CREATING AGILE ORGANIZATIONS

The Strategic Focus Workshop

Determine Alignment Between Your Strategic Focus & Capabilities

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Workshop Overview

For detailed background information see Chapter 4 - Organization Design from the Book Designing Agile Organizations.

Print and cut the cards. You need 1 set per table.

Step 0 - Explore the Strategic Foci
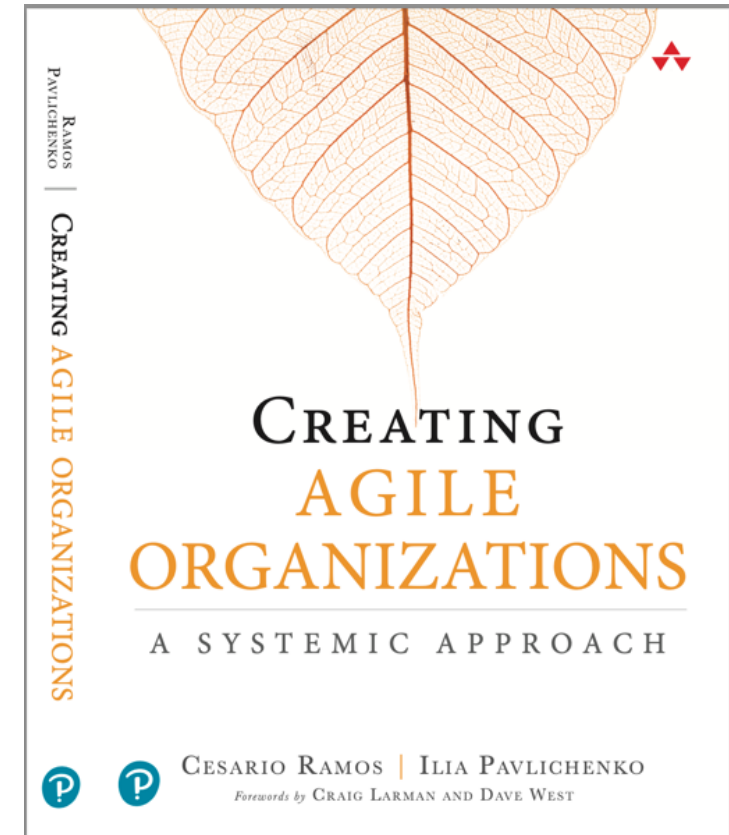
Step 1 - Select Your Intended Outcomes

Step 2 - Select Your Required Capabilities

Step 3 - Discover Alignment Between Your Strategic Focus & Capabilities

Step 4 - Determine Impact of Strategic Focus on Capabilities

Step 5 - Closing.

Detailed Description about Strategic Focus in Chapter 4 - Agile Organization Design

CREATING AGILE ORGANIZATIONS

CREATING

AGILE
ORGANIZATIONS

A SYSTEMIC APPROACH

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Step 0 – Explore the strategic foci

Different Strategic Foci

A product-centric organization typically focuses on the capabilities of innovation, new product development, or time-to-market.

An operations-centric organization mainly focuses on the capabilities of low cost, reliability, automation, and quality.

A customer-centric organization has the capabilities of delivering high customer satisfaction and nurturing long term relationships with their customers.

Explore the Strategic Foci

Sit in small groups. In each round, the groups are provided with a couple of questions that they can discuss for a couple of minutes. Discuss the key takeaways with the group as a whole.

- Round 1: Why care about strategic focus?

- Round 2: What do you think is the strategic focus of your organization

- Round 3: What are some differences in capabilities for Agility between an organization with a Product Focus and Operational Focus with respect to adaptability, speed and metrics?

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Step 1 – Select Your Intended Outcomes

Provide the Outcome Cards.

Ask the groups:

- What are the most important outcome(s) for your group?

- Choose your top 2.

Outcome

18. Cost Per Transaction

Outcome

14. Customer Retention

Outcome

16. Increase in new products

Outcome

13. Product Revenue

Outcome

17. Low Cost Producer

Outcome

15. Customer Satisfaction

Step 2 – Select Your Required Capabilities

Provide the Capabilities Cards.

Ask the groups:

- What capabilities does your group need to reach the outcomes?

- Choose your top 4.

Capability

1. Learning & Innovation

Capability

6. In depth expertise in research & development

Capability

9. Process Automation

Capability

7. Product Features being first in the market

Capability

3. Adaptability to Changing Market Demand

Capability

10. Customize Products at customer request

Capability

2. Speed in development time (Flow efficiency)

Capability

11. Cross sell and bundle products

Capability

12. Operations excellence and process efficiency

Capability

4. Build long term customer relationships

Capability

5. Predictability

Capability

8. Standardization

Step 3 – Discover Alignment Between Your Strategic Focus & Capabilities

Provide the 3 Canvasses

Ask the groups:

- Match your sticky notes in the canvases.

- Do you recognise your strategic focus?

Product Focus

Customer Focus

4	15	10

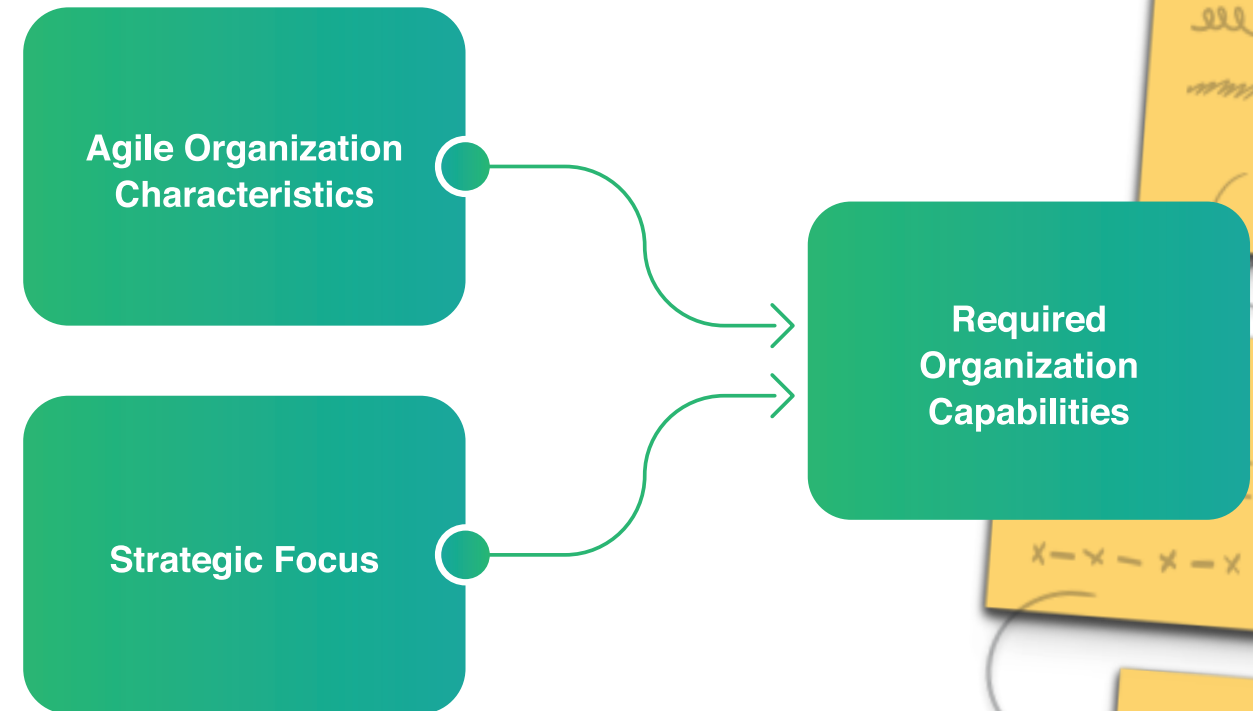|			
11	14	3	15

Step 4 - Determine Impact Strategic Focus on Capabilities

Guideline 7: Derive Required Capabilities from the Strategic Focus

The strategic focus of your organization helps determine the appropriate trade- offs.

Combine the characteristics of the Agile organization with the organization's strategic focus to identify the required capabilities

Agile Organization Characteristics

Strategic Focus

Required Organization Capabilities

An operations-centric organization

Focuses on the capabilities of low cost, reliability, automation, and quality.

Value is identified based on price, efficiency, consistent quality, cost to serve, or cost per transaction.

The organization structures itself around key processes

Metrics are about working to standards, and aims for high resource utilisation and operational excellence.

A product-centric organization

Focuses on the capabilities of innovation, new-product development, or time-to-market.

Value is measured in profit from new features and product releases.

The organization is structured around its products.

Employees specialize in research and development and are striving to be the best.

Metrics are around new products, new applications, and features that competitors cannot offer yet.

A customer-centric organization

Focus on the capabilities of delivering high customer satisfaction and nurturing long-term relationships with their customers.

Value lies in customer retention and long-term customer satisfaction. The value proposition centers on deep customer understanding and creating tailored solutions for customers.

Structured around customers and has customer- or market-segment-specific units.

Employees have the skills to build long-term relationships with customers and show passion for assisting with customer implementations and providing aftercare.

Impact Strategic Focus On Capabilities
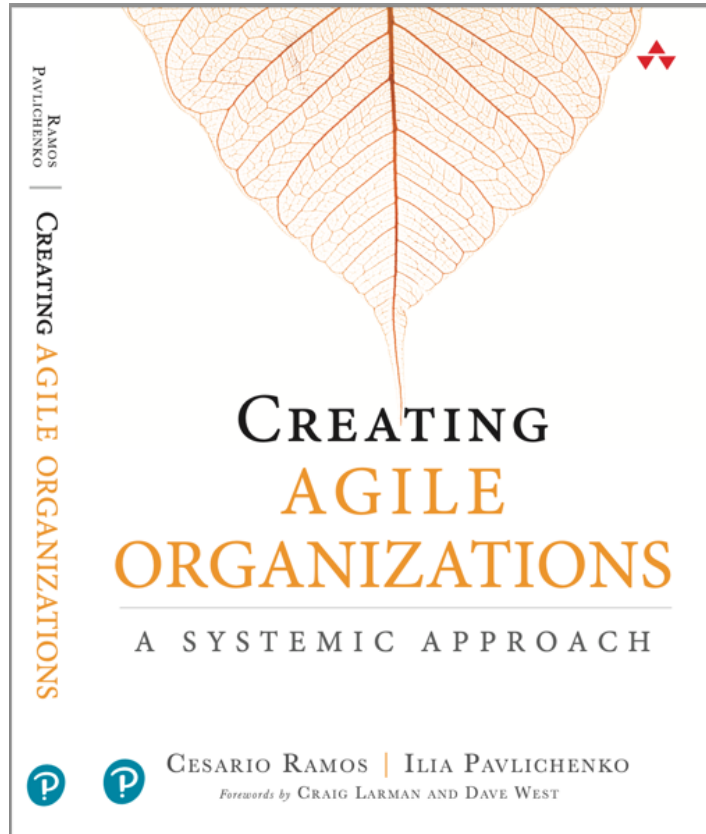
Use your identified Strategic Focus to:

- Make a list, if any, of capabilities do you want to develop to develop in your organisation to improve adaptability?
  - Organisational Structure
  - Operational Focus (Flow/Resource Efficiency)
  - Metrics metrics
  - Value metrics
  - Team structure (function, factory, cross-domain, product)

Step 5 - Closing

Want to Learn More?

There is the Creating Agile Organizations book and two courses.

2 day Designing Agile Organizations Course

3 day Creating Agile Organizations Workshop

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