

# Being adaptive and responsive for business resilience

*Authored by Dipti Batta*

Last year at around this time, organisations would have been busy with the annual strategy setting, annual planning and annual budgeting process to help prepare them start 2020 on a strong footing.

However, 2020 unfolded in a way which no one could have one imagined with the unexpected COVID-19 impact which placed everyone in a zone of uncertainty and ambiguity. It has become a landmark year for organisations and businesses ... some sank and had to close their doors whereas, some were able to survive and keep their heads above water. Others, however, moved beyond just surviving towards thriving by identifying and tapping into opportunities.

What sets these three categories of organisations apart? The ones that sank and/or struggled to survive could not adapt to the unplanned changes, whereas the ones which survived and thrived, swiftly responded to the changes and adapted accordingly.

All organisations walked into 2020 with a strategy and plan in mind – that could have been the best for what was known at that point in time. A key lesson here is the need to shift from a predictive and rigid approach in your journey to a more fluid, adaptive and responsive approach that helps you validate your definition of success in context to what is happening around you, proactively helps to manage any risks to intended success and, finally, tap opportunities through known or innovative approaches to enhance your intended success.

This is the first of three articles in the series on *'Being adaptive and responsive for Business resilience'*. This article explores the need for a responsive and adaptive flavour in the strategy formation, planning and delivery execution for strategy implementation.

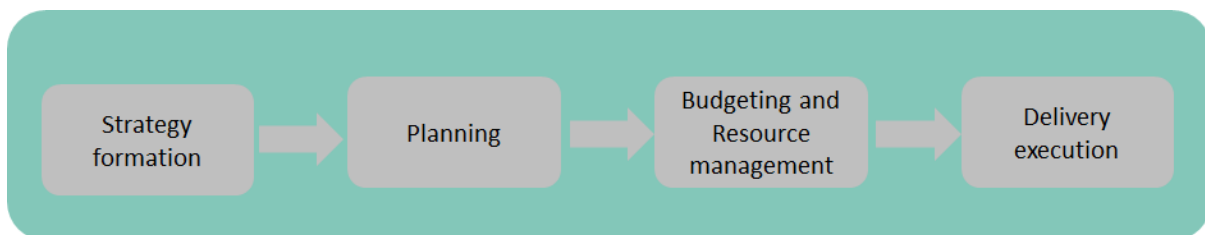
A key factor for organisations that were able to manage the impact of COVID-19 was the adaptive and responsive flavour – be it their strategy and/or the mindset and behaviours within the organization, especially at the leadership level and/or ways of working etc. For some organisations, it has been an explicitly focused aspect which allowed them to proactively identify and manage the impact of COVID-19 on their businesses, while for other organisations, it was the inbuilt (intrinsic) characteristics and natural ability, especially within leaders, to deal with a COVID-like situation. These characteristics held them in good stead but has made them realise the importance of acknowledging and focusing on the aspect of being explicitly 'adaptive and responsive' at all levels.

This is important as organisations have now begun to strategise and plan for 2021. Let's focus on the traditional approach, its limitations in today's world and how we can make the proposed shifts for business resilience considering the 2020 lessons.

### Planning for 2021

Companies have their vision which highlights what they want to accomplish, while the mission is a general statement of how the vision will be achieved. Strategies are a series of ways of using the mission to achieve the intended vision. Goals are statements of what needs to be accomplished to implement the strategy. The overall strategy and goals are sliced in a traditional manner to provide year-wise strategy and goals with each year expected to progress towards achieving the desired vision.

This approach has been working for many years, but in recent times, something seems to be amiss. If we think about the reasons, strategy is traditionally all about change management for the journey from the current state to the desired future state. This works when the desired future state is fairly static during the journey towards it. In such a scenario, organisations operate in known paradigms, and hence the predictive approach to strategising and planning with ONLY an optimised approach for execution which has a high probability of delivering intended results.

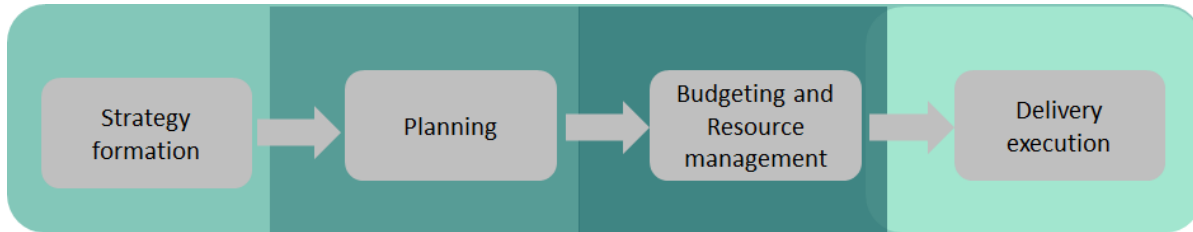


■ State of the delivery landscape/ market conditions/ Customer behavior from the time of strategy formation was initiated until it was delivered.

Whilst this approach has worked in the earlier decades when the pace of change and competitor disruption was minimal and predictability quotient was high, it is definitely a red flag in today's world which is characterised by volatility, uncertainty, chaos, complexity, ambiguity, high pace of change and disruption. The change we are trying to manage is unexpected and/or never actually stops. As organisations mature in this ability to embrace and survive 'this kind of change', they can use the power of innovative thinking to thrive and continue to focus on enhancing their business viability in these circumstances. They understand that optimising known models is no longer enough for business viability. It must be balanced with testing new/enhanced elements (sometimes with a 'never done before' innovative flavour) within applicable aspects of business/value stream delivery and operational models with a focus to mitigate the limitations and loss of opportunity related to existing models.

Even if the playing field or the overall value delivery environment is fairly static in terms of the 'WHY and WHAT we need to do', complex changes (projects/programs) from the past have provided us with lessons where an upfront predictive approach has resulted in sub optimal delivery, frustrations and waste in the delivery process. The reason is that in the case of complex changes, the initial outline understanding evolves, resulting in detailed, refined understanding (for the 'HOW' and sometimes for the 'WHAT') as the delivery progresses. Therefore, continuous inspection and timely decision making for required adaption is important to ensure that the value delivery journey is always steered in the right direction at the right time.

The reality of the world we are in today highlighting the risks:



Changing state of the delivery landscape/ market conditions/ Customer behavior due to evolved understanding and/or external change impacts from the time of strategy formation was initiated until it was delivered.

Furthermore, traditional strategy formation, planning, budgeting and resource management, and execution are treated as distinct layers with handoff points between the layers. *Note: We will focus on Budgeting and Resource management in the second article of this series.* More than often the group of people associated with these layers are different and confined within their layer. Communication between layers after handoff is minimal and more formal – more than often at postmortem review points.

### Key shifts

As re-iterated in the article, a crucial competency for success is the ability to tackle the changes and any related unknowns, adopt innovative approaches (where applicable) and/or deal with complex changes by being ‘responsive and adaptive’ at all levels and across all functions in a synergised manner. A glimpse of some of the key shifts required in the traditional process are as follows:

1. Using the Vision, Purpose, Mission and outline view of the overall strategy, set business/organisational goals preferably in an ‘Objective and Key results’ (OKR) format supported by scenario planning – considering various combinations of intended success and predictability scenarios. This enhances the organisational/business focus to be more goals- and outcomes-based.
2. View the process of strategy formation, planning and execution as tightly bundled with an overall outline view.
3. Evaluate delivery options for this tightly coupled view with an approach which is based on deep insights regarding your delivery landscape and/or market and/or customer behaviours etc. Some factors that assist in assessing the right delivery approach which also helps you assess the case and extent for being ‘adaptive and responsive’ are as follows:
  - a. Are there any benefits from early and incremental:
    - value delivery to customers/internal review teams?
    - value delivery assurance and confidence from internal review teams and stakeholders?
  - b. The need to set clarity and focus at any given time for the right aspects of delivery rather than tackling the chaos of dealing with everything at one go.
  - c. The need to tackle uncertainties and assumptions without costly failures.
  - d. The need for being fluid, adaptive and responsive to manage risks and tap into opportunities.
4. Making an informed decision for the right delivery approach forms a key foundational element for ‘Adaptive and Responsive’ strategy formation, planning and execution. Depending upon the mentioned factors, the right approach could be:

- A Big Bang Approach\* where value delivery to customer is planned in one go but delivery progress is sliced to cater for abovementioned factors 3b, 3c and 3d.  
\*In this case an informed conclusion is made that a 'Big Bang delivery would result in more risk managed and/or right time delivery for the customer as opposed to a sliced delivery.
  - An Incremental Approach where overall strategy, planning and execution for delivery are tightly coupled and sliced to cater for abovementioned factors 3a, 3b and 3d.
  - An Incremental and Iterative (Evolutionary) Approach where, in case of high uncertainty regarding the delivery landscape/market/customer, then the incremental approach is supported by an evolutionary (iterative MVP-based approach) to additionally cater for factor 3c.
5. Ensure that the goal setting is aligned to the agreed delivery approach. This sets the foundation for the right planning with the required flavour for being 'adaptive and responsive'. The goal setting must be aligned, synergised and visible across all levels
- Business/organisational goals.
  - Enterprise (value stream delivery) level – functional areas involved in the delivery of the business/organisational goals.
  - Teams and team members involved in the delivery of the functional area goals.
6. Understand and adopt the concept of a balanced outline view for the overall strategy, planning and execution with the 'just in time' detailed, refined view for elements of the strategy, planning and execution for the immediate slice.

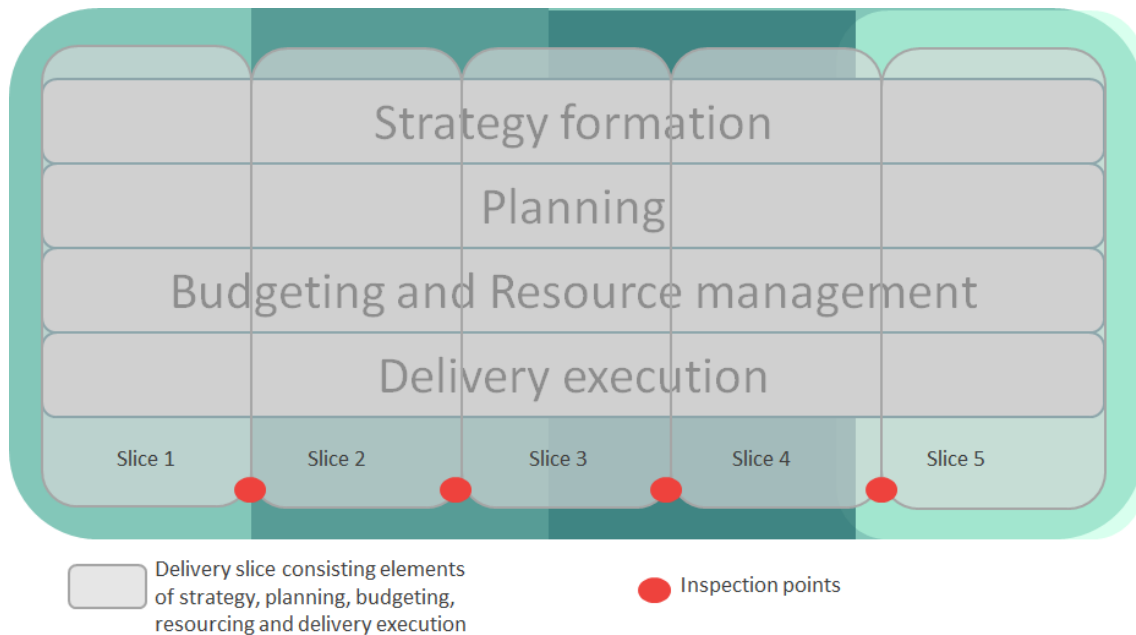
An outline view is an overall view of the entire strategy, plan and execution approach:

- a. Based on what we know as of date.
- b. With a true indication of confidence level. *Note: It is absolutely okay if the confidence level is low.*
- c. And a clear view of assumptions being made, especially if the confidence level is low.

Based on the agreed delivery approach, the outline view is sliced. The 'just in time' view focusses on the immediate slice and ensures planning is done in a way that prioritises activities to address the low level of confidence and assumptions associated with any WHY/WHAT/HOW aspect of the given slice. This also takes into consideration any validated learnings and insights acquired up until then. This results in setting a foundation that has a high certainty and level of confidence for the execution activities and intended value delivery/delivery progress through the given slice.

At the end of every slice, the planned inspection ensures:

- Review of the delivery progress and retrospection of the delivery approach in context of the agreed metrics, validated learnings and insights, any changes to the delivery landscape/market conditions/customer behaviour and needs (as applicable).
- Timely decision making to course correct/continue as planned/enhance the overall value delivery in subsequent slices.
- Refinement of the initial outline view (as applicable).



7. To support the focus and mature on the journey of being 'adaptive and responsive', the concept of overall outline view – balanced with a 'just in time' more refined and certainty-based view – must be extended to the capacity/resource management and budget management process as well. This allows for aligning available capacity and budget to incoming demand more nimbly without any related wastes. This topic will be explored in the second article of this series.
8. Understanding the shift from 'Complete activities on a predictive upfront plan' to 'focus on maximum benefit driven, risk managed and sustainable value delivery within timelines and cost', based on an adaptive and responsive plan that allows for flexibility in the scope of work to be done (as per agreed fit for purpose governance) to support the mentioned focus.
9. Understand, upskill and adopt experimentation (using a Minimal Viable Product or MVP approach) to leverage innovative approaches to deliver maximum value whilst effectively tackling risks of unknowns, uncertainties and assumptions through timely 'inspection and adaption', based on validated learnings and insights, thereby mitigating risk of any costly failures.
10. Balance experimentation (for uncertainties) and optimisation (for certainties) in the right way for a given slice.
11. Lastly, but most importantly, leadership must reflect and respond to the need to support the above shifts. The above shifts require a change in mindsets and behaviours (the right culture) which must be effectively adopted and supported by leaders. The right culture and leadership promotes ownership, commitment, synergy and collaboration to achieve value driven goals at all levels. This topic will be explored in the third and concluding article of this series.

In conclusion, rather than being wary of the world that we live in today, it is important for organisations to learn and adopt the new age skill of being 'adaptive and responsive' to not only embrace and survive, but to go beyond and thrive despite the new age challenges. Doing so will make your business more resilient.

Connect with MAC team to understand how your organisations effectively enhance your strategy formation, planning and execution process for 2021.