## Misconceptions about Agility

<table>
<thead>
<tr>
<th>Topics</th>
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<tbody>
<tr>
<td>Agility is for dogs and software developers</td>
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<td>Agility is an “all or nothing” state of being; you either are or aren’t</td>
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<td>Agility is all about speed</td>
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<td>Agility is expensive, uncontrolled, inefficient, wasteful, and chaotic</td>
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<td>Agility is reactive, opportunistic, ill considered</td>
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Agility is for dogs and software developers
Organization agility is an advanced capability

The ability to make timely, effective, and sustained changes
Agility is an “all or nothing” state of being; you either are or aren’t.

is agile, is not.

Between 2000 and 2013, Apple and Nokia posted above average profitability 64% of the time.

Between 1980 and 2013, Apple and Nokia were above industry average 76% of the time.

Industry: Technology - Hardware, Storage, and Peripherals, includes Ericsson, Dell, Cisco, Oracle, Qualcomm, Gateway, NCR, Lexmark, IBM, HP, etc.
The more agile the firm’s capability, the more consistent its performance

High Agility
- Consistently above average profitability
- Agility Routines
- History of Change

Low Agility
- Survival

Percentage of years ROA was above industry average:
- Less than 50%: 3%
- 51-79%: 24%
- More than 80%: 21%

Number of agility routines with above average scores:
- 3 or 4: 3%
- Fewer than 3: 26%
How top management establishes an aspirational purpose, develops a widely-shared strategy, and manages the climate for execution.

How the organization maintains its ability and capacity to implement and verify both incremental and discontinuous change.

How the organization broadly, deeply, and continuously monitors the environment and rapidly communicates perceptions to decision makers for interpretation and response.

How the organization sets up, runs, and learns from experiments.
Agility is all about speed

“Speed is a defense against depth”

Peter Block

One of Countrywide’s best products was its “High-Speed Swim Lane” (HSSL), that was pronounced and nicknamed “hustle.” Normal requirements were allegedly dropped so that loans could “move forward, never backward.”

- Agility is not just about speed, it’s about having a pool of options so the firm is not relying on “epiphanies” and “super-human effort”

- Speed is a function of learning whose sources are the perceiving and testing routines

3M has extensive and disciplined procedures for documenting its failures. As a result, it is “pre-adapted” for the future
Agility is reactive, opportunistic

The Misconception

Status Quo  Disruption!  Inspiration!  Implementation  New Way
Agility is systematic, disciplined

**Identity**
- Economic Logic
- Breadth
- Aggressiveness
- Differentiation

**Intent**
- Scenarios
- Responses

**Sense**
- Expectations
- Outcomes

**Communicate**
- Perceptions
- Responses

**Interpret**
- Results
- Learning

**Test**
- Implement
Agility is reactive, uncontrolled
Managing the Environment

- Acquisitions
- Alliances
- Price Wars
- FUD

- Patents
- Trade Secrets
- Litigation
- Espionage

- Rent Seeking
- Regulatory Capture
- Lobbying

Implementing
Perceiving
Strategizing
Testing
Q & A