Gathering customer Collaboration intelligence data

Employee influence on products and services

Respectful

How well we respond to customers

Innovating ideas for customers

Sharing Intelligence with the team

Employee influence on other functions

Organisational Understanding

Freedom and decision making Trustworthiness

Gustomer

Challenging Employee influence on managing practices

Performance

Courage

Management

Sharing Intelligence with top/senior management

Sharing Intelligence

Across the function

Employee influence on end-to-end processes

And Measurement



BUSINESS AGILITY CONFERENCE

VIENNA

May $21^{st} - 22^{nd} 2019$

From Make-and-Sell to Sense-and-Adapt: Shaping the Business and Work-Climate towards Agility, Adaptiveness and Differentiation.



Stephen Parry Adaptive Business Designer



From Make and Sell to Sense and Adapt

- a) Business Agility: Embracing continuous change and continuous value creation, to differentiate and create long term profitability.
- b) What needs to change in the organisational infrastructure? How changing the Mind-set, Skill-set and Work-Climate are the new keys to unlock potential
- c) How a number of large organisations made the journey from traditional 'Make-and-Sell' approaches 'Sense-and-Adapt'



Becoming an Adaptive Business means managing a transformation from the old world to the new.

Adaptive Business

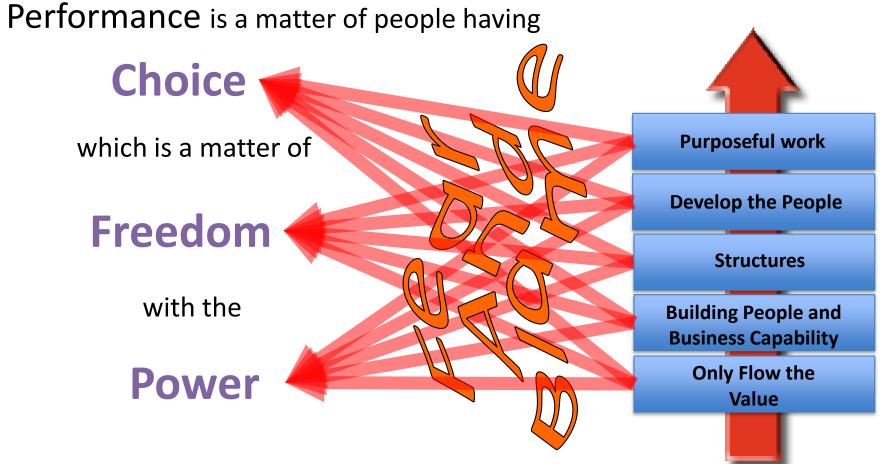
It means rethinking and reimagining how we need to work to achieve harmony with market evolution, no matter which way it turns. You can't control market evolution, but you can control your own.

Methods may come and go but the principles for engaging the willing contribution, ingenuity and commitment of others are timeless.



Does your work-climate help or hinder the human side of enterprise?

So how do we create willing contribution on purpose?



to do what matters to serve the customers purpose

Traditional Constraints to Overcome (Examples)

Work-Overburden

- Speed of growth forces us to overburden our system of work, leading to stress, blaming, frustration, less collaboration, and feeling powerless.
- Short-term, we often have no choice. Long-term, however, it destroys our ability to deliver and inhibits our creativity.
- Changing the way we work, while enhancing collaboration, will give us the space for creativity, better decision-making and a reduction in overburden.

Transparency

- We need to surface errors wherever they are and in whatever guise they might hide.
- We need to inspire confidence in our customers through visibility of our actions to support their goals.
- Transparency enables us to see when we each need help. It fuels honesty, collaboration and pride.
- We want to establish a blame-free culture and an organisation where we learn from our own errors and the errors of others.

Decision-making

- Enhancing the skills and insights of our staff allows for better and faster decisions, as going up and down the hierarchy tree is too slow.
- Designing roles to allow people to make decisions as close as possible to where a problem needs action is key.
- We need to shift back a great deal of autonomy, freedom and control to where the work really gets done and makes a difference for the customer.



You get the behaviour you design for, or fail to design for. It's your choice.



Make and Sell

Industrial Model

Traditional companies
define themselves by the
products and services
they provide,
and Push them Towards
the Customer

Sense and Adapt

Adaptive Model

Adaptive companies define themselves by the customer value they create.

Leaving them free to develop new and innovative solutions.

Pull System



Sense and Adapt Model: Business Dynamics

Learning and Sharing

Use methods to deeply engage with customers to understand and quantify their needs. Identify the customer purpose.

Adaptive Work-Climate Climetrics Engoling and ostanding of the standing Learning and **Adaptive** Business Improving and **Adapting** Leading and Choosing

Use methods for collecting customer, market and delivery information.

Share between staff, managers, departments and leaders. Fit for purpose outcomes.

Enable mid-managers and staff to improve, innovate and change day-to-day work activities to serve the customers purpose

Enable mid-managers and staff to make decisions and choose which areas need to change to serve the customers purpose.

Improving and Adapting



Sense and Adapt Model: Business Dynamics

Learning and Sharing

leaders. Fit for purpose

outcomes.

Use methods to deeply engage with customers to understand and quantify their needs. Identify the customer purpose.

Adaptive Work-Climate Climetrics

Use methods for collecting customer, market and delivery information.

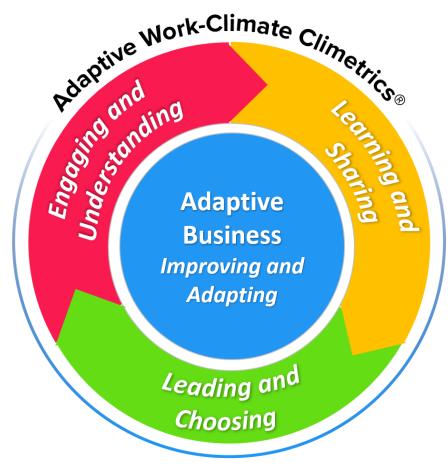
Share between staff, managers, departments and

Enable mid-managers and staff to improve, innovate and change day-to-day work activities to serve the customers purpose

Enable mid-managers and staff to make decisions and choose which areas need to change to serve the customers purpose.

Improving and Adapting





Work-Climates are the combined perceptions, feelings and thinking of a particular work group, department or whole organisation.

It is these perceptions and feelings that give rise to behaviour and performance.

Work-Climate is a predictor of positive or negative customer experiences.

Work-Climate is also a predictor of long term prosperity.

Work- Climate indicates how aligned the business is to:

Strategy
Structures
Delivery Capabilities
End to End Value Flows to Customers.

Work-Climate Indicates which business type you are and how adaptive you are to customers and the marketplace.

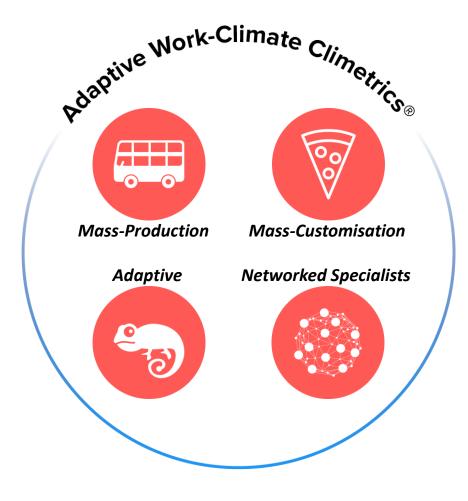


Use methods to deeply engage with customers to understand and quantify their needs. Identify the customer purpose.

Enable mid-managers and staff to improve, innovate and change day-to-day work activities to serve the customers purpose

Improving and Adapting

Sense and Adapt Model: Four Typical Business Types



Learning and Sharing

Use methods for collecting customer, market and delivery information.

Share between staff, managers, departments and leaders. Fit for purpose outcomes.

Enable mid-managers and staff to make decisions and choose which areas need to change to serve the customers purpose.



How you wish to compete should determine your choice of operating mode. Summary

	Leadership Styles	Management Focus	Competitive Basis	
Adaptive	Listen and Adapt	New products Creativity Co-Creation of Value	Trusted Advisor Integration Customer Outcomes	Adaptive Work-Climates
Networked Specialism	Consultative	Staff knowledge Capture and Reuse Effectiveness	In-Depth Specialities Expert Networks Economies of Scope	
Mass Customisation	Direct and Control	Cost Efficiency Variety Task intensification	Low Margins Value added Choices Low Cost	Industrial Work-Climates
Mass		Staff Utilisation Work Intensification	High Volume Low Margins	ial nates

Cost reduction

Economies of Scale

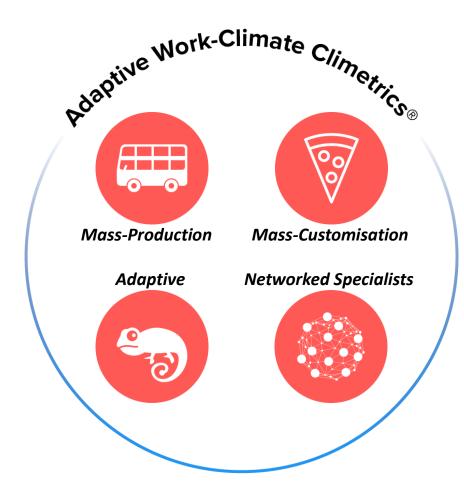
Production

and Control

- ✓ Freedom and decision making
- ✓ Customer -facing activity
- ✓ Customer -intelligence gathering
- ✓ Sharing intelligence with the team
- ✓ Employee influence on products and services
- ✓ Employee influence on managing practices
- ✓ Employee influence on other functions
- ✓ Employee influence on end-toend processes

Improving and Adapting

Sense and Adapt Model: Four Typical Business Types



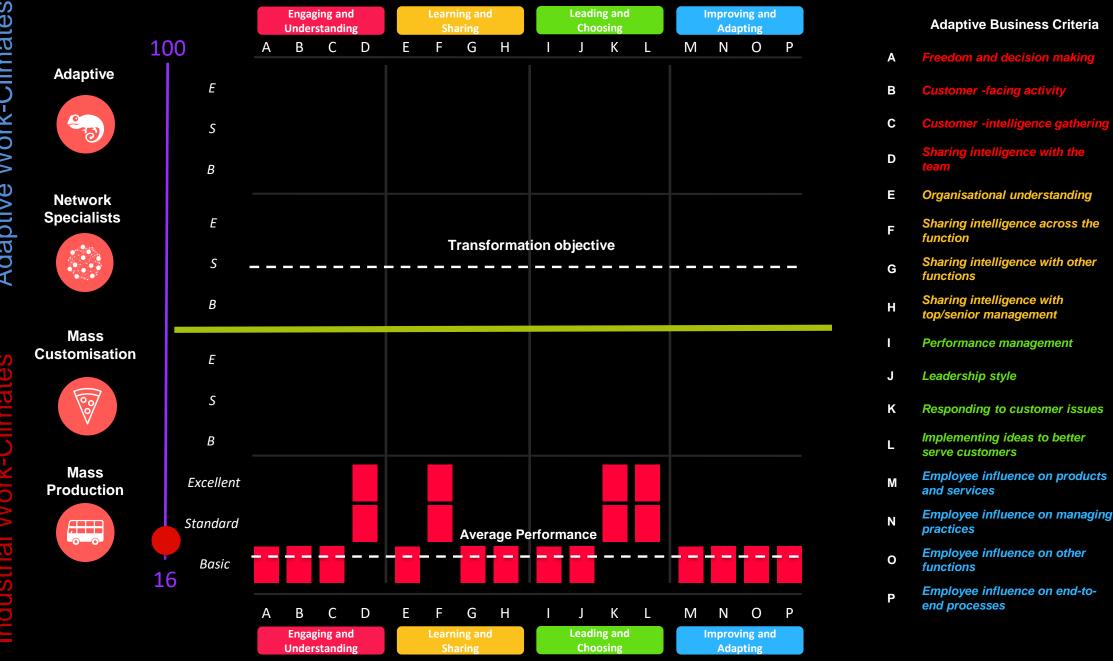
Learning and Sharing

- ✓ Organisational understanding
- ✓ Sharing intelligence across the function
- ✓ Sharing intelligence with other functions
- ✓ Sharing intelligence with top/senior management

- ✓ Performance management
- ✓ Leadership style
- **✓** Responding to customer issues
- ✓ Implementing ideas to better serve customers



Case Study: Global ICT and applications company: Before Transformation



Adaptive Business Criteria

- A Freedom and decision making
- B Customer -facing activity
- C Customer -intelligence gathering
- Sharing intelligence with the
- E Organisational understanding
- F Sharing intelligence across the function
- G Sharing intelligence with other functions
- H Sharing intelligence with top/senior management
- I Performance management
- J Leadership style
- K Responding to customer issues
- L Implementing ideas to better serve customers
- M Employee influence on products and services
- N Employee influence on managing practices
- o Employee influence on other functions
- P Employee influence on end-toend processes

Change leadership is the art of possibility In the face of reality

Sense and Adapt Model: Four Core Skills/Capabilities to Create an Adaptive Business









DESIGN Change Architect Change Makers

ENGAGE

ADOPT Change Agents

ADAPT Managers

Adaptive Business Architect learning how to DESIGN, create and develop Adaptive **Businesses**

Change Leaders Learning how to **ENGAGE** the business leaders and stakeholders to create adaptive change.

Change Agents help staff and managers ADOPT new working practices by providing coaching and mentoring.

Helping managers at all levels learn how to transition from Make and Sell Industrial Management styles to **ADAPT Sense and** Adapt Principles.



Change Readiness:

Planting the Seeds for Change Success

By Stephen Parry - Lloyd Parry International

ENSE

AND **RESPOND**

The Journey to Customer Purpose



LLOYDPARRY

Introduction To Adaptive Business Practices

by Stephen Parry

Publications and Blog www.lloydparry.com

© 2019 Service Climate Management Ltd. A Lloyd Parry International Company. All rights reserved

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of LloydParry International. The information contained herein may be changed without prior notice.

Service Climate Management is a registered trade mark of Lloyd Parry International

Customer Value Enterprise is a registered trade mark of Service Climate Management Ltd.

Climetrics is a registered trade mark of Service Climate Management Ltd.

The Engaging, Learning, Leadings Improvement device is a TM of Service Climate Management.

CORE Demand Profile TM is a trademark of Service Climate Management Ltd.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only.

The information in this document is proprietary to Service Climate Management Ltd. No part of this document may be reproduced, copied, or transmitted in any form or for any purpose without the express prior written permission of Service Climate Management Ltd.

This document is a preliminary version and not subject to your license agreement or any other agreement with Service Climate Management Ltd. This document contains only intended strategies, developments, models, methods and products and is not intended to be binding upon Service Climate Management to any particular course of business, product strategy, and/or development. Please note that this document is subject to change and may be changed by Service Climate Management Ltd. at any time without notice.

Service Climate Management assumes no responsibility for errors or omissions in this document. Service Climate Management Ltd. does not warrant the accuracy or completeness of the information, text, graphics, links, or other items contained within this material. This document is provided without a warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability, fitness for a particular purpose, or non-infringement.

Service Climate Management Ltd. shall have no liability for damages of any kind including without limitation direct, special, indirect, or consequential damages that may result from the use of these materials. This limitation shall not apply in cases of intent or gross negligence.

The statutory liability for personal injury and defective products is not affected. Service Climate Management Ltd. has no control over the information that you may access through the use of hot links contained in these materials and does not endorse your use of third-party Web pages nor provide any warranty whatsoever relating to third-party Web pages.