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The Harper Report:

Overcoming 3 Enemies of Business Agility to Accelerate Growth

Call it agility, nimbleness, or dexterity; it's on leaders' minds. Everywhere we turn, CEOs and senior executives are talking about how important it is for their company to maintain and increase speed and adaptability just to keep up with changes in the business environment, let alone increase their competitive stance. Nevertheless, we see some of the same companies struggling to stay agile in the changing business landscape. What fuels this paradox?

Here are three of the most common enemies of company agility, along with guidelines on how to overcome them:

Enemy 1 - Addiction to past success. Developing a "winning strategy" and replicating it has been a time-honored approach to increasing growth and profitability. However, even the most successful strategies, products, and services must evolve as unprecedented opportunities and challenges continuously emerge.

For instance, while the news is filled with stories of once successful companies that became overly attached to their signature products and business models, Campbell Soup Company has been paying attention to changing tastes, evolving demographics, and trends in health consciousness. In fact, at the 3rd Annual ACG NJ – FDU Rothman Institute of Entrepreneurship's "Reinventing Your Business Through Innovation" Conference, held on January 30, 2013, Denise Morrison, Campbell's CEO, told attendees about a series of entirely new products and packaging forms developed in response to what they've learned about changing customer wants and needs.

Just as Campbell has gone beyond its past success to focus on staying relevant and responsive to consumers, so must every company kick the addiction to "past success" to stay in synch with the shifting needs of customers. This is a critical foundational step for staying agile and innovative.

Enemy 2 –Conflicting priorities and behaviors. As important as it is to adapt to emerging opportunities and challenges in the business environment, we've seen that even the most successful companies can inadvertently overlook or underestimate the degree to which conflicting priorities can lead to confusion and slow progress during change.

Take the example of a new CEO who placed a high priority on increasing the speed of launching new products in order to take advantage of an emerging market. His priority was to transform the organization's culture from one that revolved around management approval silos that slowed product development to one that embraced cross-functional teams to quickly generate and embrace new concepts. However, despite surveys and substantial team training, organizational inertia persisted. This resulted in a slowdown of new product initiatives and the risk of lost opportunity.

We discovered that although the surveys and training were well designed, a number of formal and informal policies, procedures and rewards had been left unaltered. This inadvertently caused many managers and employees to stay focused on their well-worn work habits and "business as usual" priorities. Once the CEO and his executive team recognized how these conflicting priorities led to inertia, we were able to help them remove the roadblocks and refocus the organization on their cultural transformation. This enabled them to accelerate product development and take advantage of an emerging market.

Especially as priorities shift, it's critical to monitor the many formal and informal ways these priorities must be reinforced in the culture. It's also critical to ensure that you are consistently rewarding the behaviors that are most important to support the outcomes that need to happen.

Enemy 3 - Dialing too far back on oversight. One school of thought among CEOs is that the best way to foster innovation is to create an innovative environment in the company, then step back and let employees blaze the trail to success. However, if taken too far, a hands-off leadership stance intended to encourage agility can actually put a company at greater risk of chaos and stalled progress.

For example, we observed one company in which the CEO encouraged employees to innovate in their jobs by eliminating "unnecessary work or tasks" that slowed them down. However, as individuals and groups innovated in ways that seemed right from their own perspectives, they unintentionally created problems for other parts of the company. The result: the initiative originally conceived to increase agility and efficiency actually had exactly the opposite effect, as resources had to be dedicated to resolving the unexpected problems.

To keep your organization focused yet nimble, make sure that all levels of leadership and employees have internalized your customers' needs and their own role in providing this value. Just as with sports teams, when people internalize how their role in the organization fits with others' to achieve big picture goals, they're able to more effectively work together to generate alternate paths to success should one route become blocked.

> In order to determine the best way to address resistance, you must know where it's coming from and why it's happening.

Congruency is Critical

Overcoming all three of these common enemies of business agility hinges upon strong leadership to ensure that everyone's focus is on your customer, and that all of the various stakeholders are in synch in service of customers' evolving needs.

When every level of leadership recognizes and coordinates their role in shaping and reinforcing the many forces that foster business agility, and priorities and reinforcements are appropriately adjusted to eliminate unintended conflicts, your organization will be far more likely to make the gains in business agility and innovation you need to keep and increase your competitive edge.

About the authors:

Pamela S. Harper is the Founding Partner and CEO of Business Advancement Inc., a strategic growth advisory firm based in Glen Rock, NJ. For more than 20 years, Pam has applied her gift for finding the hidden opportunities in every situation to helping clients in entrepreneurial, mid-market, and Fortune 500 companies across 30 industries create hundreds of millions of dollars of value in both top and bottom line growth.

Prior to founding BAI, Pam skyrocketed into the ranks of management by taking a progressive series of newly created organizational development positions is companies ranging from mid-market to Fortune 500 across multiple industries, all undergoing dramatic change and growth.

Pam has been quoted in, featured in, or written articles for prominent business media including *Business Week, Investor's Business Daily, Chiefexecutive.net, CEO.com* and other major media. Her book, *Preventing Strategic Gridlock,* has been used as a text in universities around the world.

D. Scott Harper, Ph.D. is Sr. Partner and COO of BAI. Throughout his career Scott has devoted himself to understanding why things work the way they do, and how to apply those insights to create new value. Scott helps clients sift through complexity and take full advantage of opportunities by discovering the hidden side of everything.

Before joining BAI in 2010, Scott held a succession of increasingly accountable innovation positions in the consumer healthcare industry. Since then, he has been published and quoted in prominent business media outlets including *Chief Executive Magazine, CEO.com, CEO World Magazine*, and the *IndUS Business Journal*.

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