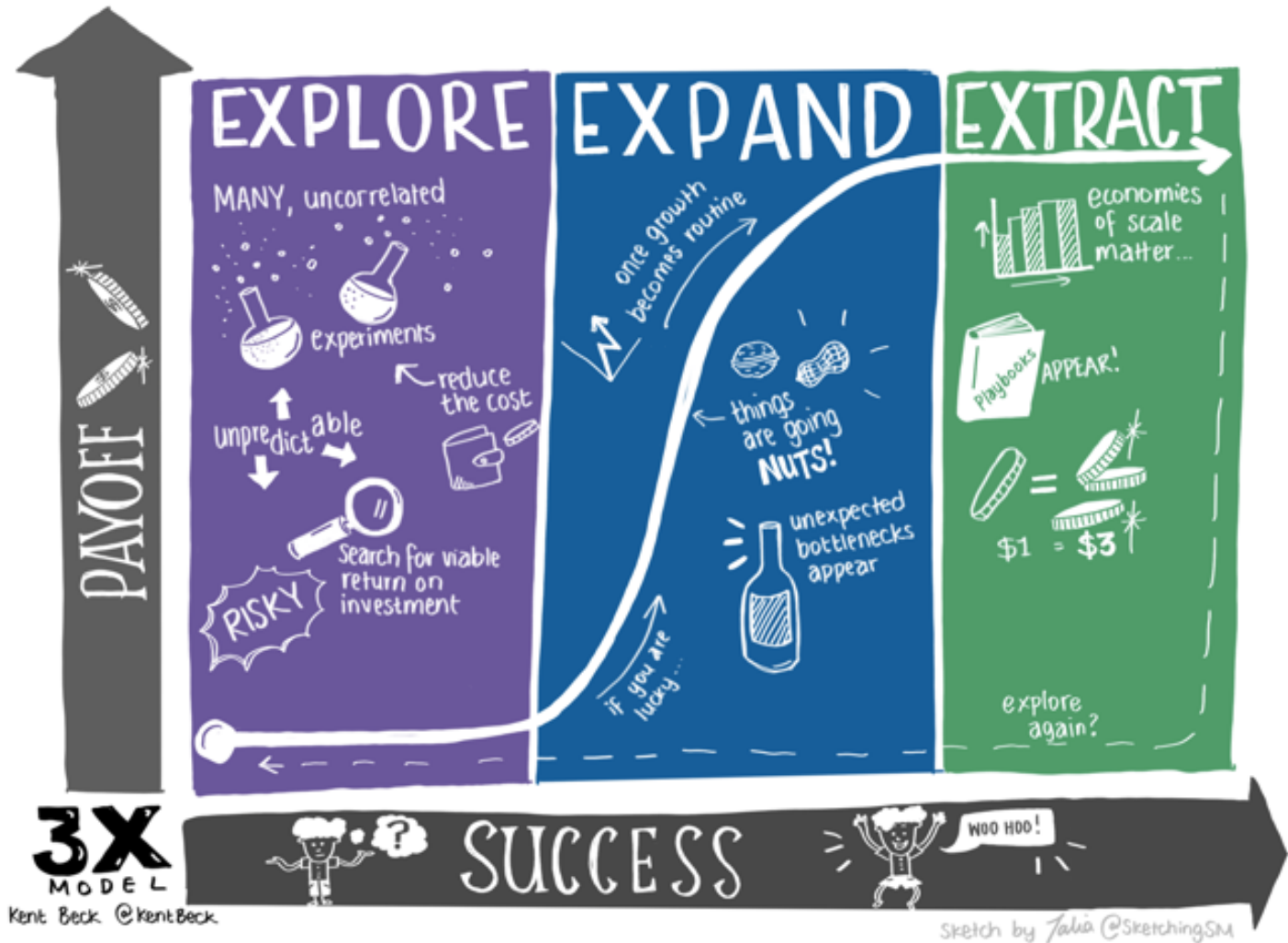Reference: Business Agility Institute
Domains of Business Agility

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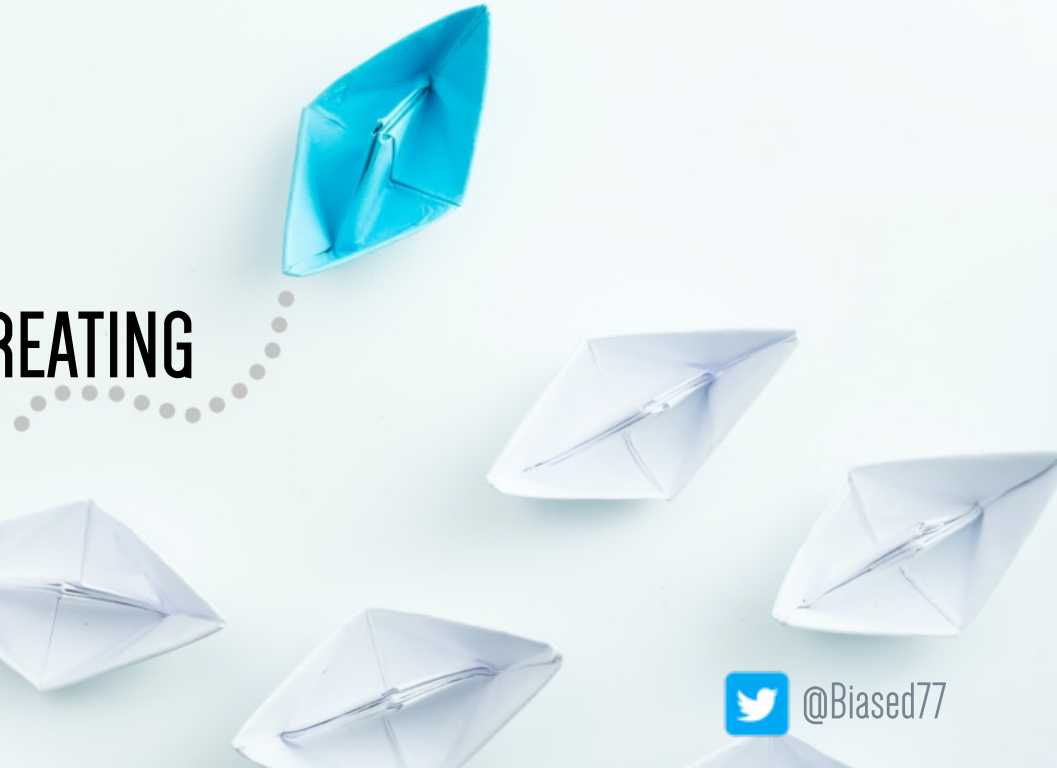# AN AGILE OPERATING MODEL

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INNOVATION

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INNOVATION APPLYING THE 3X MODEL –
KENT BECK

INNOVATION

- LEAN STARTUP & MVP

- EXPERIMENTS

- PLAYBOOK FOR MARKET-CREATING VALUE PROPOSITIONS

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ELEMENTS TO CONSIDER FOR AN AGILE OPERATING MODEL

- STRUCTURE & GOVERNANCE

- TECHNOLOGY ENABLEMENT

- PEOPLE

- CULTURE

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STRUCTURE AND GOVERNANCE

- SMALL PRODUCT-BASED TEAMS OPERATING IN INTERCONNECTED NETWORKS BASED ON VALUE STREAMS

- LEAN/AGILE BUDGETING (VALUE-STREAM OR VENTURE-CAPITAL STYLE)

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HORIZON MODEL
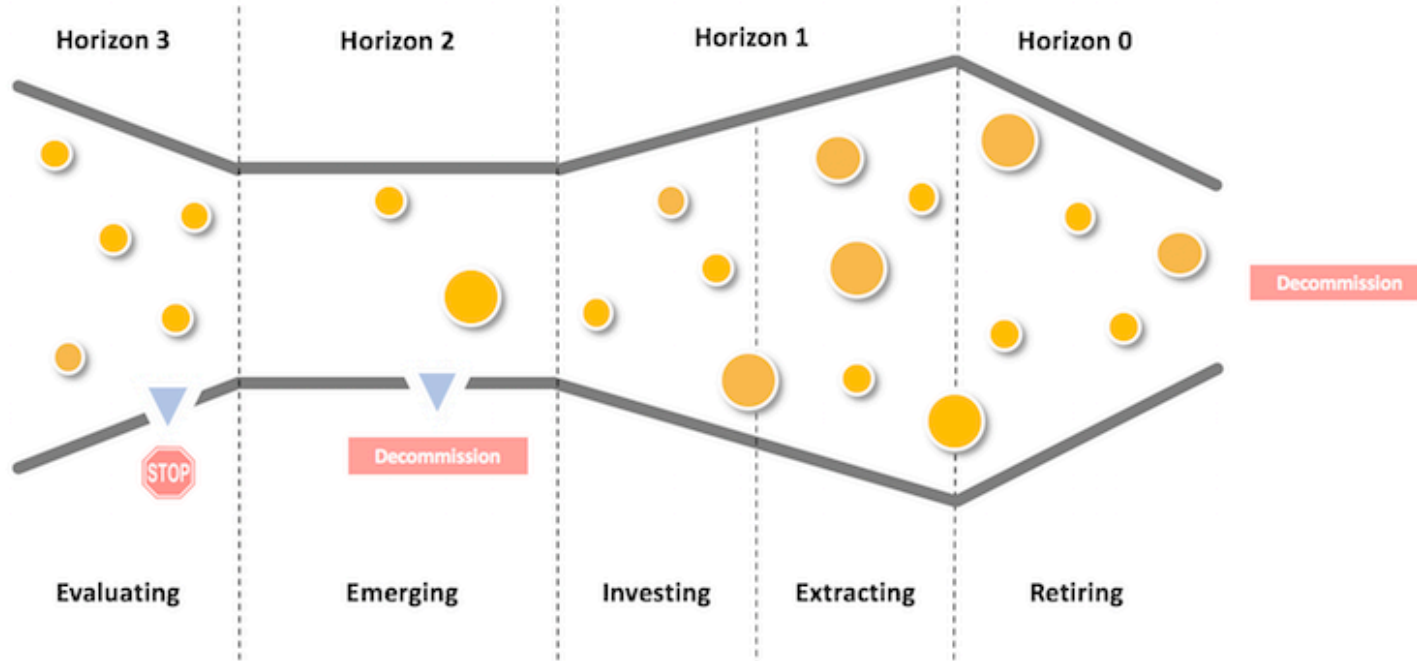
Reference: Mkinsey & Scaled Agile Inc.

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STRUCTURE AND GOVERNANCE

- SMALL PRODUCT-BASED TEAMS OPERATING IN INTERCONNECTED NETWORKS BASED ON VALUE STREAMS

- LEAN/AGILE BUDGETING (VALUE-STREAM OR VENTURE-CAPITAL STYLE)

- BOARD – EMBRACING AND ENABLING AGILITY SETTING STRATEGY AND DIRECTION

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MANAGEMENT TRAPS

- THE TRAP OF SHAREHOLDER VALUE

- THE TRAP OF SHARE BUYBACKS

- THE COST-ORIENTED ECONOMICS TRAP

- THE TRAP OF THE BACKWARD-LOOKING STRATEGY

Reference: The Agile of Agile – Stephen Denning

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TECHNOLOGY ENABLEMENT

- CONTINUOUS DELIVERY AND AUTOMATION AS A STRATEGIC ADVANTAGE

- MICRO-SERVICES ARCHITECTURE

- CLOUD-BASED ARCHITECTURE AND DEPLOYMENTS

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PEOPLE

- AGILE EMPLOYEE VALUE PROPOSITION AND EMPLOYEE EXPERIENCE

- DECENTRALISED DECISION MAKING

- PERFORMANCE MANAGEMENT BASED ON OUTCOMES AND NOT INPUT

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"CULTURE EATS ~~STRATEGY~~ EVERYTHING FOR BREAKFAST"

- PETER DRUCKER

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CULTURE – ALL ABOUT LEADERSHIP

- OPENNESS, AUTONOMY, TRANSPARENCY AND TRUST

- LEADERS AS DEVELOPERS OF PEOPLE

- ENACTED VALUES THROUGH DESIRED BEHAVIOR– AMPLIFY THE BEHAVIOR THAT YOU DESIRE THROUGH GUIDEPOSTS AND STORY-TELLING

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"The most important thing about culture is that it's the only sustainable point of difference for any organization. Anyone can copy a company's strategy, but nobody can copy a culture"

Torben Rick

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A STORY

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Victoronix has survived as it matches its words about cultural values with actions and behaviours

VICTORINOX

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QUESTIONS?

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The Age of Agile – Stephen Denning

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