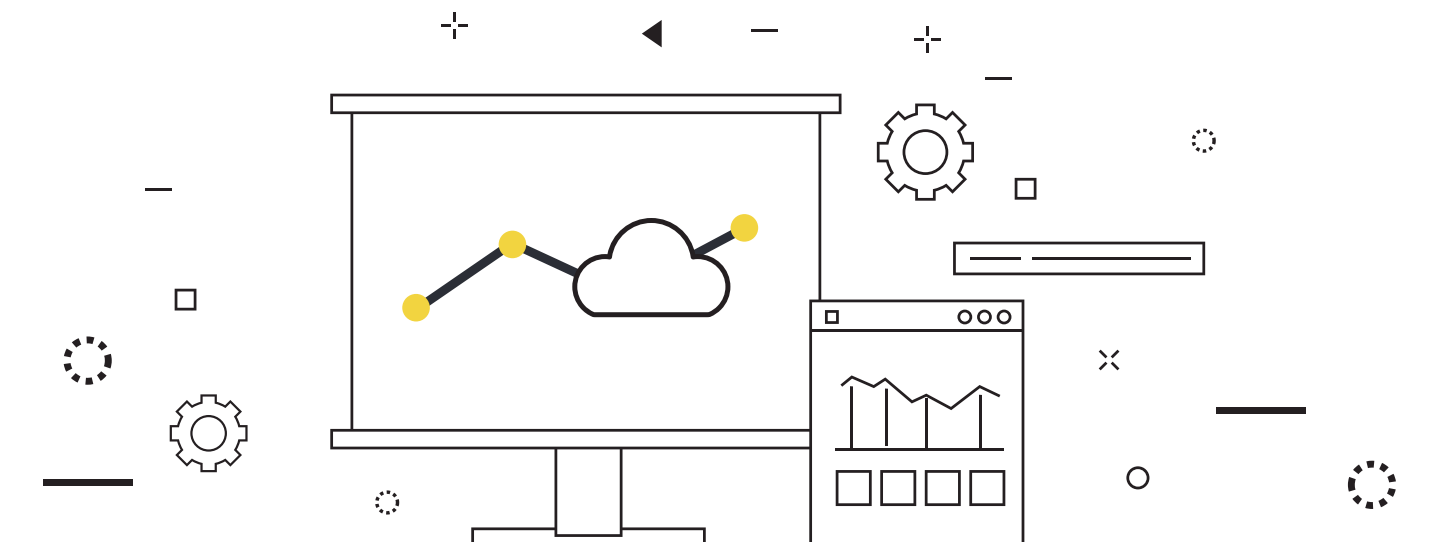# triggre

Strategic Agility

competitive advantage in turbulent times

"There isn't the luxury of time. We used to say, 'Wait until this crisis is over and we get back to normal,' but that never happens. We have to be 'change animals'."

Michele McKenzie
IBM Global CEO Study

Contents

Introduction

Changes are following each other faster than ever, and their impact is increasing. If you want to guarantee the continuity of your organization, you need to constantly improve and innovate. This means: investing in strategic agility.

Strategic agility consists of two elements that reinforce one another. On the one hand, the agility and flexibility to seize any opportunities arising from developments in the market. On the other hand, the resilience and robustness to absorb the impact of large and sudden changes. Where agility is all about the ability to see and seize opportunities, resilience is about the ability to respond appropriately to unexpected change. By looking at agility and resilience in conjunction, they can reinforce each other and allow you to invest in a strategically agile organization that is ready for the future.

Agile with flexible processes and IT

We define strategic agility as the ability of an organization to quickly and effectively adjust its strategic direction, anticipating or responding to opportunities and threats in its environment. If you would also like to increase your organization's strategic agility, it is crucial that your processes, and especially IT systems, are extremely flexible: allowing you to adjust them quickly if new market opportunities present themselves, or your strategic priorities change. In particular, the systems that deserve extra attention are those that support you in differentiating yourself from the rest and support you in your innovation activities.

In this whitepaper, we are happy to share our knowledge in the field of strategic agility. In addition, we offer you ways to increase the strategic agility of your organization. And finally we would like to introduce our new product that can support you in this task: Triggre.

Mark Hulshof and Jesse Meijers
Founders of Triggre

On the road to strategic agility

On a strategic level, strategic agility offers your organization concrete ways to find the balance between different and often conflicting organisational targets. Thus allowing your organization to anticipate future changes more easily and be able to adjust more quickly, thereby increasing the competitive ability and profitability of your organization.

Strategically agile on three levels

Strategically agile organizations are agile on a strategic level, a business portfolio level and on an operational level. You can identify and exploit market opportunities, so you are able to introduce new innovative products at the right moment. According to Professor Donald Sull of the London Business School (2009), your organization can become more agile on three levels:

- Strategic level (strategic agility): this relates to recognizing and exploiting market opportunities and game-changing opportunities. Think of companies like Apple, Philips, Google, Fujifilm and DSM that continuously introduce new innovative products and services.

- Business-portfolio level (portfolio agility): this level relates to a quick and efficient redistribution and transfer of employees, resources and money from underperforming areas to more promising product-market combinations. This, for example, is where companies with lots of competitors operate, like Vodafone, Procter & Gamble, Randstad, Amazon and banks and insurance companies.

- Operational level (operational agility): this level relates to cleverly seizing opportunities within a particular business area. Operational excellence companies such as Wehkamp, Dell, Ryanair, Zalando and various internet companies, educational institutions and healthcare organizations excel in this.

Many traditional companies rely solely on operational agility or portfolio agility. As a result, this agility is often limited to the IT department. But in today's market it is essential that your organization is resilient, and you will only achieve this by also being agile at a strategic level.

Building blocks for strategic agility

There are basically four essential building blocks to make your organization strategically agile on all of the three levels mentioned above:

- external focus
- unifying leadership
- flexible people and culture
- flexible processes and IT

Figure 1. Building blocks for strategic agility

External focus

Externally focused organizations continuously monitor their environment and gather insights. This enables them to identify trends, developments, opportunities and threats in time and results in their being 'strategically alert'. To become more alert yourself, you can use well-known methods like market research and trend watching. But it is equally important to work closely with customers, suppliers, stakeholders, knowledge institutes, academic institutions, branch organizations, customer organizations and entrepreneurial networks at an international, national and local level. The larger your external focus, the greater the chance of discovering new market opportunities or threatening developments on time and thus having the opportunity to respond quickly.

P&G innovates with open platform

To connect internal and external knowledge, the food manufacturer Procter & Gamble (P&G) introduced the Connect & Develop platform. Over the past ten years this has allowed P&G to make the transition from research and develop to connect and develop. P&G attributes 50 per cent of the innovations and more than a hundred new market introductions to the open innovation platform.

Source: Klant in de driver's seat, by Sjors van Leeuwen 2012 (Customer in the driver's seat)

Unifying leadership

The top of the organization needs to ensure that internally everyone is 'singing from the same hymn sheet'. It is therefore essential that the organization set priorities that transcend business units and departments. Because to be able to move flexibly with the environment sometimes means that processes, systems, people, resources and budgets need to be redistributed. Unifying leadership also means that managers and external parties are involved in drawing up strategy. By sharing ideas widely and asking the opinion of others at an early stage, the chance of success increases and tunnel vision is avoided. This approach also contributes to a strong organisational identity and shared values, which are, after all, the ingredients for the organization's resilience.

Flexible people and culture

Strategic agility means the end of hierarchical, bureaucratic and top-down organizations. Duties, responsibilities and authority need to be placed as low as possible in the organization, in order to be able to make quick decisions, when the need arises. Important factors are close cooperation, freely sharing knowledge and information, and a culture of daring to take risks and being allowed to make mistakes. Employees and teams are mobile and can get to work quickly in other business units and departments, if the company's strategic priorities change. By using the flexible outer layer, you align the knowledge and capacity of your organization real-time with market demand.

Flexible IT and processes

Rigid company processes and inflexible IT systems are often major obstacles for organizations wanting to implement rapid change and seize market opportunities. Increasing the flexibility of processes and IT is therefore high on the management agenda. You can increase the flexibility of processes and IT by applying new concepts and tools, like process and IT frameworks, standardization, modularization, software configuration and software as a service (SAAS). This allows you to rapidly adjust processes and IT systems. Digital technologies are not only deployed for new products and services, but also to restructure management, develop new business models or optimize value chains.

P&G innovates with open platform

To govern is to foresee, which means continuously monitoring developments and trends in the market. This not only applies to multinationals, but also to small and medium-sized companies. Because new trends may force organizations to adjust their course, or shift it completely.

An example is the Dutch chimney builder, Array Industries, who, with the help of Syntens and TNO, became a CO_2 specialist. Entrepreneur Rob Ernst observed a decline in the market for steel chimneys, especially in utility construction. He also saw how another sector, the horticultural market, was under pressure due to the economic recession. He invested his profits in expertise and decided to focus his attention on this industry. He offered customized solutions in chimney-related products, and began to specialize in high-tech CO_2 separation and capture.

The installations Array Industries is working on will soon go to all major energy producers, such as coal-fired power stations, so that in the future they can continue to operate without emitting harmful greenhouse gases.

Source: Syntens.nl, 2012

Strategic agility in four steps

For a strategically agile organization, it is important that you are externally focused, demonstrate unifying leadership, your people and culture are flexible and that processes and IT also display the same flexibility. To realize and permanently improve this, your organization goes through a continuous process that consists of four phases:

1. Identifying
2. Analyzing
3. Mobilizing
4. Operationalizing & learning

Figure 2. Strategic agility process

Identifying

The first step is identifying a change that is in progress, or will occur in the near future. What social, consumer and technology trends and developments do you observe? What new markets, competitors and customer groups are emerging? Look globally, nationally and locally, but also inside and outside your industry. What force fields are shifting and what disruptive technologies are emerging? In this phase you are continuously looking for signals that may call for anticipation or action.

Analyzing

You then analyse and prioritise signals that you think are important. What is the nature, speed and impact of the change? How can and should your organization anticipate or respond? What signals did you pick up first and what do they mean for your products, processes, IT systems, employees and strategic priorities? Incorrectly estimating the real value of the trends and developments may have major consequences. This is how computer company Digital missed the PC revolution, and that was the beginning of the end for this global company (see text box).

Digital misses PC revolution

Digital Equipment Corporation (DEC and later Digital) was one of the pioneer companies in the American computer industry. In 1964, Digital was the first company to successfully launch a mini computer on the market. At its peak in the eighties, Digital was the next-to-largest computer manufacturer in the world, with over 100,000 employees. In 1977, newcomer Apple introduced the first successful Personal Computer with a monitor and a keyboard: the Apple II. Computer giant IBM followed with its first PC in 1981. And Digital? It kept on developing mini computers with its own technology that were becoming less and less popular. Eventually, Digital was taken over by Compaq in 1998, which later merged into HP.

Source: Innovatieblunders.nl, 2013

Mobilizing

During this phase you mobilize people, resources and budgets. For this, you can use the Lean start-up method. With this method, 'prototypes' of organisational changes, product innovations, process adjustments, IT applications or new services are developed, and tested and improved in practice. At Cisco, for example, managers spend 30 to 40 per cent of their time managing cross-functional project teams, so they can success-fully complete multiple innovative projects simultaneously.

Operationalizing & learning

In this fourth and last phase you optimize management and focus on the further development of the market. The focus shifts from a rapid time-to-market to a cost-effective time-to-deliver. This means you to spend less time on iterative development with fast feedback loops and you are no longer striving for improvement and growth, but pay more attention to the organization, structure, cost efficiency and financial management.

Strategic agility system:
IT as a success factor

The previous chapter showed that flexible processes and IT are essential for a strategically agile organization. Many managers increasingly see IT flexibility as the engine for competitive advantage. This is not surprising, as research carried out by BTM shows that organizations with a multi-disciplinary and integrated business and IT approach achieve better financial results than others in their field. So, in your organization, you should also put the focus on IT systems that can make a difference. The strategic agility system Triggre, for example.

Financial and competitive advantage

Research by MIT Sloan shows that companies that are more agile grow up to 37 per cent faster and are 39 per cent more profitable than other companies. They also spend less of their budget on IT (3 per cent). In addition to these financial advantages, process and IT flexibility yield a competitive advantage. It allows companies like Sony and Bol.com to respond quickly to the market by their extreme process and IT flexibility, and to produce new product concepts and prototypes. Sony, for example, needs no more than five days to develop a prototype, while competitors often need months.

Sony's Walkman

Sony successfully applied the philosophy of business process flexibility with the introduction of the Walkman. It was an extremely radical innovation, the success of which consumers and experts could only guess. Sony then decided to develop a product and product line, so that the product could be altered quickly and then produced immediately. The first year after the introduction of the Walkman, Sony launched almost 300 product varieties this way. The sales results of the first variants of the product and feedback from customers and distribution partners were used to further develop certain models and take others off the market. To achieve that Sony had to invest in a flexible product design and a flexible production process, which were not without financial risk.

Source: Klant in de driver's seat, by Sjors van Leeuwen 2012 (Customer in the driver's seat)

Process and IT flexibility

If you would like to create greater process and IT flexibility, you need to divide the business processes and IT systems into 'layers', based on their characteristics and sensitivity to change, and develop these layers separately. According to Gartner (2012), every organization has three types of processes that are supported by IT:

- Core systems: these support the core processes, like purchasing, logistics and administration.

- Differentiation systems: these support business processes that allow you to make a difference in the market, like marketing, customer service and sales.

- Innovation systems: these are the IT systems that support new initiatives, like developing and marketing new products.
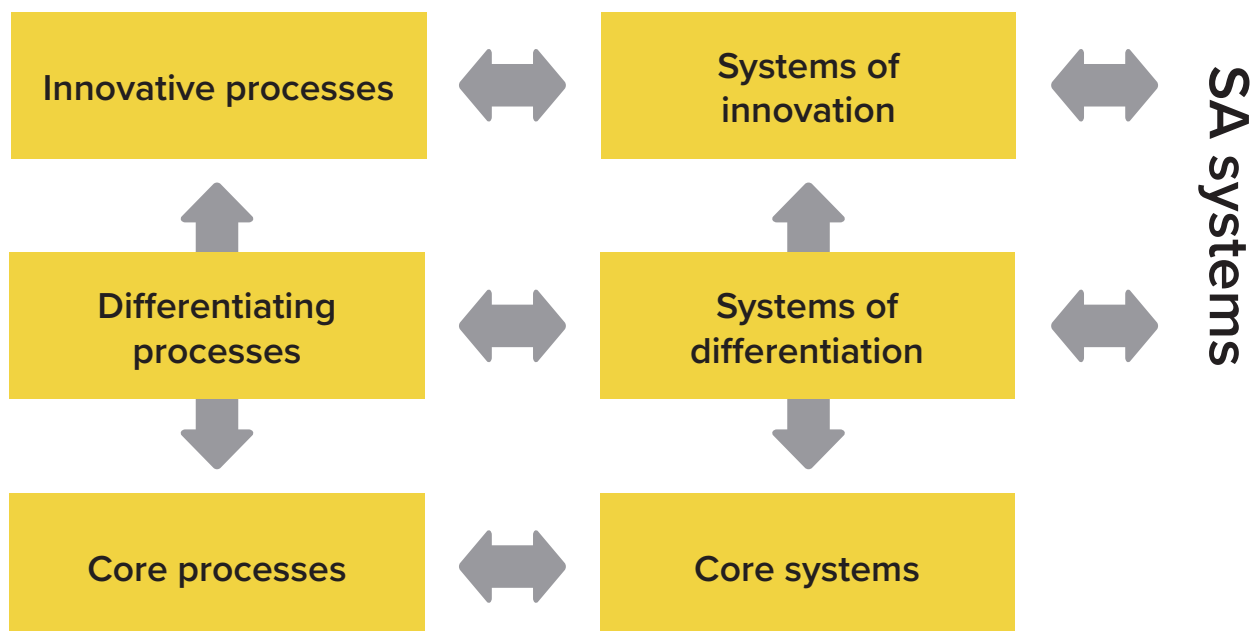

Figure 3. Pace layered application strategy framework (Gartner 2012)

Core processes mainly require stable, efficient and reliable systems. Differentiation and innovation systems, however, mainly need to be flexible, because they support processes often susceptible to change and where strategic agility is needed most. To ensure this flexibility, you need a new kind of strategic agility system, which enables you to quickly develop new and flexible IT systems for business processes that determine your competitive position. Triggre is an example of such a strategic agility system.

Finding the right balance

Standardization is often taken too far, for reasons of cost efficiency and control, decreasing the flexibility of the organization. The pursuit of 'doing things right' is thus hampered by the pursuit of 'doing the right things'. The whole point is to always deliberately choose a certain level of standardization and the associated options for change that then remain open. In other words: deciding what you 'set in concrete' must be determined by your view on the flexibility required by the environment. Robustness in the future means equipping the organization in such a way that it is able to respond to new, yet unknown developments quickly and flexibly and, at the same time, continue to offer existing products and services.

Source: Noordam 2006

Differentiate and innovate with Triggre

Triggre is no standard development platform, but an intelligent system. That is why we call it a strategic agility system. Triggre enables you to configure and generate IT systems quickly and easily. You rapidly design and visualize business processes, so you can flexibly respond to change. The accompanying portals, workflows, business rules and applications are then automatically generated, tested and placed ready for use. Triggre allows you to reduce the time spent on developing new IT-systems from months to days. The result is that the development, management and operating costs are also much lower than in the past. Thus you reduce risk of long-term IT projects having major time and budget overruns to a minimum.

Triggre characteristics

- Triggre is a user-friendly designer tool with click-drag-and-drop technique
- Triggre offers a combination of configuration and automatic testing
- Mobile support is available out of the box
- The modular architecture is based on open standards
- Out of the box configurations of interfaces with core systems
- Define portals, workflows and business rules
- Configure and generate instead of programming

Triggre advantages

- Lower total cost of ownership (TCO)
- Adjust and expand developed applications just as quickly as you build them
- Expand over several (mobile) platforms easily
- Add external software modules easily
- End up with flexible IT systems and end product
- The focus shifts from developer to business analyst
- No need for any IT knowledge or programming experience
- Software designed with Triggre has a very short time-to-market

Getting started

A strategically agile organization, however, is not built overnight. It starts with establishing a common vision and strategic priorities. These form the basis for defining business increments and drawing up a business increment plan. During a business increment you realize a concrete business target over a short period of time. Such a business target may be related to marketing, innovation or new types of cooperation with customers, suppliers or business partners. By using this approach, you immediately increase the strategic agility of your organization.

Lean startup method

Each business increment is executed using a set approach: the Lean start-up method. This allows you to quickly respond to change and shift your course, if necessary. The basis of the Lean start-up method is that each business increment is executed according to fixed phases:

1. Determining the scope, targets and priorities of the business increment.

2. Putting together a cross-functional team with multiple disciplines and preferably also representatives of customers, suppliers or other external parties.

3. Drawing up a practical business case, project plan and go/no-go decision.

4. Creating a first 'prototype' of the result. In case the business increment contains an IT component with the help of a strategic agility system – like Triggre. For example, a prototype of an organizational change, a product innovation or a design for a new IT system. This prototype is subsequently tested, improved and made ready for production.

5. Integrating the result in the existing organization and scaling it up. For example, with a large-scale market introduction or duplication to other business units, departments, markets or customer groups. This is how a learning organization is created, as different parts of the organization use each other's experiences and best practices.

After completion of phase 5, you start on the execution of the following business increment. This is how you make the switch to a strategically agile organization.

Finding the right balance

Senior Vice President KPN Online, Coen Olde Olthof: "You need a new mental model for your managers. Large corporations, and KPN is no exception, first invest considerable time and money in setting up a pilot. With all kinds of fixed processes and systems, in which each person first has to have his or her say, it takes several months before the pilot is ready for testing.

However it makes much better financial sense to set up a pilot with little money and subsequently invest heavily in improving the concept. That's the way start-ups do it, and that's how Google does it. We have learned from this.

Google puts a beta version – or a trial version – online and lets everyone have a go at it. This simple and effective approach generates the best ideas, after which they build a final version for relatively little money. The fact is that super-users often know more about what customers want than our own product managers. Someone once said: 'Don't forget that 99 per cent of the smart people out there don't work in your company'.

This applies to any company. The British telecom provider Giffgaff involves its online community to the extreme in its company management. Users get their questions answered within ninety seconds. Giffgaff really honours its slogan 'the mobile network run by you'. Customer service, sales and marketing are sourced out to customers, who in turn receive the saving paid out in cash."

Source: Managementscope, 2013

What's your Triggre?

Has this story left you inspired and wanting to find out more? Would you like to use Triggre to make the transition towards a strategically agile organization? Please contact us for a personal appointment. We will be happy to tell you more about Triggre, or give a workshop to you and your colleagues, in which we show you how strategic agility will move your organization forward.

About Triggre

Triggre helps and inspires entrepreneurs and companies with innovative software that enables them to make a difference. By using Triggre as a strategic agility system, organizations can quickly and easily translate ideas, strategies and business concepts into innovative applications. Triggre enhances customers' competitive advantage and earning power and makes established organizations strategically agile again.

About the authors

This whitepaper has been written by Mark Hulshof, Jesse Meijers and Sjors van Leeuwen. Mark Hulshof and Jesse Meijers are the founders of Triggre. Sjors van Leeuwen is an independent consultant in the field of customer-focused enterprise, strategy and marketing.