

# Strategic Agility as an Intangible Asset

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# A New World for the Brave? Beyond the crisis...

***In a crisis, bad companies die,  
Good companies survive,  
Great companies use the opportunity to improve!***

***Andy Grove  
(Chairman Intel)***

***Five to ten years ago, you would set your vision and strategy and then start following it. That does not work anymore. Now you have to be alert every day, week, and month and renew your strategy!***

***Pekka Ala Pietila  
(former President, Nokia)***

## Nokia vs. Ericsson and Motorola in the early 1990s

	<b>Nokia</b>	<b>Ericsson</b>	<b>Motorola</b>
<b>Strategic Sensitivity</b>	<ul style="list-style-type: none"> <li>• Mobile phones seen as a separate consumer-driven business opportunity</li> <li>• A huge new opportunity to change the rules of the game</li> <li>• New operators</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure focus, 'terminals as extensions'</li> <li>• Success of "AXE" switch to be protected and nurtured</li> <li>• Incumbent telco customers</li> </ul>	<ul style="list-style-type: none"> <li>• Military/professional mobile radio heritage</li> <li>• "Technical excellence"</li> <li>• Focus on Japanese competition</li> <li>• Public service customers</li> </ul>
<b>Resource Fluidity</b>	<ul style="list-style-type: none"> <li>• Little legacy, focus on new operators</li> <li>• 'Born global' (for the new global business opportunity)</li> <li>• Cross-functional process organization with product programs</li> </ul>	<ul style="list-style-type: none"> <li>• Locally rooted multi-domestic management structure</li> <li>• Focus of sales and support on traditional telcos</li> </ul>	<ul style="list-style-type: none"> <li>• Public sector customers</li> <li>• US-driven autonomous business units</li> <li>• Diversified electronics group</li> </ul>
<b>Collective Commitment</b>	<ul style="list-style-type: none"> <li>• Integrated business</li> <li>• Young, tightly knit top team</li> <li>• Survival instinct (USSR crisis)</li> </ul>	<ul style="list-style-type: none"> <li>• Subunit advocacy</li> <li>• Senior, very experienced top team</li> </ul>	<ul style="list-style-type: none"> <li>• Subunit advocacy</li> <li>• Senior, very experienced top team</li> </ul>

# The dimensions of Strategic Agility

## Strategic Sensitivity

Both the sharpness of perception and the intensity of awareness and sense-making

## Resource Fluidity

The internal capability to reconfigure business systems and redeploy resources toward new opportunities rapidly

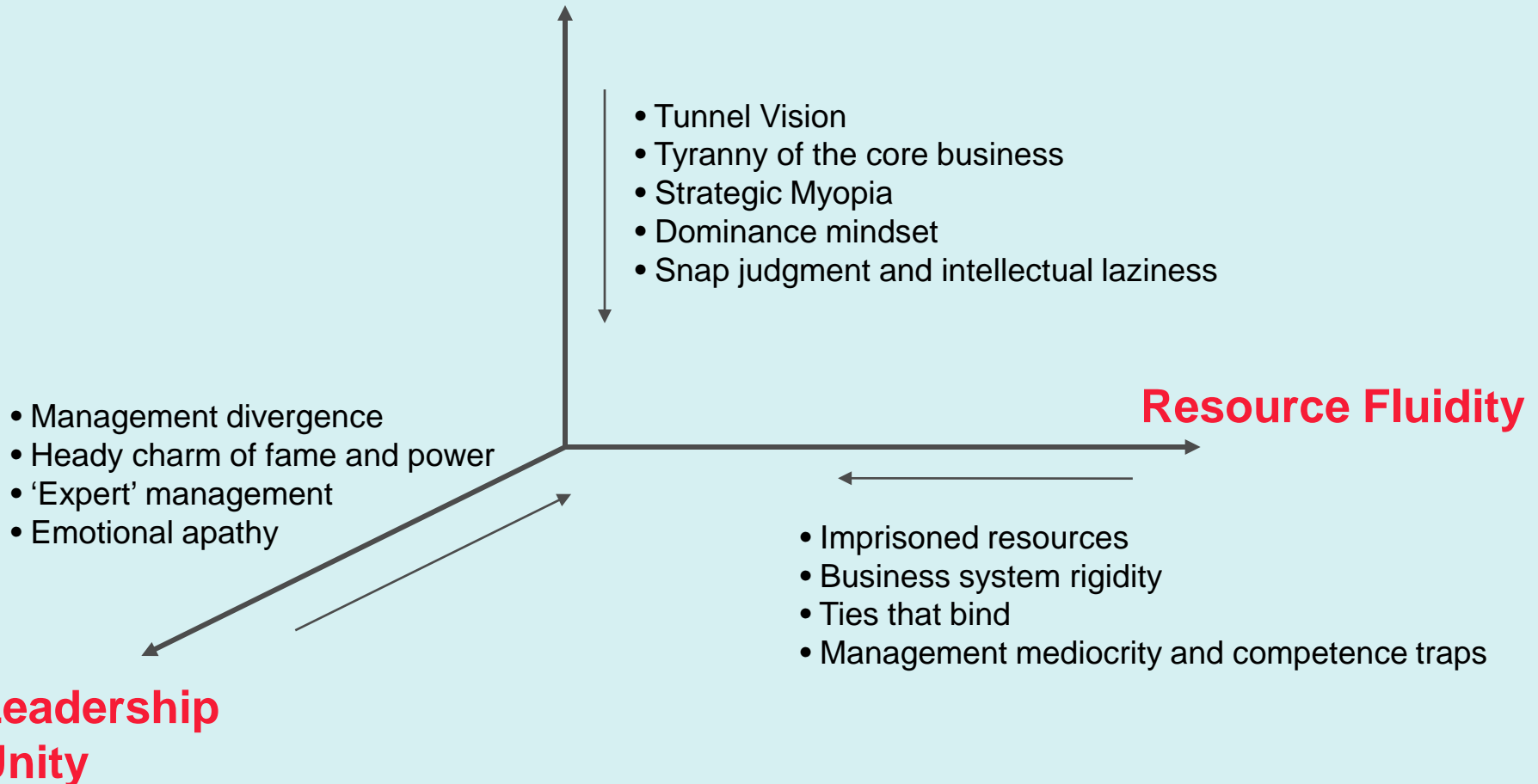
## Leadership Unity

The ability of the top team to make bold decisions fast, without being bogged down in “win-lose” politics at the top, and to implement these decisions wholeheartedly

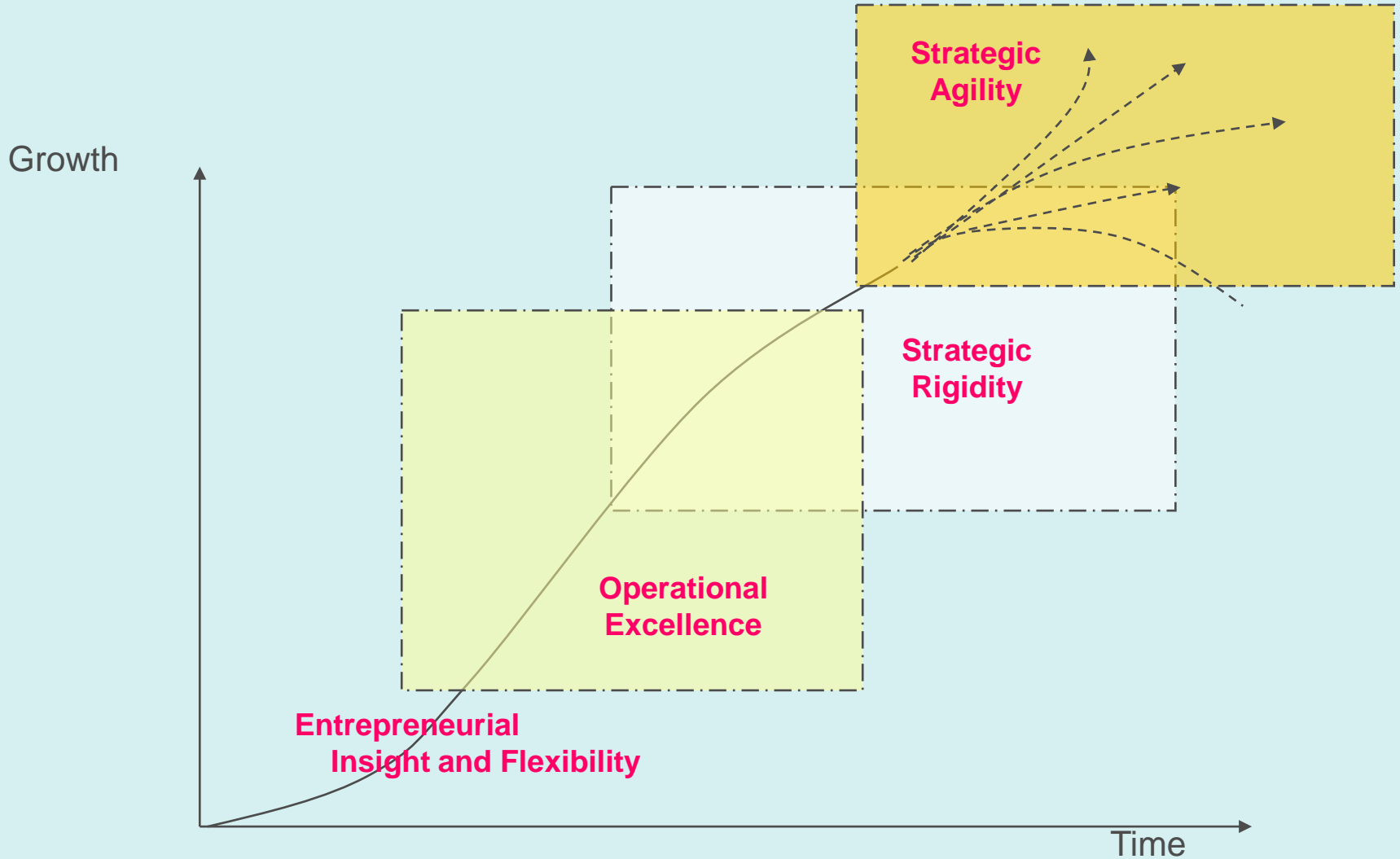
# The Curse of Success

Strategic Agility easily Turns into Strategic Paralysis Over Time ...

**Strategic Sensitivity**



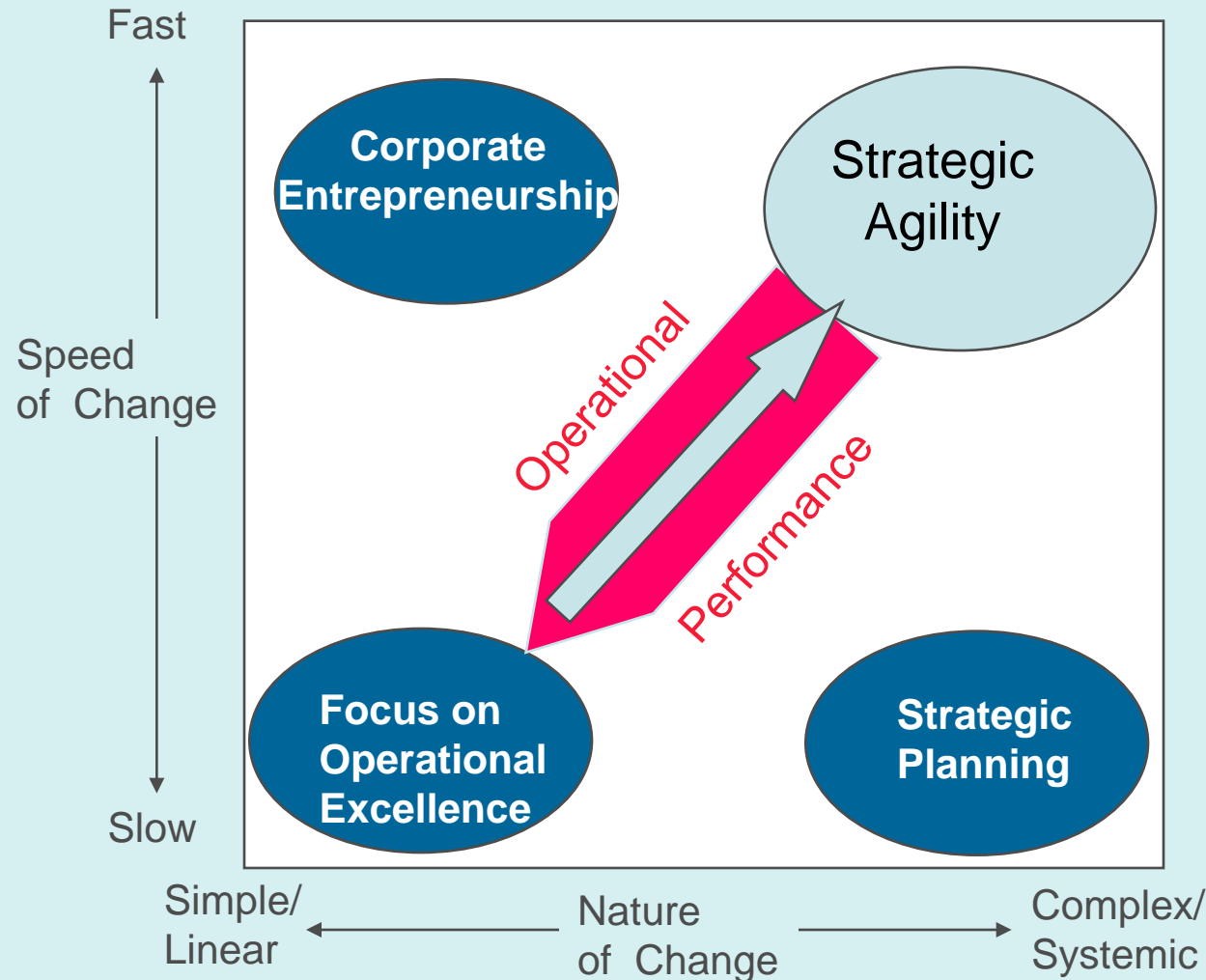
# Where is Strategic Agility most needed?



# Strategic Agility imperative

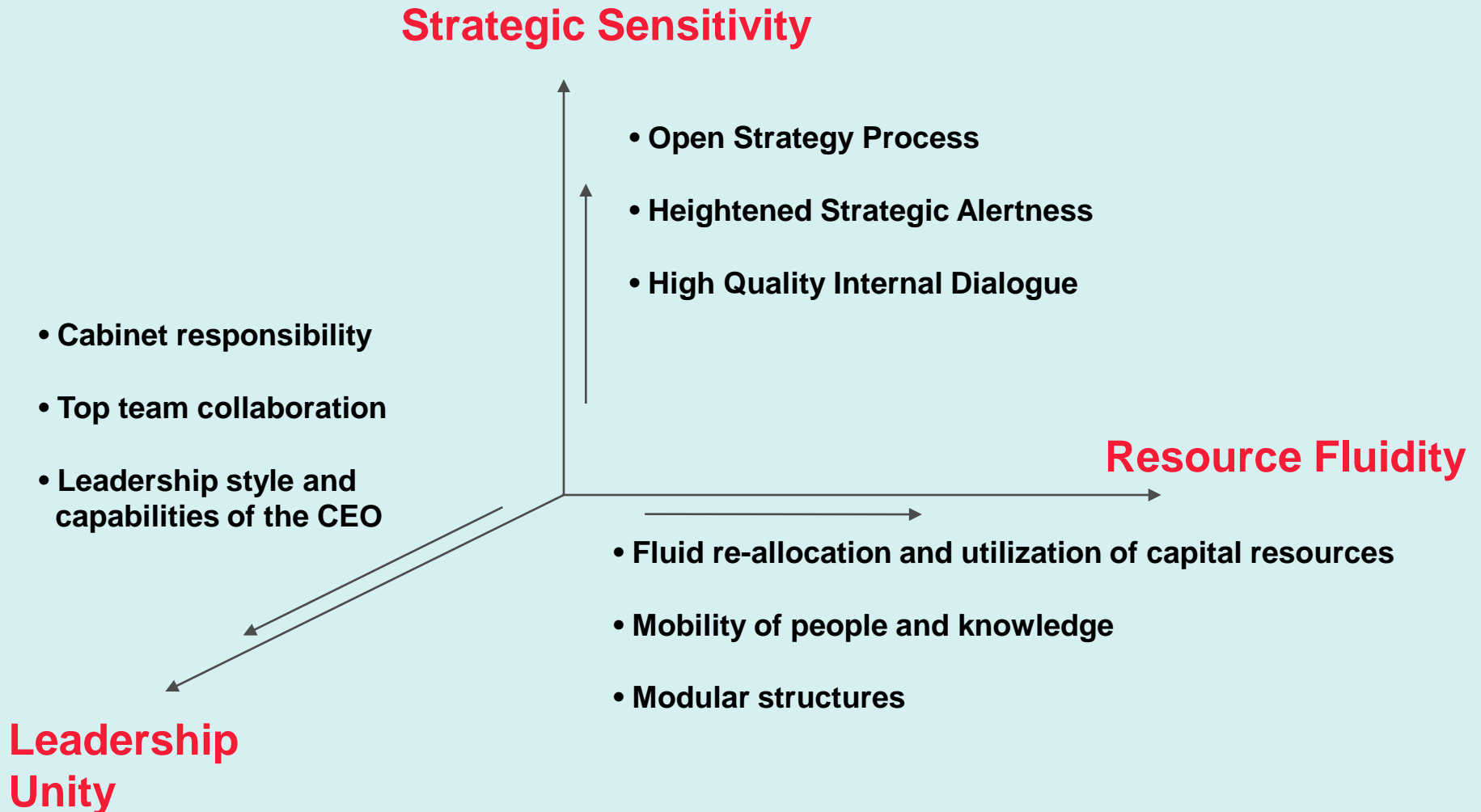
*Most companies die not because they do the **wrong things**,  
but because they keep doing what used to be **the right things...**  
**for too long.***

# Why Strategic Agility Now? Why so hard ?

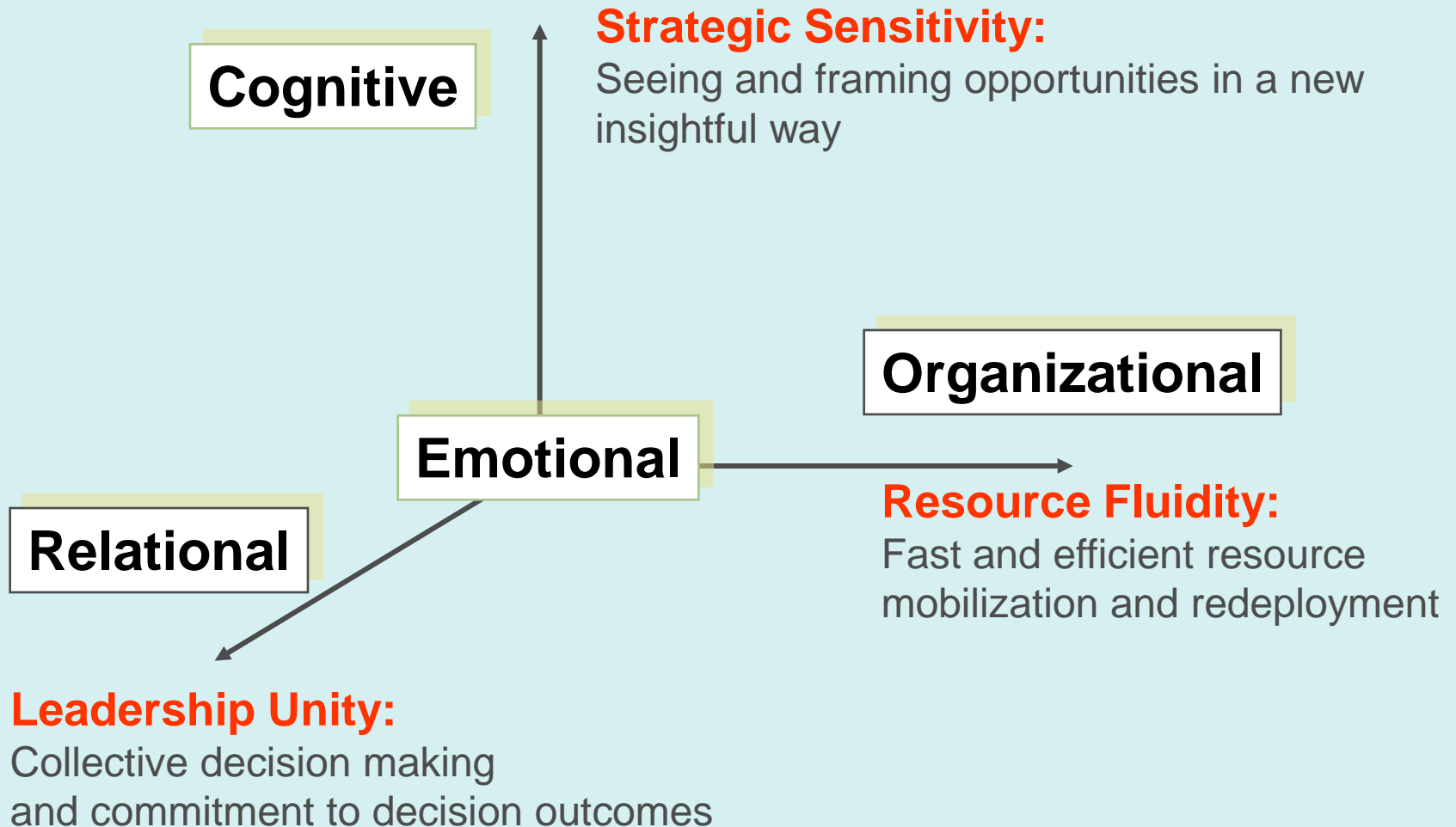




# Key Capabilities enabling Strategic Agility



# Clearly a Collective Intangible Asset



# Strategic Agility for Regions? States?

## Strategic Sensitivity

## Resource Fluidity

- **Cabinet responsibility**
  - Principle vs. reality?
  - Devolved responsibilities

- **Top team collaboration**
  - Horizontal user-centric capabilities (e.g., wellness, aging, and health care)?

- **Leadership style and capabilities of the CEO**

- **Open Strategy Process**
  - (e-govt, foresight groups, new fora...)
- **Heightened Strategic Alertness**
  - Siloed fragmented vs. networked perceptions
  - Political complacency, populism, short-termism
- **High Quality Internal Dialogue**
  - (Democratic process: Extreme vs. Moderate)
  - Commitment building: Lame consensus, visionary?

- **Fluid re-allocation and utilization of capital resources**
  - Governments as sources of political stability
  - Entrenched interest groups

- **Mobility of people and knowledge**
  - Public sector careers?
  - Fragmented devolved ministries, no management culture

- **Modular structures**
  - Hyperstable bureaucracies, rigidity, entitlements
  - Need for PPP

## Leadership Unity

# From Strategic Paralysis to Strategic Agility

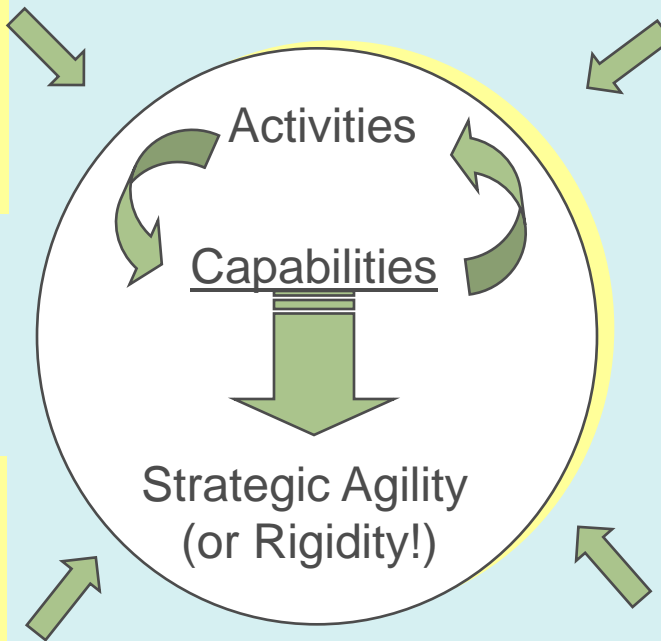
## The "CORE" drivers

### Emotional Drivers:

Re-energizing hearts and redirecting efforts, leading through values, articulating aspirations

### Organizational Drivers:

Re-integrating the organization, creating interdependent processes, common rewards, integrated value creation capabilities



### Cognitive Drivers:

Developing and sharing new broader perspectives engaging in higher quality dialogues

### Relational Drivers:

Re-uniting the top team, fostering an open and honest dialogue around key collective decisions, and sticking with them.

# Opening the Cognitive Context

- Encouraging the expression of new ideas
- Planting and nurturing seeds of change
- Opening spaces and providing fora for sense-making dialogues
- Pacing the exploration journey to gain credibility
- Reframing away from the lime-light
- Fencing-in resources for investment
- Matching level of attention to level of learning
- Clustering and bending

# Adjusting the 'Organizational Context'

- **Unpacking the core business system**
- **Putting the organization 'off-balance'**
- **Allowing for rapid entry and exit into/from new businesses**
- **Allowing flexible and dynamic differentiation and integration**

# Renewing the Relational Context

- **Putting top team members under renewed tension**
- **Creating a sense of crisis**
- **Changing the top team composition**
- **Letting the new top team gradually develop a new common and more conceptual language**

# Re-energizing the Emotional Context

- **Cognition does not immediately translate into emotions! Emotions precede vision**
- **Transition spaces and periods (mourning the old, adopting the new)**
- **Redefining the new to mobilize the attachment to the old**
- **Executive leadership (leading by example) is fundamental, emotions are contagious**
- **But regaining strategic agility calls for a shift in emotional attachment**



Wharton School Publishing

# FAST STRATEGY

YVES DOZ & MIKKO KOSONEN

HOW STRATEGIC  
AGILITY WILL HELP  
YOU STAY AHEAD  
OF THE GAME

*Success is blinding*

*Strategic agility is a never-ending quest*

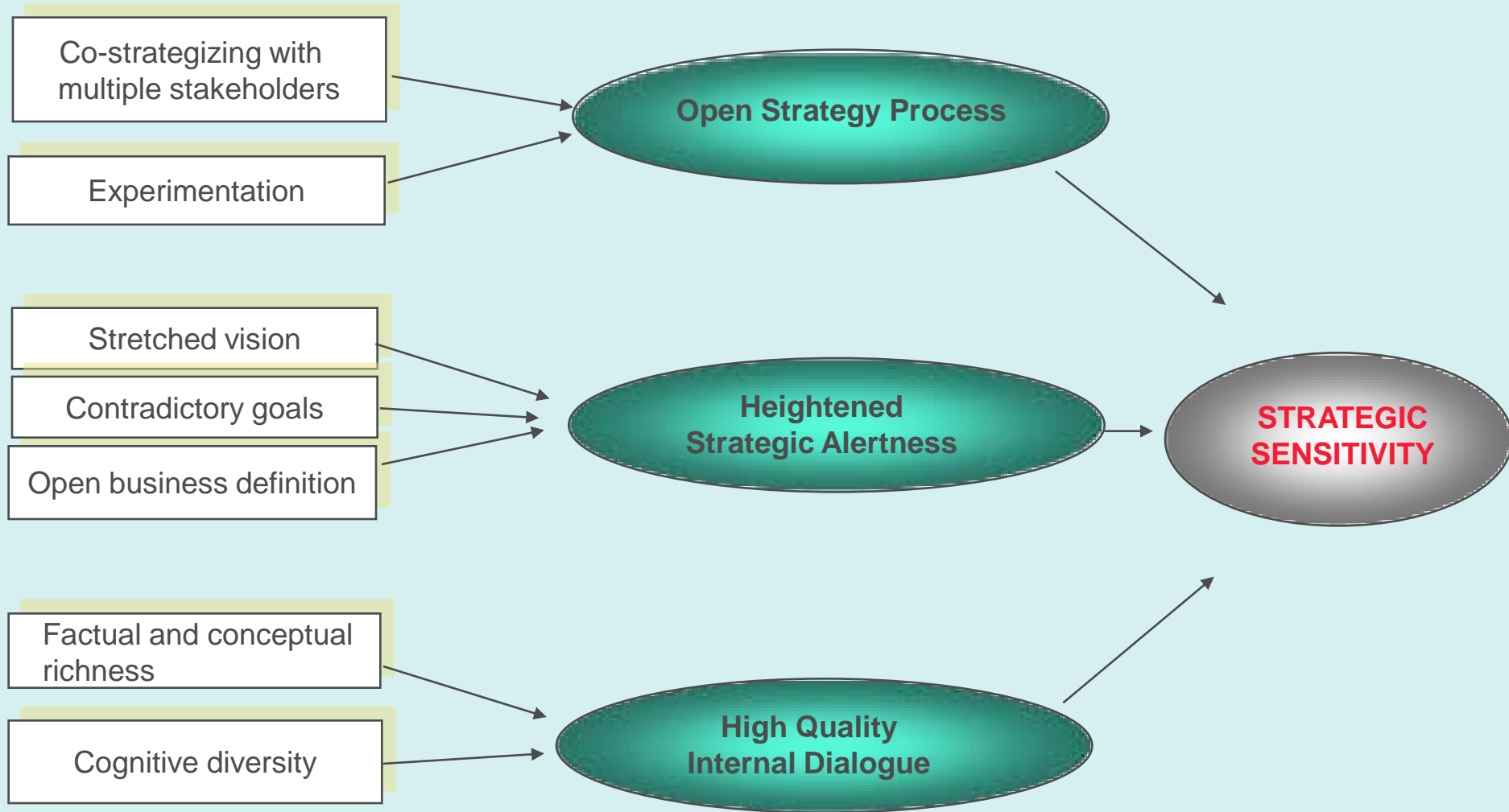
For more information on Strategic Agility

please contact:

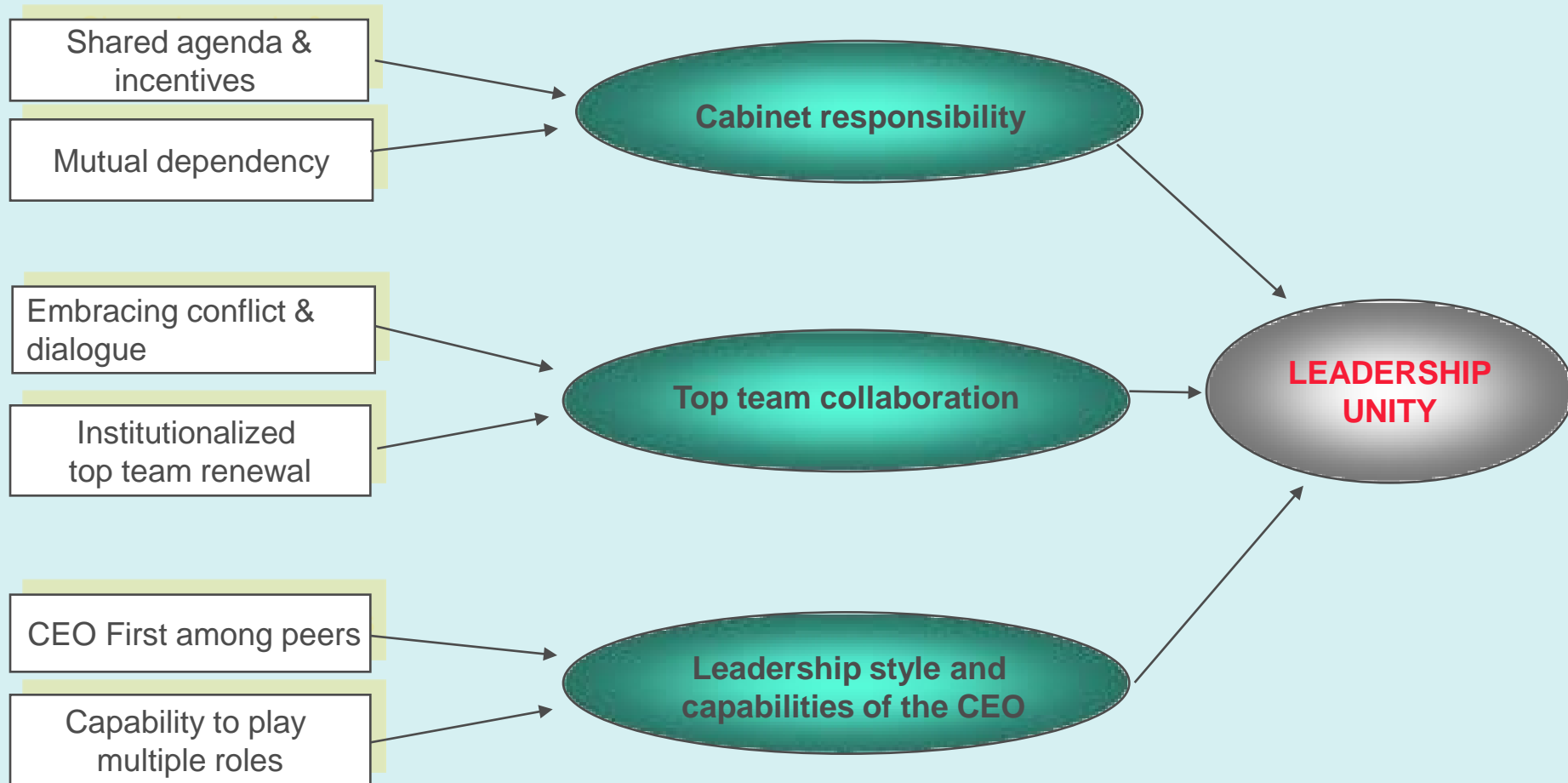
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# Through the magnifier lens: Drivers of Strategic Sensitivity



# Drivers of Leadership Unity



# Drivers of Resource Fluidity

