The Three Basic Elements of Strategic Agility

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agility

Web definitions
the gracefulness of a person or animal that is quick and nimble.

SIMPLY EXPLAINED - PART 37: AGILITY
Why has Madonna been so successful over such a long period?

http://www.youtube.com/watch?v=FqFOjjuLDTI
**Madonna’s elements of success:**

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<thead>
<tr>
<th>Goals</th>
<th>Single-minded quest for stardom.</th>
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| Understanding the environment | **Identified emerging trends in popular culture.**  
Recognized power of sex.  
Understood showbiz. |
| Resource Appraisal | Recognized limited raw talent.  
Relied on strengths in self-promotion, image creation, relationship management. |
| Implementation | Commitment to hard work.  
Disciplined, inspirational leadership.  
Attention to detail. |
Madonna displays clear direction combined with the flexibility to adapt and exploit unexpected change.
“It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change.”

Charles Darwin
The Three Basic Elements Organizational Agility

6 Types of Organizations
The 3 Pillars of Organizational Agility

Any change initiative must begin with an understand the nature of the changes occurring in the organization’s internal and external environments. Managers must convey these changes to their employees and colleagues in a clear, well defined way. Organizations that do not take the time to understand these changes may either implement a change that does not fit the new challenges they face, or fail to change altogether.

Organizations must invest time and resources to systematically plan their change initiative.

Organizations must successfully implement their plan.

All three steps are necessary - none is sufficient.
Reason to change

Direction of change

How to achieve the change

Change is Happening
## 6 Types of Organizations

<table>
<thead>
<tr>
<th>Understanding</th>
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<th>Implementing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type 1</td>
<td>Type 2</td>
<td>Type 3</td>
</tr>
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<td>Too Busy</td>
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<td>to Stop</td>
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Type 1: Too Busy to Stop – “The Shooter”
Type 1: Too Busy to Stop – “The Shooter”

Walkman by Sony:
- A technological leader
- Customer buying criteria changed
- Sony failed to acknowledge the change and continued to follow the same trajectory and logic it always followed
Business Analysis: How Sony lost the plot

Japan's consumer electronics giant squeezed by US rivals and Far-East competition

By Saeed Shah

Friday, 21 January 2005

One of the big losers from the runaway success of Apple's iPod has been Sony, the company that invented portable music players.

One of the big losers from the runaway success of Apple's iPod has been Sony, the company that invented portable music players.

Just how painful Sony has found it to compete in this and a dozen other consumer electronic markets was laid bare yesterday when it warned that profits had been shredded by a crash in the prices it can charge for its goods.

The Japanese giant competes in a bewildering number of markets. In the market for portable music players, Sony battles the iconic iPod; in games consoles it takes on Nintendo; while in mobile phone handsets, it has to fight the mighty Nokia.
Type 2: Too Busy to Think – “The Knower”
Type 2: Too Busy to Think – “The Knower”

Starbucks:

• Sales drop, market share falls, stock price plunges

• Numerous change initiatives

• Change initiatives misfit the external environment and thus – fail!
Type 3: Too Busy to Act - The Philosopher
Type 3: Too Busy to Act - The Philosopher

Kodak:

- World leader in chemical based imaging
- Understands that the world is going digital and invents the leading technology
- Fails to move it from the lab to the marketplace
Kodak built the prototype digital camera, top, in 1975. Thirty years later, it was making the EasyShare One digital camera, bottom.

http://vimeo.com/22180298
Type 4: Too Busy to Plan - The Impatient
Type 4: Too Busy to Plan - The Impatient

The J. Peterman Company:

• Clear understanding that scale is of the essence
• Numerous growth initiatives are implemented without much planning
• Initiatives fail and the company goes bankrupt
J. Peterman Receives a Last-Minute Offer

Published: March 06, 1999

LEXINGTON, Ky., March 5 — The Paul Harris Company, which operates 300 women's clothing stores nationwide, showed up at a liquidation auction for the J. Peterman Company today with a $9.7 million offer to keep the catalogue retailer intact.

That bid was competing early in the evening with an $8.8 million offer to liquidate the company by the Schottenstein Bernstein Capital Group and the clothing retailer American Eagle.

The high-end clothing company's founder, John Peterman, had spent the previous 10 days preparing to dismantle the company after failing to find a buyer to rescue it from Chapter 11 court bankruptcy protection. He said he did not learn of the Paul Harris Company's offer until this morning, as the court-ordered auction was getting under way in a Lexington hotel.

Also on the table were bids totaling $6.8 million for various pieces of the company, including $3.7 million for its inventory and $2.5 million to take over the lease on the J. Peterman Store in Grand Central Terminal. It was not immediately known if the companies making those bids would increase their offers.
Too Busy to Plan

High-tech

URGENT!

ACT NOW!
Type 5: Too Busy to Execute - The Paralyzed
Type 5: Too Busy to Execute - The Paralyzed

Blockbuster:

- Recognized changes in its market
- Planned several change initiatives including: GameRush, OnDemand, Total Access, and No Late Fees.
- Failed to implement its plans
Blockbuster files for Chapter 11 bankruptcy, will reorganize

Updated 9/23/2010 5:06 PM | Comments 178 | Recommend 15

By David Lieberman, USA TODAY

Troubled video-rental chain Blockbuster filed for Chapter 11 bankruptcy protection Thursday, and said it plans to keep stores and kiosks open as it reorganizes.

The filing comes about a month before the 25th anniversary of the opening of Blockbuster's first store in Dallas. "End of an era' summarizes it neatly," says John Tinker, senior media analyst at Maxim Group, a brokerage firm. The move, long expected and pre-arranged with bondholders, ends an era that Blockbuster dominated — of Americans visiting video stores for movie rentals. Increasingly, Americans are watching movies via video subscription services such as Netflix, vending machine services such as Redbox and services that offer movies on demand via cable, satellite and the Internet.
# Type 6 The Change Champion

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![Type 6 The Change Champion](image)
Type 6 The Change Champion

Amazon:

- CEO Jeff Bezos is a “change junkie”
- Constantly learns customer behavior and responds to “customer demands”
- Branched out of its core model to: hardware and manufacturing (“Kindle”), partnerships with 3rd party retailers, a Web services business.
- Continuous to grow despite the ailing retails sector
The Change Champion

Re-Designing Nissan: Carlos Ghosn Takes Charge

Louis Schweitzer, Renault Chairman and Chief Executive Officer, and Yoshikazu Hanawa, Nissan Chairman, President and Chief Executive Officer, October 20, 1999.
1. Understand the nature of the change: what needs to be changed to enable the organization to achieve its strategic goals and how should these changes be implemented?

2. Plan the change process: enlist a core change team, map shareholders’ level of support or resistance, and develop vision and strategy.

3. Manage the change process: motivate employees, create a sense of urgency, communicate the vision, act (modify recruiting systems, create training systems, adjust performance appraisal and reward systems, shift power between units), generate quick wins, consolidate gains.
Change is a Process:

I. What is the current state?
II. What is the desired state?
III. How should we get from the current state to the desired state?

But to understand the nature of the change we must first understand the present state. Also, to plan the change process we must know where we want to go…
"Well, in our country," said Alice, still panting a little, "you'd generally get to somewhere else — if you run very fast for a long time, as we've been doing."

"A slow sort of country!" said the Queen. "Now, here, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!“ (Lewis Carroll, Through the Looking-Glass)

• For an evolutionary system, continuing development is needed just in order to maintain its fitness relative to the systems it is co-evolving with.
A few words about research...

1. Where does competitive advantage come from?—content or process?

2. The content of a firm’s strategies cannot be studied independent of its strategy implementation processes
Thanks